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Vegetable prices drop

K.Lakshmi

Thanks to yield in Andhra Pradesh, Karnataka

However, many customers say that the decline in the wholesale rate does not often reflect in the retail market

— Photo: K.V.Srinivasan

Cheerful trend: The decline in the prices has meant more vegetables on the menu in many households.

CHENNAI: Vegetable prices, which made a big dent in household budgets until a few weeks ago, have dropped drastically, much to the delight of the residents.

Customers who were spending frugally on vegetables owing to their cost now shop generously for their favourite items. Karthika Selvakumar, a resident of Chitlapakkam, said “Until early March, I used to spend Rs.150-Rs.200 on vegetables for four days. Now, I am able to purchase the same quantity within Rs.100. I have once again started including lady's fingers and drumsticks in my daily menu.”

According to wholesale traders in Koyambedu market, most vegetables are usually priced less during summer owing to more arrivals. This time, good yield in Andhra Pradesh and Karnataka, from where Chennai gets most of its supply, have resulted in the produce costing cheaper than last summer.

With the ban on fishing coming into force recently, price of seafood is also bound to increase in the next few days. S.Solomon who sells seafood at Anna Nagar said the price of seafood would go up by Rs.70 a kg. Many households have begun opting for vegetarian diet to reduce food expenditure.

At the wholesale market, onions are priced at Rs.10 a kg, tomatoes, brinjals and potatoes cost Rs.8 a kg. While beans and yam are some of the expensive vegetables, costing Rs.20 a kg, cabbage and cucumber priced at Rs.3-Rs.4 a kg are the most affordable.

Among the four varieties of brinjals, the ‘disco' variety is priced at Rs.3 in the wholesale market. S.Chandran, secretary of Koyambedu Market Licensed Merchants Association said the market normally receives only 10 tonnes of drumsticks daily. It has increased to 50 tonnes. This has brought down the price, which peaked to Rs.100 early this year, to Rs.22 a kg in the wholesale market.

“It is from here that the produce is supplied to other markets in the city, including Aminjikarai and Parrys' Corner. The cost of vegetables would remain stable until June,” he added.

However, many customers said that the decline in the wholesale rate does not often reflect in the retail market. While some vegetables are priced marginally higher, there are those that continue to be expensive. S.Selvanayagam, who runs a retail vegetable market in Kilpauk, said "we also have to take into consideration the transportation charges when we fix retail price."

Traders who buy a sack of vegetables without assorting them, in the wholesale market, tend to pay less. Quality produce is priced at least Rs.2 more per kg. The price of vegetables sold to the retailers also comes down as the business hours at the wholesale market draws to a close, he said."Though the wholesale rate of carrots was Rs.7 a kg, I bought it for Rs.13 a kg at the market and sell it for Rs.18 here," he added.

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Favourable conditions spur vegetable farming

G.V. Prasada Sarma

Rain towards the end of 2010 further improves the situation

Small farmers in the region are now growing vegetablesThe sown area goes up from the normal of 10,280 ha to 11,000 ha

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PHOTO: C.V.SUBRAHMANYAM

Brisk business:Customers buying vegetables at a stall at Seethammadhara rythu bazar in Visakhapatnam. —

VISAKHAPATNAM: With the real estate boom past its peak and rise in prices getting good returns small growers are going back to cultivating vegetables increasing crop area. Coupled with copious rain towards the end of 2010 and no major problem in the rabi season the availability of vegetables has improved this year so far. It is evident from the scene at Rythu bazars where prices are low.

It is estimated that five years before the real estate boom had begun about 40,000 farmers grew vegetables. For two, three years from 2006 as land prices went up, the number had come down. But during the past three years, the trend reversed. Some of those who purchased the land for real estate are putting a part of it back in growing vegetables. With prices not at peak level, small farmers who were toying with the idea of selling land are now growing vegetables.

Because of the favourable conditions sowing went on from November to February and as a result the surplus conditions that come to an end somewhere in late March or early April will now stretch up to May 15, says Horticulture Assistant Director S. Ramamohan.

The sown area went up from the normal of 10,280 ha to 11,000 ha.

The Horticulture Department's efforts also helped farmers improve productivity.

Subsidy

The department provides a subsidy of Rs.3,000 a ha for about 3,000 ha. Its activities are in 54 villages mainly in Sabbavaram, Pendurty, Kasimkota, K. Kotapadu, Anandapuram, Parawada and Anakapalle and Achyutapuram mandals. All of them are going in for hybrid seed improved yield from 6 tonnes to 8 tonnes an acre. Further improvement - up to 15 tonnes - depends upon staggered sowing and good farm practices. Formation of trellis, raising support for creepers and supply of crates and seed -- all at 50 per cent subsidy -- helped increase productivity, says Mr. Rammohan.

It is estimated that from an acre a farmer could make up to Rs.60,000 from two crops.

While consumption has been increasing there has not been a commensurate growth in area. The only way out is to increase productivity. Apart from the department's efforts, others also started doing it seeing the benefits.

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Mangoes arrive in markets as season begins

Meera Srinivasan

Axe will fall on sellers of chemically ripened fruits

— Photo: K.V.SRINIVASAN

Sweet line-up: The arrival of the king of fruits has brought cheer among mango lovers. A fruitseller in T. Nagar on Friday.

CHENNAI: As the most sought-after seasonal fruit begins to make its appearance in the city, the Chennai Corporation is gearing up to curb the sale of mangoes ripened using chemicals.

According to its Health Officer P. Kuganantham, teams of health department officials have been sensitised and trained to identify and seize mangoes that have been ripened artificially. In the last few years, some fruit vendors were found selling mangoes ripened using calcium carbide.

The last few years have seen the Chennai Corporation conducting raids on godowns and storage points of fruits every summer. “We have been adopting the practice for the last four years. We seized over 150 tonnes of mangoes in a year and over 25 tonnes of calcium carbide kept in some of the godowns,” Dr. Kuganantham said.

Food inspectors, along with sanitary inspectors, will conduct raids at different points across the 10 zones of the Corporation, including the wholesale market in Koyambedu.

Mangoes that have been ripened prematurely could be identified easily, say officials. The smell, the sheen of the skin and the taste will easily give away the use of chemicals, if any. “Premature ripening of fruits is not only in the case of mangoes, we find it in papayas and bananas, too,” says Dr. Kuganantham, adding that such fruits could have serious health implications.

While symptoms such as vomiting and diarrhoea are common among children who eat such fruits, adults might suffer gastrointestinal problems.

A team of officials of the Corporation's Health Department is in the process of identifying godowns that will stock huge quantities of mangoes. “We will start picking up samples after the season peaks. The season has just begun,” he adds.

In addition to implications on health, the quality of fruits sold is an important consideration for those in the business, too. Whether it is about retaining customers or deciding on the price of the fruits, quality plays a key role, say wholesalers.

S.Srinivasan, president of Wholesale Fruits Commission Agents Association, Koyambedu, says the season of mangoes has just begun. Welcoming the Corporation's initiative to raid, seize and destroy fruits ripened artificially, he said: “After they [the civic body] started the raids, there is more awareness and suppliers are forced to be cautious. That helps us ensure better quality,” he says.

While a reasonable stock of mangoes produced in different parts of Tamil Nadu and Kerala, including Salem, Tenkasi and Palakkad has begun making its way into the local market, wholesalers are waiting for the stock from Andhra Pradesh. “It is taking time. I think it is to do with the climate change. What we usually receive in March comes only in May these days,” he says.

Depending on the quality, one kg of the Banganapalli variety of mangoes is priced anywhere between Rs.40-80. The Imampasand variety costs between Rs.80-100.

“The Alphonso or the variety we call Goa here comes from Ratnagiri, Pune and Mumbai. The varieties are slowly coming in and we hope to have a good season.”

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Inflation surges to 8.98 % on higher food, manufactured goods prices

Special Correspondent

NEW DELHI: Headline inflation surged beyond the 8 per cent fiscal year-end projection by the Reserve Bank of India (RBI) to 8.98 per cent in March from 8.31 per cent in February, driven mainly by rising prices of food items and manufactured goods.

With the WPI (wholesale price index) headline inflation breaching the RBI estimate, which stood revised up from 7 per cent to 8 per cent for the fiscal year ending March 31, 2011, by nearly a full percentage point, a further hike in key short-term lending and borrowing (repo and reverse repo) rates by the apex bank is almost a certainty when its credit and monetary policy comes up for review on May 3.

However, considering that the RBI has hiked its key policy rates eight times consecutively since March 2010 and yet overall inflation continues to rule way above the “comfort zone” of 5 to 6 per cent, questions are being raised on whether monetary measures alone would suffice in dousing the inflationary spiral in the coming months.

According to the WPI data on headline inflation released here on Friday, food articles turned dearer in March by 9.47 per cent owing to cereal prices going up by 3.96 per cent and rice and wheat by 2.69 per cent and 0.75 per cent, respectively. While food inflation has since eased to 8.28 per cent for the week ended April 2 following a cooling in prices of certain edibles, the worrisome factor is the manufactured goods group index which went up by 6.21 per cent on an annual basis. For overall inflation numbers, the rise is significant as manufactured articles have the highest weight of 64.9 per cent in the WPI. The overall inflation for January has been revised up to 9.35 per cent from the provisional estimate of 8.23 per cent.

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Heavy rain lashes Coimbatore

Special Correspondent

Coimbatore: A heavy rain accompanied by dusty wind lashed Coimbatore city on Friday evening.

The rain came as a relief to Coimbatoreans who were suffering from soaring mercury level. The rain led to inundation of low-lying areas and disruption in power supply.

Reports reaching here said that catchment areas of Siruvani and Pillor also received substantial rain.

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CRRI marching ahead to make paddy cultivation profitable

Correspondent

It develops 82 new rice varieties during its 64 years of existence

CUTTACK: Central Rice Research Institute (CRRI), premier rice research centre of the country here, is now ready with two new high-yielding varieties of rice which are waiting for the central committee nod. With these two varieties in pipeline, the institute now boasts of developing at least 82 new rice varieties during its 64 years of existence.

The institute during previous two years had come with 11 new varieties of which five were exclusively suitable for varied ecosystems of Orissa, its Director T K Adhya told newsmen here on Friday.

He said the new rice varieties were released by the Central and State committees for general cultivation in different parts of the country.

While varieties like – CR Dhan-701, CR Dhan-601, CR Boro Dhan-2, CR Dhan-401, and CR Dhan-501 – were released by the Central committee for cultivation in States like Bihar, Gujarat, Assam, Tamil Nadu, West Bengal and Andhra Pradesh, the Orissa State sub-committee has released CR Dhan-801, CR Dhan-401, CR Dhan 402, CR Dhan-403, and CR Dhan-901 for cultivation in the State, Adhya said.

Similarly, CR 2301-5 and CR2285-6-6-3-1, which are of high yielding varieties and desirable cooking qualities, are ready to be okayed by the Central committee as these varieties were cleared for release during an all-India meeting held in Hyderabad last week, the Director added.

The scientists of the institute pointed out that among the five varieties released for the State; two are extremely favourable for the coastal saline areas of Jagatsinghpur and Kendrapara districts. “These varieties can give a yield of 3.5 to 4.0 tonnes per hectare having duration of 150 to 155 days”.

Besides, the institute has also released an aromatic variety, CR Dhan-901, which has been developed from Chinikamini, a popular land race of southern Orissa having a yield potential of 3.5 tonnes per hectare.It may be mentioned here that the institute had last released new scented rice Geetanjali and Ketakijoha which have found a niche in Orissa climate and are popular among farmers.Adhya also said that apart from developing high-yielding varieties, the institute was also engaged in developing agro-technologies for benefit of rice farmers.

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Business Standard

Monday, Apr 16, 2011

Veg oil imports decline 31% in March

BS Reporter / Mumbai April 16, 2011, 0:02 IST

Vegetable oil imports continued a declining trend for the fifth consecutive month this year due to increased availability from domestic sources.

Data compiled by the apex trade body, the Solvent Extractors' Association (SEA), shows import during March declined 31.1 per cent to 435,735 tonnes as compared to 632,868 tonnes in the comparable month last year.

In the first five months of the current oil year (November 2010-October 2011), however, total imports averaged a total decline of 16.5 per cent to 3.13 million tonnes, as compared to 3.75 million tonnes in the corresponding period of the previous year.

NOT SO GOOD

Import of veg oil (edible and non - edible), quantity in tonnes

Month	2009-10	2010-11	% change
Nov '10	7,53,966	6,68,917	-11.3
Dec '10	7,87,423	7,52,688	-4.4
Jan '11	8,72,395	7,21,197	-17.3
Feb '11	7,00,769	5,49,881	-21.5
Mar '11	6,32,868	4,35,735	-31.1
Total	**37,47,421**	**31,28,418**	**-16.5**

SEA executive director B V Mehta attributed the decline to four factors — higher production of oilseeds during kharif and rabi season, increased crushing activity boosting local availability, good crushing parity due to high prices of oil and export demand for oilmeals and negative margin in import and high prices of edible oil pulling demand growth down.

Mehta clarified that import had increased substantially in November 2009-March 2010 due to less crushing during the season. However, this year situation was different and hence the negative growth.

As a consequence, the current stock position both, at the port and in the pipeline, also declined 12 per cent to 1.35 million tonnes as on April 1 as compared to 1.53 million tonnes a month ago. The current stock position is the least in the first five months of the ongoing oil year.

Between November and March of the current oil year, import of RBD palmolein was down by 24 per cent at 461,034 tonnes as compared to 608,523 tonnes during the same period last year. The share of refined oil stood at 15 per cent. Contribution of crude oil in the overall import basket during the first five months of the current oil year was recorded at 85 per cent and reported at 2.56 million tonnes as compared to 2.98 million tonnes during corresponding period of the previous year.

Palm oil import in the first five months of the current oil year was reported at 2.35 million tonnes, as compared to 2.81 million tonnes during the same period of last year. Similarly, soft oil imports decreased to 677,746 tonnes as compared to 773,218 tonnes last year.

THE HINDU Business Line

Rubber futures remain weak

Kottayam, April 15:

Domestic rubber futures ruled weak except for April which expired marginally higher at Rs. 239 a kg (Rs 238.45) on Friday. The May series slipped to Rs 243.35 (Rs 245.25), June to Rs 247.47 (Rs 249.89), July to Rs 247.60 (Rs 248.79), August to Rs 242.50 (Rs 243.75) and September to Rs 235 a kg (Rs 235.99) for RSS-4 on the National Multi-Commodity Exchange.

In the international market, RSS-3 weakened at its April futures to ¥464.7 (Rs 247.50) from ¥468 a kg during the day session, and then to ¥454.9 (Rs 242.28) in the night session on the Tokyo Commodity Exchange.

The spot rubber market remained closed on account of *Vishu*.

‘Surging food prices drive 44 million people to poverty'

WORLD BANK REPORT

Kozhikode, April 15:

World food prices, 36 per cent above the levels a year ago, remain volatile and threaten to push more people below the extreme poverty line.

According to the latest issue of World Bank's Food Price Watch, rise in prices had already driven around 44 million people into poverty since last June, and a 10 per cent increase in the prices will result in an additional 10 million people drifting below the $1.25-a-day extreme poverty line.

A further 30 per cent rise in the prices will lead to 34 million more people going below the poverty line. The World Bank has estimated that there are about 1.2 billion people worldwide living below the extreme poverty line.

The higher food prices of late are attributed partly to the spike in fuel costs in the wake of events in West Asia and North Africa. The crude oil price increased by 21 per cent in the first three months of 2011. Other reasons cited are severe weather events in key grain exporting countries, export restrictions and low global stocks.

The price of maize has gone up by 74 per cent over the last one year, that of wheat increased by 69 per cent, soyabeans 36 per cent and sugar by 21 per cent. Besides, prices of vegetables, meats, fruits and cooking oil continued to rise in many countries.

Measures suggested by the report to reduce the impact of high food prices on the poor include targeting social assistance and nutritional programmes to the poorest, removing grain export restrictions, improving the capacity of countries to manage volatility through financial instruments, better weather forecasting, more investments in agriculture, adoption of new technologies and efforts to address climate change.

Falling Coonoor tea sales worry small growers

Coonoor, April 15:

Small tea-growers in the Nilgiris, the largest tea producing district in South India, have called for discussions with buyers to augment the sale percentage at the auctions of Coonoor Tea Trade Association (CTTA).

Close to half the volume offered for sale at the auctions has remained unsold in the recent weeks. “Consequently, the bought-leaf factories are heading for cash crunch. This is adversely affecting the payment being made to the small growers,” Mr H. Thiagarajan, President, Nilgiris Small Tea Growers' Association, told *Business Line*.

“The price growers receive for the green leaf they supply to the factories has fallen to Rs 9.50 to Rs 10 a kg — some Rs 2 a kg less compared to a fortnight ago. Since the prices of top quality teas have fallen sharply in the auctions, the demand for our top quality green leaf has come down. We are worried that when the harvest increases in the coming ‘rush season', growers will be stranded without buyers,” he said.

“Already, warehouses are complaining of space shortage due to slow moving arising from low off-take at the auctions. There will be no space to store further teas and factories will scale down production. This will throw small growers into deep crisis when the peak ‘rush season' comes,” he explained.

“We are, therefore, urging Tea Board, CTTA and bought-leaf factories' associations to hold pointed discussions with buyers' representatives to augment sale. Promotion is the need of the hour,” Mr Thiagarajan said.

Pepper futures decline

Kochi, April 15:

Pepper futures on Friday dropped on liquidation after witnessing volatility.

The spot market was closed on account of *Vishu*. There was no trading as financial institutions and markets remained closed, trade sources told *Business Line*.

April contracts on the National Commodity and Derivatives Exchange dropped by Rs 191 to close at Rs 26,265 a quintal. May and June declined by Rs 92 and Rs 125 to close at Rs 26,930 and Rs 27,405 a quintal.

Turnover dropped 2,015 tonnes to 11,294 tonnes. Open interest moved up 20 tonnes to 13,940 tonnes.

April open interest fell by 540 tonnes to 1,571 tonnes. May and June moved up by 360 tonnes and 158 tonnes to 10,512 tonnes and 1,439 tonnes.

spot prices

Spot prices remained steady at Rs 25,000 (ungarbled) and Rs 25,800 (MG 1) a quintal, as the market was closed.

Indian parity in the international market remained competitive at $6,300-6,400 a tonne (c & f).

Uptrend continues in chickpea

Indore, April 15:

Pulse seeds witnessed mixed trend on scattered buying ahead of the three-day holiday in local *mandis*, beginning tomorrow with *Mahaveer Jayanti*. Pulses remained steady despite subdued demand. Chana witnessed an uptrend for the second consecutive day with chana (kanta) quoting Rs 20-25 up at Rs 2,340-2,350 a quintal on improved buying interest from millers.

Taking cues from chana (kanta), chana (desi) also gained slightly with its price in the spot quoted at Rs 2,300 a quintal, while chana (mausmi) quoted at Rs 2,350-2,400 a quintal. Arrival of chana was better with 7,000-8,000 bags being offloaded in local *mandis*. Chana dal, however, ruled firm with chana dal (bold) being quoted at Rs 3,000-3,025, chana dal (medium) quoted at Rs 2,900-2,925 andchana dal (average) quoted at Rs 2,775-2,800.

Dollar chana or chickpea witnessed uptrend on better export demand. In the spot, it was quoted about Rs 200 up at Rs 5,400-5,600 a quintal. Arrival was at about 6,000 bags.

Improved queries perked up tur (white) by Rs 50 at Rs 3,625 a quintal. Tur (Nimari) quoted at Rs 3,000-3,200 and tur (red) quoted at Rs 3,300-3,350 a quintal. Tur dal also remained unaffected with rise in tur, and it ruled firm on subdued buying interest. In the spot, tur dal (marka) quoted at Rs 6,400 a quintal, tur dal (full) quoted at Rs 5,700-5,800 and tur dal (sawa no.) quoted at Rs 5,150-5,200 a quintal.

Masoor also witnessed marginal gain on improved demand with masoor (bold) quoted at Rs 10-15 up at Rs 3,240-3,250 a quintal. Masoor dal, however, ruled firm with masoor dal (bold) quoted at Rs 3,900-3,925, masoor dal (medium) quoted at Rs 3,775-3,800 and masoor dal (average) quoted at Rs 3,675-3,700 a quintal.

Moong and urad ruled steady on weak buying interest and slack demand. Moong (bold) in the spot quoted at Rs 5,000-5,100 and moong (medium) quoted at Rs 4,500-4,700 a quintal.

High stocks, a handicap for mango processors

No takers even for offers at discount to last season

Chennai, April 15:

A large volume of costly stocks of mango pulp carried over from the last season could hit prospects for processors this season as overseas buyers are staying away, say fruit processors and merchant exporters.

Last year, when the mango crop failed, fruit prices had increased steeply and pushed up prices of mango pulp, which is primarily produced for export. Buyers in West Asia and Europe, the two major markets for mango pulp from India, turned to Latin America. Political unrest in West Asia had also contributed to the demand falling rapidly.

According to Mr Sreeram Chellappa, Chief Executive Officer, Sterling Agro, a processor and merchant exporter, says the prices of *Thothapuri* mango variety that is processed in South India were three times the normal last year at Rs 18 a kg. Production and sales of mango-based drinks by large branded players has also increased in the domestic market contributing to the increase.

Pulp prices had increased in tandem to about Rs 900 a carton of 18.6 kg.

The current season's arrivals are expected from May with normal levels of crop from growing areas in Dharmapuri, Krishnagiri, Salem and Chittoor. However, some diversion of stocks could happen with Alphonso arrivals down in Ratnagiri, he says.

About 20,000 tonnes of stocks have been carried over from last year's season, says Mr Goverdhana Bobby, Executive Director, Suvera Processed Foods, based in Chittoor, Andhra Pradesh, and Executive Member, Chittoor District Fruit Processors Federation, which represents over 65 units in the industry cluster there.

The processors had paid farmers about Rs 16-22 a kg, which meant that pulp prices had increased steeply. Processors' cost was $21 a carton last season. They are now offering it at $14 but find no takers.

working capital

Processing units, which should have had a production plan in place with orders placed for tin and cardboard packaging material by now, are yet to plan for the current season. The industry is hoping that financial institutions will reschedule loans and enhance limits on stocks, enabling them to avail of working capital for the current season.

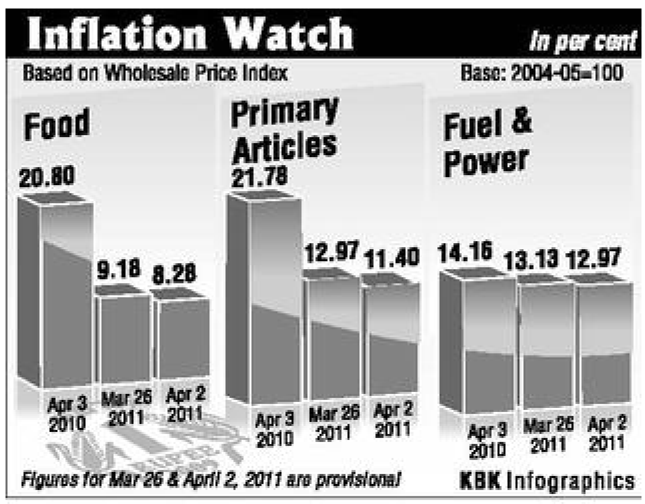
Mr E. Madhavan, General Secretary of Dharmapuri and Krishnagiri Districts Fruit and Vegetable Processors Federation, says about 550 container loads — that is, about 18.6 tonnes a container — were in stock with processors and merchant-exporters. The processors here had sold about

8,400 containers in 2009, but in 2010 sold only about 5,600 due to poor market conditions. This carryover of the costly stocks has handicapped the processors.

During the current season, normal levels of production are expected with about 2.5 lakh tonnes of *thothapuri* available for processing. In addition, about 50,000-1,00,000 tonnes of various other varieties go to Rajasthan, Gujarat, including Ahmedabad, and Mumbai as fresh fruits for table consumption. The local markets in the South consume an additional one tonne of fresh fruits, he says.

Inflation up at 8.98% on costlier vegetables, fuels

Food Price Index rises 9.35% in March; fuel index up 12.92%



New Delhi, April 15:

Inflation, based on the annual Wholesale Price Index, rose faster than expected in March to 8.98 per cent on higher prices of vegetables, fuels and manufactured products.

The March reading was well above the Reserve Bank of India's inflation projection of 8 per cent for the last month of fiscal 2010-11, adding pressure on the central bank to tighten its monetary policy. The latest estimate was also sharply higher than the year-on-year increase of 8.31 per cent recorded in February.

JANUARY DATA REVISED

Meanwhile, January's reading was sharply revised up to 9.35 per cent from 8.23 per cent reported earlier, and analysts expect the March reading could eventually be adjusted upwards into double-digits. “More monetary tightening is inevitable after today's data and the case for a 50 basis point hike in May is strengthened,” an analyst said. The RBI's next policy review meeting is scheduled for May 3.

According to the monthly data released by the Ministry of Commerce and Industry on Friday, the food price index rose an annual 9.47 per cent in March, compared with a reading of 10.65 per cent in the previous month, and the fuel price index increased 12.92 per cent annually from 11.49 per cent in February, primarily on account of a coal price hike getting factored in. Manufacturing inflation surged sharply to 6.21 per cent in March, compared with 4.94 per cent recorded in the prior month.

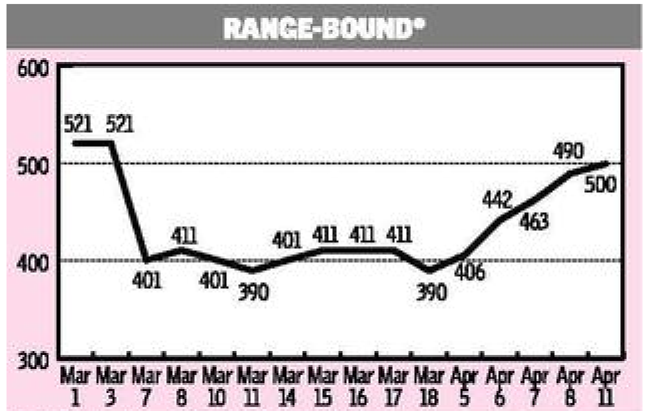
WEEKLY DATA

Weekly inflation data, also released on Friday, shows that food inflation fell to a year's low of 8.28 per cent for the week ended April 2, as certain essential items, like pulses and wheat, showed a declining trend. Food inflation has declined for the third consecutive week. The figure was 9.18 per cent in the preceding week.

The lowest level of food inflation as seen in 2010 was on November 20 when it stood at 8.6 per cent. During the week under review, pulses dipped by 4.76 per cent, and potatoes and wheat were down 2.73 per cent and 1.05 per cent respectively on an annual basis, official data released here show.

However, other food items continued to gain, with fruits up 24 per cent year-on-year, and the eggs, meat and fish subgroup surging 11 per cent. On an annual basis, milk was up 4.05 per cent, cereals were up 3.49 per cent, and rice and wheat surged by 2.2 per cent. Vegetables were up by 5.41 per cent, led by onion, which surged 7.74 per cent on an annual basis.

Onion stable as exporters mop up higher arrivals



*Modal price at Pimpalgaon market in Rs/quintal
Source: NHRDF

Chennai, April 15:

Export demand kept onion prices stable this week despite increased arrivals in primary markets of Maharashtra and Gujarat.

The modal price or the rate at which most trade took place was Rs 490-500 in most Maharashtra markets, same as last week.

“Prices are stable since lot of exports are taking place. Exports have picked up after the minimum export price was cut to $175 a tonne,” said Mr Rupesh Jaju, Director of Nashik-based United Pacific Agro Pvt Ltd.

Under pressure after onion prices ran up to nearly Rs 100 a kg in retail outlets, the Centre banned onion exports in December. However, the ban was lifted in February as late kharif arrivals began to flood markets. Growers, too, resorted to protests since they were fetching poor prices However, the Centre began fixing minimum export price to keep a lid on exports.

Initially, the floor price was fixed at $600 a tonne but four revisions in March saw it down to $175. Though arrivals were higher compared with last week, growers are reportedly holding back produce. For example, arrivals at Pimpalgaon were over 1,000 tonnes on Monday and Wednesday this week compared with around 800 tonnes last week.

“Arrivals are lower than what they were 2-3 weeks ago,” Mr Jaju said.

“Growers are holding back their produce and are bringing them in a restricted manner,” said Mr Madan Prakash, Director of Chennai-based Rajathi group of companies that exports onion. “Demand is matching arrivals, keeping prices stable,” said Mr Prakash.

Meanwhile, Peru has begun to give stiff competition to Indian onon in European markets. “Peru is offering quality onion and price-wise, too, it is competitive,” said Mr Jaju. Peru onions are sweet and therefore, they may not cause much damage to the demand for spicy Indian onions. Prices are seen ruling around this range next week too. “If there are no rains now, prices will remain at these levels. If it rains, then prices will go up at least by Rs 200 a quintal,” said Mr Jaju.

This is because farmers could hold back their produce.

Cotton continues to wilt as demand wanes

Rajkot, April 15:

With demand waning, cotton prices have fallen more than Rs 5,000 a candy in the last two weeks.

Gujarat's Sankar-6 cotton was traded at Rs 47,000-57,000 a candy, 356 kg, a fall of Rs 1,500 in the past two days. Cotton has decreased almost Rs 5,000 from the all-time-high of Rs 62,500 a candy. Raw cotton also continued to decline.

It was traded at Rs 1,200-1,250 for 20 kg, a decline of Rs 50 in a week.

Arrivals were 58,000-60,000 bales (170 kg each) across the country and 20,000 bales in Gujarat.

A Rajkot-based cotton broker said: “South-based yarn mills are keeping away from the market as they have ample stocks. Export quota is over, so that exporters also are not in the market. These are pressurising cotton.

“Moreover, quality of cotton is also not good. In coming days, cotton price will continue to fall.”

India is likely to achieve a record cotton output in the 2011-12 at 35 million bales as farmers are expected to increase the acreage, buoyed by higher prices, the US Department of Agriculture said. Cotton production of India, the world's second biggest producer, is estimated at 31.2 million bales in 2010-11 season (August-July).

Edible oils decline on weak global cues

Mumbai, April 15:

Edible oil prices declined, taking cue from the weakness in foreign markets on Friday. In the absence of ready availability, spot palmolein increased Re 1 for 10 kg on lack of selling pressure.

Soya-refined oil lost Rs 7, groundnut and sunflower oil declined by Rs 5 and rapeseed oil came down by Rs 2. Cotton oil lost Rs 4 on bearish mood.

The Volume was thin on Friday.

Only around 120-150 tonnes of palmolein were traded in resale in the range of Rs 558-560. In indigenous oils higher arrivals of seeds kept the morale bearish.

In Malaysia, expectation of better-than-expected output and a build up in end-month stocks weighed on sentiment.

Malaysian crude palm oil closed lower by 39 and 47 ringgits a tonne. Liberty was quoting palmolein Rs 564 for ready and Rs 548 for June; Ruchi's rate was Rs 551-552, soya-refined Rs 590 and sunflower oil Rs 652. Allana's rate for palmolein was Rs 560. Resalers were quoting palmolein at Rs 558-559.

Malaysia's CPO futures - NBOT futures:

Malaysia's BMD CPO futures May-11 closed at 3,275 (3,314), June-11 was 3,235 (3,282) MYR a tonne. Indore, NBOT soya oil futures May-11 sharply decline to Rs 611 (Rs 622.50), June-11 was at Rs 618.00 (Rs 629.50).

Mumbai commodity exchange spot rate (Rs/10 kg):

Groundnut oil 820 (825), soya-refined oil 592 (599), sunflower exp. ref. 625 (630), sunflower ref. 665 (670), rapeseed ref. oil 602 (604), rapeseed expeller ref. 572 (574), cotton ref. oil 590 (594) and palmolein was 562 (561).

Summer demand sweetens sugar

Mumbai, April 15:

Sugar appears to be entering the positive zone as prices at the mill level continued to rule firm on Friday.

Fresh local buying in Vashi markets, limited the decline of Rs 5 in spot as mills continued to offer tender at current rates with Rs 5 /Rs 10 gain or loss. In line with tender rates, naka rates were under pressure. After a big gap, fresh trade of three-four rail rakes with neighbouring States took place, providing a further boost to to firm sentiment.

Arrivals and dispatches were at a par on increase demand. Local stockists have now started inventory buying too. Mr Jagdish Rawal, a wholesaler, said sugar is now witnessing active business on higher consumption demand for summer. As the crushing season is coming to an end next month, stockists have taken to inventory buying. Mills are getting good response from buyers locally and in neighbouring States. This week, the volume of trade was good.

On Thursday, about 26-28 mills came with tender offer and sold about 1.25- 1.50 lakh bags (100 kg each) of sugar in the range of Rs 2,620-2,660 for S-grade and Rs 2,670-2,760 for M-grade, including 3-4 rail rakes (each 27,000 bags) bought by eastern side buyers.

In the coming days, buying is expected from other centres in Maharashtra. Gujarat and Rajasthan are buyers for better quality sugar from Maharashtra as prices are ruling firm in the North. At the Vashi market, arrivals were 58-60 truckloads (each 100 bags) and local dispatches were 56-58 truckloads, said Mr Rawal.

The Bombay Sugar Merchants Association sugar spot rates (in Rs/quintal): Spot: S-grade 2,751-2,821 (2,751-2,825) and M-grade 2,791-2,901 (2,792 -2,911).

Naka delivery rates: S-grade 2,730-2,750 (2,730-2,760) and M-grade 2,765-2,860 (2,770-2,850).

Turmeric pales on glut

Erode, April 15:

Spot turmeric price decreased sharply by Rs 1,000-1,400 a quintal on Friday on heavy arrivals.

“The Erode market received over 30,000 bags of turmeric on Friday. The market opened on Friday after a seven-day closure for Assembly elections and other local festivals. Due to heavy arrivals, the price of spot turmeric decreased Rs 1,400 a quintal,” said Mr R.K.V. Ravishankar, President, Erode Turmeric Merchants Association.

“The price of turmeric was also low in Sangli and Nizamabad. In the futures market also, the quotes were low. This reflected at Erode”.

Turmeric farmers were shocked by the drop in prices and as a result, refused to sell their produce. Bulk buyers say that the downward trend will continue for a few more days. At the Erode Turmeric Merchants Association sales yard, the finger variety sold at Rs 7,707- 9,499 a quintal. The root variety was quoted at Rs 7,009-9,069.

Salem crop: The finger variety fetched Rs 10,004-11,000 a quintal, and the root variety Rs 9,001-9,611. Out of the 7,135 bags that arrived only 620 were sold.

At the Erode Cooperative Marketing Society, the finger variety sold at Rs 8,237-10,205, the root variety at Rs 8,011-9,439. Of the 1,810 bags that arrived, 1,145 were sold.

At the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety sold at Rs 8,729-Rs 10,196, the root variety at Rs 8,600-Rs 9,489. Out of the 439 bags marked for sales, 406 were sold. At the Regulated Marketing Society, the finger variety sold at Rs 8,715-9,261, the root variety at Rs 8,366-8,666. Of the 1,705 bags for sale, only 595 were sold.

Wheat procurement in full swing in Haryana

Karnal, April 15:

Wheat procurement has picked up in Haryana and is now on in full swing as all Government-owned procurement agencies have started purchasing. Around 7,000 tonnes wheat arrived at the Karnal grain market terminal and ruled at Rs 1,120 a quintal on Friday. There was still no buying from the private sector.

According to the Bhartiya Kissan Union, the Centre has decided to give a bonus of Rs 50 a quintal, though the Government hasn't announced it yet, but the union condemned the move and has asked for more: at least Rs 200 a quintal. According to the spokesperson of Food and Supply department, around 8.20 lakh tonnes had arrived at various State *mandis* till Thursday. Of the total arrivals, around 8.19 lakh tonnes were procured by the six government-owned procurement agencies at the minimum support price while the remaining 989 tonnes were procured by the private sector, he said. Around 2.39 lakh tonnes were procured by Haffed, 1.99 lakh tonnes by Food and Supply department, FCI lifted 1.79 lakh tonnes, 84,162 tonnes by the Haryana Warehousing Corporation