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Students from Cornell University learn nuances of organic farming

Special Correspondent

Forty-six students and eight teachers underwent training

— Photo: Special Arrangement

With interest: Students of Cornell University undergoing training in organic farming in Udhagamandalam.

Udhagamandalam: A three-day training programme on organic farming for students and teachers of the Cornell University, the US, conducted by the Horticulture Research Station (HRS) of the Tamil Nadu Agricultural University here concluded on Monday.

The head of the HRS, N. Selvaraj, said that 46 students and eight teachers of the university had benefited.

They had been provided with hands on training on various organic farming practices adopted in India.

Vedic farming

Apart from Vedic farming practices like agnihotra, preparation of panchagavya, dasagavya and biodynamic compost, they were familiarised with commercial cut flower production technology and button mushroom production.

They were also taken on field visits.

While some of the students opined that farmers can reap long term benefits from organic farming and it would be particularly useful in drought conditions, teachers said that it will improve the health of the soil.

Low-cost organic farming technologies can easily be made part of the Indian farming system.

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Need for vertical growth in farm sector stressed

Staff Reporter

Naveen inaugurates International Crop Summit

Efforts should be made to increase productivity, says ICAR official

CM draws attention on adverse impact of climatic changes on agriculture

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Photo: Ashoke Chakrabarty

Chief Minister Naveen Patnaik in conversation with Naren Dey, Minister of Agriculture, West

Bengal at the India International Crop Summit-2011 organised by Indian Chamber of Commerce in Bhubaneswar on Monday.

BHUBANESWAR: Agriculture experts here on Monday emphasised on the need of vertical growth in farm sector with cultivable land remaining unchanged.

Addressing an International Crop Summit here, Swapan K. Datta, deputy director general (crop) of ICAR, said efforts should be made to increase productivity through promotion of hybrid seeds which are tolerant to flood, drought and salinity and take up need-based crop which suits to local soil.

For past few decades, the total cultivable land was fixed at 140 million ha in the country, he said.

By 2020, India needs additional 30 per cent growth in rice production, cereal (30 per cent), pulses (140 per cent) and oil seed (243 per cent), Mr. Datta said, adding it would be difficult to achieve the target in case of pulses and oilseeds.

The top official of ICAR praised systemic approach adopted by Brazil that enabled the country to increase value of agriculture produces by 360 per cent. They utilised every resource associated with agriculture sectors in a planned manner to derive maximum utility, he said.

Inaugurating the event, Chief Minister Naveen Patnaik drew attention on adverse impact of climatic changes on agriculture.

“The adverse impact of climate change is already manifested in erratic monsoon behaviour for the last few years. During the current monsoon season, while country as a whole received normal rains, parts of Orissa, West Bengal, Jharkhand, Bihar and Uttar Pradesh faced severe deficit leading to droughts. Within Orissa, while half of the State had better than normal rainfall, another half of the State faced a severe deficit,” Mr. Patnaik said.

Pointing out on shortage of labour for agricultural operation, Chief Minister said Orissa embarked upon an ambitious programme of farm mechanisation. “During this year alone, the State Government is likely to popularise about 14,000 power tillers, perhaps the highest for any

State in the country. In addition to equipment like power tillers, tractors and power threshers are also being promoted," he said.

Among others, West Bengal Agriculture Minister Naren Dey and Orissa Agriculture Minister, Damodar Rout also spoke on the event being organised by Indian Chamber of Commerce in association with Union Agriculture Minister and the State government.

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Higher compensation for crop loss sought

Prices of various commodities drastically declined despite fall in yield, says Rythu Sangham chief

'Government colluding with factory managements and denying advisory price for sugarcane'

KURNOOL: V. Subba Rao, AP Rythu Sangham State president, urged the government to increase the crop loss compensation to Rs. 10,000 for paddy and Rs. 15,000 for commercial crops. Mr. Rao said at a meeting here on Monday that Tamil Nadu was already paying a compensation of Rs 10,000 to its farmers while Kerala and Karnataka paid Rs 4,000 per acre.

Mr. Rao said Andhra Pradesh which boasted of a budget of Rs. 1.25 lakh crore this year should not hesitate to pay Rs. 5,000 crore to 50 lakh farmers in the State.

Mr. Rao, who interacted with farmers at the Market yard, said the prices of various commodities had drastically declined despite the fall in the yield. Paddy farmers had their yields down by 30 per cent this season.

The Rythu Sangham leader demanded the government to strictly implement the State support prices by taking up market intervention exercises. He alleged that the government had colluded with the factory managements and refused to announce State advisory price for sugarcane. As a result, the factory managements were paying very low prices for farmers.

Mr. Rao highlighted the plight of tenant farmers saying 50 per cent of the land in the State was cultivated by 40 lakh tenant farmers. Despite the promises by the Revenue and Agriculture Ministers in the past, the compensation was paid to land owners in 2009.

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Opportunity for maize cultivation in house plots

KOCHI: Interested in farming maize in your homestead farms or the vacant area in your house plot? The Krishi Vigyan Kendra of the Central Marine Fisheries Research Institute, Kochi, is willing to support those who nurture the dream for farming maize for domestic use. The Kendra has come forward with seeds and technical advice for the benefit of those who are keen on farming the crop.

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Farmers protest against ‘defective' tractors

Special Correspondent

MYSORE: A large number of farmers, led by executive president of the Karnataka Rajya Raitha Sangha (KRRS) Kodihalli Chandrashekar, on Monday staged a protest in Hassan against a Pune-based tractor company for having supplied “defective” tractors.

The farmers pulled the tractors from the Hemavathi statue to the office of the Deputy Commissioner and parked them on the office premises.

Raising slogans against the company, the farmers urged the Government to take back the “faulty” tractors.

Alleged

They alleged that they had been cheated by the company as it had supplied defective tractors which broke down within four months.

Speaking to presspersons, Mr. Chandrashekar said that the company had supplied 48 tractors to the farmers through various commercial banks that provided loans and had assured them of extending subsidy. The tractors did not run for even three months and had become a liability to the farmers.

He alleged that the company officials convinced the farmers that the tractors would give 18 km for 2 litres of diesel.

He said that the farmers approached the Consumer Court in Hassan in 2007.

The Consumer Court ruled that the company should provide compensation to the tune of Rs.1.48 lakh along with Rs.15,000 which the had farmers spent on repairs. However, with the company shutting shop, the farmers were left in a fix as they could not repay the loans they had taken the bank, he said.Accusing the Minister of Agriculture and secretary to Department of Agriculture of conniving with the tractor company, Mr. Chandrashekar said that the Government should make them responsible for the plight of farmers.Farmers leaders including Kanagal Murthy, Anekere Ravi and Swami Gowda also participated in the protest.

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‘No dearth of funds for irrigation projects'

HYDERABAD: Finance Minister A. Ramanarayana Reddy on Monday held out an assurance that the government would ensure there was no dearth of funds for the irrigation projects taken up under ‘Jalayagnam'.

According to an official release, he held pre-Budget consultations with Ministers of Irrigation, Tourism, Endowments, IT, Information and Public Relations and officials. Mr. Reddy told the meeting that the Government's aim was to implement the ‘Jalayagnam' programme taken up by YSR.

The Minister attributed the delay in release of funds for the projects to the shortfall in the revenue targets because of natural calamities. The government would prioritise the projects.

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At record levels

For Indian consumers reeling under high food prices, it might be small comfort that the rest of the world too is sharing the problem in varying degrees. In Algeria and a few other North African countries, riots have occurred over high food prices, although other factors such as the high levels of unemployment also contributed to the unrest. According to the Food and Agriculture Organisation (FAO), food prices hit a record high in December 2010, surpassing the levels touched in 2007-08, when food riots occurred in countries as far apart as Haiti and Bangladesh. The FAO's food price index, which tracks the wholesale prices of commodities such as wheat, rice, corn, oil seeds, dairy products, and meat rose to 214.7 per cent in December. The previous peak was 213.5, reached in June 2008. The FAO has said that the increase does not constitute a crisis, but admitted that the situation was “alarming”. The near-term outlook for food prices too is gloomy.

The rise in the food price index is attributed to an increase in the prices of sugar, oil seeds and meat. Sugar prices recently reached a 30-year high. While some comfort can be derived from the fact that the prices of rice have remained relatively stable, wheat prices are set to rise on the back of poor harvests in some major producing regions. As in India, high food prices are driving inflation beyond the comfort levels of central banks in many other countries. Also, macroeconomic management has become more complex as the price rise has been particularly sharp in the case of commodities such as vegetables, milk, and meat, which are increasingly preferred by consumers over cereals. Even as it seems certain that the global food imports by countries facing shortages will hit a record high in 2011, the policymakers in many countries are forced to adopt short-term measures such as banning exports of critical food items. At another level, the high agricultural prices are a further disincentive to conclude the Doha round of trade talks. Large agricultural exporters such as Brazil and Argentina that stand to gain enormously appear much less interested. Yet a globally coordinated strategy is necessary not only for furthering multilateral trade but also in areas such as checking the unbridled financialisation of commodities markets and encouraging speculation.

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NABARD ties up with Reuters for providing market information to farmers

R. Sairam

Project being introduced on a pilot basis in State owing to high penetration of mobile phones

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MADURAI: The National Bank for Agriculture and Rural Development (NABARD) has entered into a tie-up with the international news agency Thompson Reuters' Indian subsidiary to provide market information to farmers.

The one year programme is being introduced in Tamil Nadu from January as a pilot project by NABARD with Reuters Market Light (RML), a unit of Thomson Reuters India, contracted to provide information to farmers through Short Message Service (SMS), R. Shankar Narayan, NABARD Assistant General Manager, told The Hindu here on Monday.

“Around 750 farmers in Tamil Nadu, including nearly 200 in Madurai district, will benefit from this initiative, which is being provided completely free of charge. The beneficiaries are drawn from NABARD-sponsored Farmers' Clubs,” he said.

The service would help farmers avoid distress sale of their produce by providing access to real-time information on markets. The information would be sent in local vernacular languages to help farmers easily comprehend the inputs.

Farmers' preferences

The RML has been advised to provide information - such as spot crop prices, commodity news and other relevant rural information - regarding minimum of two crops and three market places. The preferences of the Farmers Clubs would be ascertained by RML before it begins to send the information.

The NABARD would bear the entire cost of RML subscription from its Farmers Technology Transfer Funds, which is used to provide various technological inputs to farming community. The Reuters unit has also been asked to document its experiences with the farmers to help NABARD take a view on expanding this pilot project.

The NABARD decided to take up this initiative after seeing its success in places such as Nagpur and Vidarbha region of Maharashtra, Punjab and Haryana, where farmers were privately subscribing to RML.

“The RML is providing such services to private clients in thirteen States. NABARD decided to sponsor this service first in Tamil Nadu owing to the high penetration of mobile phones,” said Mr. Shankar Narayan.

The NABARD expects this service to help farmers get clarity on the prices their produce would fetch, when they should harvest crops and the likely weather conditions besides availability of crop insurance.

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“Rs 17.91 crore deposited in bank accounts of flood-hit farmers”

Special Correspondent

CUDDALORE: A relief amount of Rs 17.91 crore has been deposited in as many as 50,000 farmers' accounts in the 142 Primary Agricultural Cooperative Banks (PACBs) across Cuddalore district, according to P.Seetharaman, District Collector.

In a statement here, the Collector stated that according to preliminary estimate agricultural crops on 23,156.80 hectares and horticultural crops on 2,999.25 ha in the district were destroyed by the recent floods.

Assessment continuing

The assessment of crop damage was continuing and after its finalisation further relief amount would be released.

Plea to farmers

The Collector appealed to the affected farmers to get the details of the relief amount deposited in their accounts from the respective PACBs.

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Egg prices soar to new high

Egg rates from July to December 2010

July	:	Rs. 251.94
August	:	Rs. 233.94
September	:	Rs. 236.17
October	:	Rs. 253.06
November	:	Rs. 278.90
December	:	Rs. 251.52

** Note: Cost per 100 eggs*

Namakkal: Namakkal poultry farmers had reason to rejoice on Monday, at the end of the National Egg Coordination Committee (NECC) price fixation meeting at the zonal office here. The price of egg fixed at Rs. 3.02 (50 paise more than December's average price of Rs. 2.52), would take effect from Tuesday. This was four paise more than the previous highest price of Rs 2.98 on Saturday.

Chairman of the NECC Tamil Nadu P. Selvaraj, told The Hindu that this was still the lowest price in the country compared to other egg production hubs such as Hyderabad (Rs.3.04), Mumbai (Rs.3.28), Vijayawada (Rs.3.04), Kolkata (Rs.3.42), Barwalla (Rs.3.38) and Delhi (Rs.3.50). The procurement price from the farmers was Rs 2.82 and fixed at Rs 3.02 after including the transportation cost, he added. The prevailing cold wave in North India was cited as the main reason for the price hike as the seasonal market attracted an average 25 lakh eggs per day of the district's average daily production of 2.75 crore eggs. A price drop has not been envisaged for at least a couple of weeks until the mercury rises in the north states.

According to NECC statistics, last year too there was a price escalation during the November 2009-January 2010 when the monthly average price hit Rs 2.74 from just Rs. 2. 39 in October 2009. It later dropped to Rs 2.41 in February 2010 soon after the cold wave ended.

“Consumption in Tamil Nadu and Kerala, that was at a low due to the ongoing Sabarimala season, would further push the price higher in the next few days ”, Selvaraj added. He pointed out that there was almost no scope for immediate increase in egg production to meet the market demand due to high labour cost. However, the cost at which 3.5 crore eggs were delivered to student beneficiaries under the Nutritious Meal Scheme on a weekly basis, was more competitive compared to the regular daily rates, industry sources said. The price of eggs under this scheme was fixed through monthly tenders called for by the respective district collectors, the sources added.

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Onion traders call off strike

Amruta Byatnal

Pune: Onion traders of Nashik on Monday began a strike in protest against the cap set by the government on the buying price of onions, but decided to call it off from Tuesday, with the Maharashtra government agreeing to revoke its decision. In a bid to stabilise prices, the government had issued a directive to the traders, stating that onions should not be sold above Rs.40 a kg. The traders in Nashik, one of the largest onion producing regions in the State, protested against this limit and went on a strike.

After a meeting, the traders decided to open the markets on Tuesday and carry on trading based on market prices.

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NAC won't give up on food security proposals

Smita Gupta

NEW DELHI: The Sonia Gandhi-headed National Advisory Council (NAC) has decided to stick to its recommendations made on the draft National Food Security Bill at its meeting on October 23 last, though these have been rejected by a government committee led by C. Rangarajan, who heads the Prime Minister's Economic Advisory Council.

The committee was constituted by Prime Minister Manmohan Singh to examine the feasibility of the NAC's recommendations.

A note, presented by the NAC's Working Group on Food Security, on Monday dwelt on the proposed entitlements as well as the setting up of a grievance redress mechanism for the scheme. This is to ensure that if proposed beneficiaries are deprived of their entitlements, they will be able to approach a designated authority and secure their rights. The NAC members felt that the note, which was deliberated on, should be “supported with more analytical content” and placed before the NAC at its next meeting on January 21.

Evidently, the NAC is trying to make one more effort to persuade the government to reconsider its position.

At its October 23 meeting, the NAC suggested that legal entitlements to subsidised foodgrains be extended to at least 75 per cent of the population — 90 per cent in rural areas and 50 per cent in urban areas. Further, priority households (46 per cent in rural areas and 28 per cent in urban areas) should be entitled to 35 kg (equivalent to 7 kg per person) every month at a subsidised price of Re. 1 a kg for millets, Rs. 2 for wheat and Rs.3 for rice, with rural coverage adjusted State-wise based on the Planning Commission's 2004-05 poverty estimates. The general households (44 per cent in rural areas and 22 per cent in urban areas), the NAC had said, should be entitled to 20 kg (equivalent to 4 kg per person) every month at a price not exceeding 50 per cent of the existing Minimum Support Price for millets, wheat and rice.

On January 7, the Rangarajan Committee rejected the NAC proposals on the grounds that raising procurement levels further would "lead to a lower availability of foodgrains for the open market, pushing up prices." Instead, while favouring mandatory entitlement of subsidised foodgrains to the 'priority' category as recommended by the NAC, it said it was not feasible to extend to the 'general' category legal entitlement of subsidised foodgrains under the Public Distribution System. The panel also suggested that the subsidised grain for the poor be linked to inflation and indexed to the Consumer Price Index in the coming years. This means the rate at which 35 kg of wheat (at Rs. 2 a kg) and rice (Rs. 3 a kg) is given per month to a poor household will be revised at a later date.

Additionally, the Rangarajan Committee has totally ignored the NAC's recommendations on non-PDS entitlements such as child nutrition programmes, maternity entitlements and destitute feeding, intended to address India's massive "nutritional deficiencies."

Authority

On Monday, the NAC discussed the proposed redress mechanism, not just for the Food Security Bill but also for all existing rights-based schemes such as those relating to education, health and employment as well. What is being proposed is an authority at the district and block levels, which can be approached by anyone. The authority would be independent of the District Collector, NAC sources told The Hindu.

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Onion ban: Pakistan Ministries differ

Islamabad: The Pakistan government on Monday appeared divided over resuming onion exports to India with the Agriculture Ministry not averse to lifting the ban but the Commerce Ministry showing some reservations.

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Study: No-till farming reduces greenhouse gas

The Hindu A farmer ploughs his field while preparing for wheat crop in Roopnagar. File photo

No-till farming, in which farmers don't plow under their fields between crops, releases far smaller amounts of a potent greenhouse gas into the air than conventional farming, according to a new study that suggests no-till may help combat global warming.

Researchers said the findings also could help farmers make more efficient use of the costly nitrogen-based fertilizers used to spur plant growth by showing them how to keep more of it in the soil.

The three-year, federally funded Purdue University study looked at the amount of nitrous oxide released by no-till fields compared to plowed fields. No-till farmers aim to disrupt the soil surface as little as possible, although they do cut into it to plant seeds and inject fertilizers.

The study found no-till fields released 57 percent less nitrous oxide than chisel tilling, in which plants are plowed back into the soil after harvest, said Purdue agronomist Tony Vyn, who led the research. They also produced 40 percent less gas than fields tilled with moldboard plows, which turn the dirt over onto itself.

Those numbers are averages, he said. Researchers looked at fields where corn and soybeans were alternated from year to year and others that were planted each year from corn. Emissions in fields where crops were rotated were lower than in those where they weren't, he said.

Mr. Vyn said he was stunned by the large amounts of nitrous oxide his team detected in the air above the plowed fields compared with those that had long been farmed using the erosion-fighting no-till approach.

The results are particularly disconcerting in light of the fact that nitrous oxide packs 310 times the heat-trapping power of carbon dioxide, the greenhouse gas largely blamed for climate change, he said.

The U.S. Environmental Protection Agency has determined that nitrous oxide can remain in the atmosphere for 120 years, adding to its global warming impact.

“Because it's so long lived, we need to do everything we can in terms of farming practices to reduce these releases,” Mr. Vyn said. "Once it's released, it's going to be in the air for a long time - longer than anyone’s lifetime.”

His team's research results appear in the January-February issue of the Soil Science Society of America Journal.

Robert Horton, a professor of agronomy at Iowa State University who was not involved in the study, called the results exciting and said they highlight another potential benefit of no-till farming, which has already been shown to reduce erosion and improve soil quality.

“Now we can add an air quality advantage of no-till rotations to the list,” he said.

Mr. Vyn’s team conducted its research in fields Purdue maintains near the West Lafayette campus in rich soils that once were tall grass prairie. The university has farmed those fields for three decades using either no-till or one of the common plowing practices. The differences seen in the nitrous oxide emissions are likely due to variations in microbial life and soil chemistry created by the different farming practices, Mr. Vyn said.

Rodney Venterea, a soil scientist with the U.S. Department of Agriculture's research arm, said the Purdue study supports his research, which also found that scaling back on field plowing reduces nitrous oxide emissions.

But he said the release of the gas is complex and not simply a matter of one farming practice versus another. For example, he's found no-till fields release more nitrous oxide than plowed land when fertilizer is applied to the soil surface rather than injected into the dirt. The Purdue researchers injected the liquid nitrogen fertilizer a few inches into the soil.

Mr. Venterea said it's important to note those different outcomes because some no-till farmers still use the surface-application approach, instead of injecting fertilizer below the surface, where plant matter accumulates and bacteria and fungi are active and can break down chemicals.

“So if you can get your nitrogen fertilizer down below that active zone then that's the best scenario. The more nitrogen fertilizer that stays in the soil, the more that's available for the plants and there's less that can be released as (nitrous oxide) and other forms that have other environmental effects,” he said.

Sixty-eight percent of the nitrous oxide emissions in the U.S. in 2008 came from farmland, according to an EPA report leased last year. It said U.S. emissions of the gas grew about 6 percent between 1990 and 2008.

Although the study looked at conventional farming techniques and industrial fertilizers, Mr. Vyn said manure used as fertilizer by some farmers, including organic farmers, can also release nitrous oxide if it is applied in large amounts.

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Press Trust Of India

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India likely to face foodgrain shortage by 2020: ICAR DDG

India is likely to face acute shortage of food grains by 2020, if it does not take immediate and concrete measures, warns the Indian Council of Agricultural Research (ICAR).

"India needs to prepare itself in advance as foodgrain scarcity is likely by 2020," said Swapan K Dutta, the deputy director general (DDG) of ICAR, at the India International Crop Summit, 2011 in Bhubaneswar.

Though the country in 2009 produced 100 million tons of rice, it would require about 130 MT of rice in 2020 while requirement of wheat would reach 110 MT in 2020 against production of only 80 MT in 2009, he said.

The country would also face acute shortage of pulses and oil seeds in 2020, Dutta said adding the demand for pulses and oil seeds would increase by 140 per cent and 243 per cent respectively.

While there was demand for more food grains by 2020, rice yields could fall by 15 per cent to 42 per cent, wheat by 34 per cent due to possible drought, salinity and submergence, an ICAR report said adding net agriculture revenue would decline by 12.3 per cent if temperature changes by 2 degree Celsius and rainfall by just 7 per cent.

As such, the country was not self-sufficient in production of pulses and oil seeds even today. Therefore, Dutta said, India needed to pass Seed Bill, which was likely to be tabled in Parliament in next session.

The draft Bill had been finalised with provision of compulsory registration of all varieties of seeds, level playing field for all stake holders, operationalisation of seed certification, deregulation, consideration of GM seeds and establishment of National Seed Board.

http://www.hindustantimes.com/StoryPage/Print/648737.aspx

New Delhi, January 10, 2011
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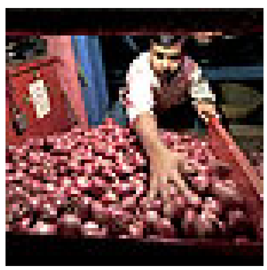
Onion prices to ease as new crop hits markets: Pawar



Retail prices of onion are expected to come down as the new crop has started arriving from Gujarat, Madhya Pradesh and Maharashtra, food and agriculture minister Sharad Pawar said on Monday.

"A new crop has started coming from Gujarat, Madhya Pradesh and some parts of Maharashtra, which is a good sign. The impact on retail prices will be seen eventually," he told reporters in New Delhi.

Onion prices on December 20 had surged to Rs 70-85 per kg in the retail markets in major cities as a result of damage to crops in Maharashtra due of rains.

Prices have eased to Rs 55-60 in metros owing to ban on exports and duty-free import.

The minister said he had been informed that the onion traders in Nashik have withdrawn their strike, which began on Monday, in protest of IT raids as well as few state governments forcing traders to sell onion below the cost price.

"I am told that Nashik traders have withdrawn the strike," he added.

http://www.hindustantimes.com/StoryPage/Print/648632.aspx

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PM to chair a meet to discuss food inflation tomorrow

Prime Minister Manmohan Singh has convened a high level meeting on Tuesday to review food inflation, which has gone past 18 per cent.

Senior ministers including Finance Minister Pranab Mukherjee, Food and Agriculture Minister Sharad Pawar and Planning Commission Deputy Chairman Montek Singh Ahuwalia are expected to attend the meeting.

"In general, all these issues (food prices and allowing export of agri-items) may be discussed in the meeting. I will myself try to raise all these issues because there has to be a collective view," Pawar said.

Food inflation rose to 18.32 per cent for the week ended December 25, due to rise in prices of vegetables like onion, milk and meat.

Pawar said that prices of rice, wheat and pulses are quite stable now but vegetable prices remain high.

For instance, retail price of onion continues to rule high at Rs 55-60 per kg in major parts of the country due to sluggish supply.

http://www.hindustantimes.com/StoryPage/Print/648684.aspx

Weather

Chennai - INDIA

Today's Weather

Clear

Tuesday, Jan 11

Max Min

30.9° | 23.1°

Rain: 00 mm in 24hrs

Humidity: 74%

Wind: Normal

Sunrise: 6:34

Sunset: 17:58

Barometer: 1011.0

Tomorrow's Forecast

Rainy

Wednesday, Jan 12

Max Min

30° | 22°

Extended Forecast for a week

Thursday	Friday	Saturday	Sunday	Monday
Jan 13	**Jan 14**	**Jan 15**	**Jan 16**	**Jan 17**
26° | 21°	28° | 22°	27° | 24°	29° | 24°	26° | 23°
Cloudy	Rainy	Rainy	Rainy	Cloudy

DECCAN Chronicle On The Web

Published on Deccan Chronicle (http://www.deccanchronicle.com)

Food inflation: Worried PM calls for meeting to tackle crisis

Jan 11 2011

New Delhi: Prime Minister Manmohan Singh has convened a meeting on Tuesday on high food prices even as Agriculture Minister Sharad Pawar said the government has no control over high vegetable prices.Senior ministers including Finance Minister Pranab Mukherjee, Food and Agriculture Minister Sharad Pawar and Planning Commission Deputy Chairman Montek Singh Ahuwalia are expected to attend the meeting.Onion remained expensive at Rs. 55-60 per kg in retail markets across the country. Prices could have gone up further but for the calling-off a two-day strike by traders in Nashik, the major producing area, within hours."...vegetable prices are high and on that we do not have any control," Pawar said, adding that prices will come down "eventually".He said supply has started improving with fresh arrivals from Gujarat, Madhya Pradesh and parts of Maharashtra.Pawar comments come within days of senior ministers expressing difficulties in containing the price rise, particularly of food items."In general, all these issues (food prices and allowing export of agri-items) may be discussed in the meeting. I will myself try to raise all these issues because there has to be a collective view," Pawar said.Pawar said that prices of rice, wheat and pulses are quite stable now but vegetable prices remain high.Food inflation, fuelled by high prices of vegetables, milk, egg and meat, has crossed 18 per cent.The onion shortage could not be made up by arrival of new crop in mandis.

Source URL:

http://www.deccanchronicle.com/national/food-inflation-worried-pm-calls-meeting-tackle-crisis-766

By IANS
11 Jan 2011 08:24:33 AM IST

No onions to India, Pakistan reaffirms

ISLAMABAD: Citing shortages, Pakistan Monday reaffirmed a ban on the export of onions to India, officials said.Pakistan had imposed the ban last week and reaffirmed this Monday after a meeting of the agriculture and commerce ministries, the official said."The decision will affect the agreements inked after January 5 this year. However, the government will provide protection to the agreements and Letter of Credit till January 4," Geo TV reported."The decision has been taken in view of the shortage of onion crop in the country," the channel said, quoting unnamed sources.Commerce Secretary Zafar Mahmood had said a couple of days ago that "the ministry is looking into the requests made by stakeholders to allow export of onions to India".Pakistan's commerce ministry had said Jan 4 that onions cannot be sent out of the country via the land route, which virtually meant a ban on its export to India, since its import through ships or air is time-consuming and costly.India was receiving around 50 truckloads of onions a day from Pakistan since Dec 5.The export of Indian tomatoes to Pakistan also remained on halt for more than a week that led to the increase of its prices in the local markets.However, the tomato trade from India resumed last week when over 100 trucks reached Lahore, capital of Pakistan's Punjab province, through the Wagah border post.Tomato and onion crops have been severely affected due to the floods last summer.

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Price rise: 3 weeks up, where is the relief Mr Pawar?

TNN, Jan 11, 2011, 01.03am IST

NEW DELHI: Onion prices show no sign of climbing down even as the three-week deadline set by Sharad Pawar ends. They still hover around Rs 60-70/kg. It's not onions alone, other vegetables too continue to be very expensive. This is a cause for worry for the government which is already under pressure from soaring inflation.

The unbridled price rise has forced Prime Minister Manmohan Singh to call a meeting on Tuesday to discuss steps to calm prices and bring relief to millions of households.

On December 21, after retail onion prices doubled suddenly, Pawar had said the prices would remain high for three weeks and then show a declining trend. He was betting on the expected arrival of fresh stocks from Maharashtra and Rajasthan. His calculations have obviously not worked.

Measures like asking states to curb hoarding haven't yielded success, while income tax raids on traders in Nashik and Delhi have backfired. Angry traders have gone on strike even as there is a slowdown in the arrival of onions from Pakistan. This meant that retail rates of onions were ruling at Rs 60-70/kg in Delhi and Mumbai on Monday.

The Centre's compilation of retail prices (invariably, a moderate estimate) show onion in the Delhi market costing around Rs 60/kg. Even at that rate, the jump in prices is 90% from a month ago. Cooking oil and atta (wheat flour) have also become costlier in the last month.

Tuesday's meeting is not specifically on food inflation alone—although at 18.32% for the week ending December 25 it is serious enough. The PM is expected to review the overall price situation, which will include an assessment of all factors driving up prices and possible remedies.

Economists say the government waited too long before banning onion exports in December and this has prolonged the problem. They say that similar supply shocks can't be ruled out in the future. According to a Standard Chartered Bank research note, a huge increase in vegetable prices contributed to 40% of inflation in food articles for the week ending December 25. "While ground frost and excessive rainfall partly explained the abrupt jump in prices, inefficient supply and distribution mechanisms exacerbated the price increase," the note said.

A recent review by a committee of secretaries also did not see any relief from high prices in the immediate term. A steady rise in rural demand in milk and proteins is affecting supplies to the cities and also pushing up the cost of procurement. Late rains in November 2010 hit the kharif crop in some states like Maharashtra and Rajasthan while speculation and hoarding also contributed in keeping cost of foodstuff high.

THE ECONOMIC TIMES

Tue, Jan 11, 2011 | Updated 07.33AM IST

11 Jan, 2011, 01.06AM IST, Ram Sahgal & S Sanandakumar,ET Bureau

Futures not abetting rubber rally: NMCE

MUMBAI | KOCHI: Amid tyre manufacturers' allegations that it was causing price inflation in rubber through unchecked speculation, Ahmedabad-based National Multi Commodity Exchange (NMCE) said open interest in the counter indicated a high-level participation by producers rather than unbridled speculative activity.

"Open interest (OI) stands at 10,581 tonne or 114% of daily trading volumes, which indicates a high level of participation by physical market constituents," said Anil Mishra, MD & CEO of NMCE. "If the rubber counter was dominated by speculators, the OI would be just 10% to 15% of the volume as such traders tend to enter and exit a commodity at very small intervals."

OI means an outstanding buy or sell position initiated on a futures market. A high OI to volume ratio indicates a high level of participation by hedgers. When speculators hold sway over a particular counter, the volumes rise but OI remains unchanged.

Pointing to the increased participation by farmers' cooperatives like Thodupuzha Societies, Palakkad District Cooperative Society and Nafed, NMCE said it had seen a 123% year-on-year increase in the arrival of rubber at its warehouses.

11 Jan, 2011, 01.03AM IST, Jatin Singh,

Ground frost to hit sugarcane crop in north

Over the next week, there will be some comfort for the people of northwest India as the minimum and maximum temperatures may rise by two to three degrees Celsius.

This will happen due to the approach of a western disturbance -- wind circulations that form in the Mediterranean Sea and move west to east over India — which will interrupt the flow of northwesterly icy, cold and dry winds coming from the western Himalayan region.

This disturbance will cause fairly widespread snow in Jammu & Kashmir and Himachal Pradesh and rainfall in parts of Punjab and Haryana. But the increase in temperature will be marginal and shortlived. Visibility will improve due to the decrease in the intensity and the duration of fog during this period.

Strong northwesterly icy winds will resume flowing across northwest India after January 15, pulling down the mercury. Chill conditions will prevail in the region and widespread frost may appear.

Minimum temperatures will increase by two to four degrees Celsius between January 12 and 16 in central India, thereafter gradually falling. It is unlikely that minimum temperatures will fall to the current levels. Scattered light rain is expected over south Tamil Nadu and adjoining Kerala. But rainfall in the Peninsula will otherwise be weak.

The Madden Julian Oscillation (a wind system that circumnavigates the globe every 25-40 days, and can cause an increase in rainfall when over a particular region) is not expected in the Indian Ocean region anytime soon. Karnataka, Andhra Pradesh and southern parts of Maharashtra will remain dry and show a slight upward trend in temperatures in the next week.

Sugarcane crop may be affected by ground frost in most parts of north India. But wheat farmers are upbeat as the prevailing conditions are proving beneficial. If the temperature continues to be low for some more days, it will help the crop.

The prospects of a higher production in chana from satisfactory sowing activities in growing states could prevent major rise in rates. Rains in growing areas of Uttar Pradesh, Rajasthan, Madhya Pradesh, Maharashtra and Karnataka have improved the moisture content of the soil, leading to better sowing.

Prices of guar have become volatile amidst reports of delayed arrivals and a slight fall in production estimates due to the recent rain spell in north India. But rains in growing areas are likely to provide support to the guar price. The cold wave in north India may adversely affect the mustard crop. (The author is CEO of private weather consultancy Skymet)

11 Jan, 2011, 12.57AM IST, Madhvi Sally, S Sujatha & Jayashree Bhosale,ET Bureau

Onion prices dip in Pakistan; export ban may be lifted

CHANDIGARH | COIMBATORE | PUNE: Onion prices have begun to ease in Pakistan raising hopes that the country will soon lift the ban on overland exports of the vegetable to India.

“Prices at the main vegetable market in Lahore have fallen to Pakistani Rs 2,800 to Rs 3,000 for

110 kg," Lahore-based vegetable trader Amin Bhatti said. "There are more than 400 trucks, each loaded with 12-15 tonnes of onion, waiting to cross the Wagah border checkpost into India."

Traders in India too expect the ban to be revoked soon. "We expect onion imports to begin at the earliest as it is in the interest of Indian as well as Pakistani traders and consumers," said Amritsar-based exporter Mukesh Sindhwani.

Pakistan had on January 5 stopped 300 trucks carrying the bulbs to India after complaints that exports had caused a sharp spurt in the vegetable's prices in that country. Indian traders had reacted to the ban by refusing to send trucks laden with vegetables to Pakistan.

India is a major vegetable exporter to Pakistan. The traders, however, resumed exports to Pakistan after a day's pause. Trucks carrying tomato, ginger, chilies and seasonal vegetables like capsicum are making daily trips to Pakistan.

"About 90 trucks laden with tomatoes are travelling daily from Amrtisar to Lahore," Sindhwani said. "Also, a few trucks with ginger, capsicum and cucumber are being sent daily." On Monday, 101 trucks carrying vegetables left for Lahore. Indian traders had sent 146 trucks to Pakistan on Saturday.

India is expected to face a crunch in onion supply leading to a further escalation in prices if Pakistan delays or stops exports. However, the prices of other vegetables are likely to come down from January 15 when the new harvest season begins. Retail prices have dropped a bit from the January 1 levels.

Nearly 75% of the first onion crop in India, which was supposed to arrive in the northern markets since January 1, has been washed out. Prices are coming down with the second round of supplies in the north. The prices of tomato, carrot, beans, brinjal and okra have returned to the levels seen around this time last year after skyrocketing nearly 100% around January 1 this year.

In anticipation of the new crop, brinjal prices have come down to Rs 17-18 per kg in the retail market compared to Rs 30 per kg last month. Tomato prices have dropped to Rs 26-27 per kg from Rs 44-45 per kg on January 1. While carrot prices remain at Rs 41 per kg, beans prices have come down to Rs 33 per kg from Rs 42 per kg.

“Vegetables are usually harvested after Pongal in the south and prices will begin to drop by January third week. But this time, unseasonal rains have damaged 50% of the plants. Supply to markets have been postponed to February,” said Dr N Raveendran, national consultant for the World Bank-funded National Agricultural Innovation Project’s market intelligence cell.

“By February, the karuva onion crop will start arriving in Maharashtra and it will pull down prices,” said MG Jairaj Nadar, a commission agent in Pune, who mainly supplies onion, garlic and potato to southern markets. Onion prices are ruling at around Rs 35-50 per kg in the Pune wholesale market compared to Rs 40-60 last week.

After Sankranti, the prices are expected to come down to Rs 25-40. Onion supplies from Bhavnagar and Mahua have improved while the late kharif onion crop from Maharashtra is expected to hit the market after January 15.

“Wholesale onion prices may come down to Rs 15-20 per kg in February when the arrival of the new crop will be at its peak,” said National Agricultural Cooperative Marketing Federation Vice President CB Holkar.

Business Standard

Tuesday, Jan 11, 2011

Fertilizer shortage, power cuts to hit MP crops

Shashikant Trivedi / Bhopal January 11, 2011, 0:59 IST

The state is the third-largest producer of wheat.

Cold weather, power cuts and fertilizer shortage are likely to keep rabi output stagnant. The third-largest producer of wheat, Madhya Pradesh, is expecting 14.33 million tonnes rabi production this year.

As against the targeted acreage of 9.3 million hectares, sowing has been done over 9.46 million hectares, slightly lower than the previous year’s 9.48 million hectares.

“We have completed sowing in all fifty districts. Crops like wheat, gram and mustard are expected to cross targets,” a senior official in the agriculture and farmers’ welfare department told Business Standard.

Wheat production is estimated at 9.05 million tonnes as against the target of 8.09 million tonnes as acreage has crossed 4.2 million hectares this year. Similarly, gram or chana output is estimated at 3.44 million tonnes as against the target of 3.38 million tonnes. However, mustard output is estimated to fall short of the target of 945,000 tonnes at 925,000 tonnes.

Urea shortage is around 400,000-500,000 tonnes as against the demand of 900,000 tonnes. "Monthly allocation from the Centre is normal, yet falling short of the demand," the official said. Farmers in the state say fake fertilizers and seeds, power shortage and poor irrigation mean there is little chance of productivity increasing.

"The entire Malwa belt was very cold this year, which destroyed the wheat crop. Germination was good but the crop turned black due to frost," said Gulab Singh Verma, a farmer and ITC's e-choupal sanchalak. The government is yet to estimate the damage due to cold weather.

The demand for single super phosphate, mixed fertilizers and other fertilizers is also on a rise.

The DAP supply is 323,000 tonnes as against the demand of 400,000 tonnes. Single super phosphate's supply is 113,000 tonnes as against the demand of 330,000 tonnes while only 25,000 tonnes potash fertilizers have been supplied as against the demand of 50,000 tonnes.

Tyre firms sceptical of Rubber Board's high stock estimate

Newswire18 / Kochi January 11, 2011, 0:56 IST

Natural rubber consuming industries, faced with record high prices, are turning increasingly sceptical about the Rubber Board's high inventory projection of 307,710 tonnes as on December 31.

The projection is not "very convincing", said Rajiv Budhraja, director general, Automotive Tyre Manufacturers Association.

The record high spot prices belie the board's estimate of huge stocks in the pipeline, he said.

At Rs 214.50 a kg, rubber prices have shot up by 86per cent from a year ago.

Natural rubber traders based in Kerala also concur with the views of the tyre industry.

The board's output and inventory projections appear to be highly exaggerated, said N Radhakrishnan, advisor, Cochin Rubber Merchants' Association.

The readily available stocks in the hands of growers and traders will not be more than 50,000 tonnes, he said.

According to Radhakrishnan, rubber output in the country has not shown any appreciable increase during the past few years.

By giving an optimistic picture at the beginning of the year, the board is actually concealing the stagnation in output, he added. In the past two years, the board was compelled to make a downward revision in its output and demand projections.

In 2009-10, it initially projected the output at 867,000 tonnes, but then scaled it down to 840,000 tonnes and later to 831,400 tonnes.

Demand was initially projected at 881,000 tonnes but revised upward to 930,565 tonnes.

The import projection was completely off the mark, as imports more than doubled to 170,769 tonnes from the projection of 80,000 tonnes.

The demand-supply projection for 2010-11 (April-March) was first made in February and revised eight months later in December.

The board initially projected output at 893,000 tonnes, but later scaled it down to 851,000 tonnes. Demand projection was cut down to 948,000 from 978,000 tonnes. In the case of imports, the board again was widely off the mark as in April-December itself imports touched 156,608 tonnes, double the projection of 70,000 tonnes made earlier.

Rubber consumers are equally worried about timely availability of the raw material, Budhraja said.

The board should streamline and fine-tune its data collection and dissemination methods, he said.

“We should have quarterly projections and an update on the output and demand for the previous quarters,” he said. The board currently gives updates only once a year, he added.

Rubber input makers seek protection

ANINDITA DEY / Mumbai January 11, 2011, 0:54 IST

While natural and synthetic rubber prices are on a roll, chemical intermediaries used in the processing of rubber are facing rough weather.

So much so, the Directorate General of Safeguards has initiated investigation into imports of rubber chemical PX-13. The probe is being done after a year’s gap. Officials say safeguard investigations are sensitive, since they are imposed on bonafide imports (bought under proper channels) and not dumped ones. The investigations can only be done if there is material evidence suggesting serious injury to the Indian manufacturer.

Nocil, the largest manufacturer of rubber chemicals, with 70 per cent of market share, has asked for imposition of safeguard duty for three years on the rubber chemical, extensively used in treating natural rubber, synthetic rubber and other synthetic rubber-based compounds.

Industry sources said the high margin earned by rubber manufacturers has been partly due to the low cost of raw materials, most of which is imported. Many countries, including the US, China and Saudi Arabia have excess supply and lean domestic market conditions, forcing companies in these countries to sell at a cheaper rate. Therefore, even if rubber spot prices have shot up in the domestic market, chemical intermediaries are not benefiting.

Besides, the directorate general of foreign trade (DGFT) has begun investigations on pleas for anti-dumping duties on two basic organic chemicals widely used for rubber processing, among its other uses (in making drugs, pharmaceuticals, dyes and dyestuffs, too), acetone and aniline. Gujarat Narmada Fertiliser Corporation has sought a review for the former, to continuw the anti-dumping duty imposed in 2006 for another five years. For acetone, the DGFT is probing on a representation from Hindusthan Organic.

Dumping is defined as an unfair trade practice, with goods exported to another country at a price lower than its normal value. Thus, anti-dumping, as approved by the World Trade Organisation, is a measure to restore fair trade by imposing an additional duty on the imported good to remove the price anomaly between these and domestic products.

In 2010, new duties were imposed on 26 items, mostly on industrial chemicals. On most, the duty was imposed for five years.

Andhra rice acreage to rise 400,000 hectares

B Krishna Mohan / Hyderabad January 11, 2011, 0:07 IST

Andhra Pradesh will bring an additional 400,000 hectares under paddy cultivation this rabi season.

Usually, about 3.92 million hectares comes under rabi cultivation for all crops, of which 1.43 million hectares is under paddy. This year, paddy is expected to be cultivated on 1.8 million hectares. So far, 2.41 million hectares is under cultivation for all rabi crops.

As on January 5, rice has been sown on 427,000 hectares, against 555,000 hectares in the corresponding period last year. The low acreage is due to delayed sowing in some areas following late harvesting of the kharif crop. Pulses has so far been sown in 103,000 hectares, out of the total 1.13 million hectares the crop is cultivated on.

Last year, 2.19 million hectares was under cultivation in the state.

“The water table is good due to the recent rains. Farming activity is on full scale for this rabi season. Farmers are looking to offset some losses incurred during the kharif season,” said Sunil Sharma, commissioner of agriculture.

About one million quintal seeds will be needed for the rabi season and its subsidy value stands at Rs 114 crore. Fertiliser requirement will be about 3.4 million tonnes. Banks have extended about Rs 4,800 crore loans to farmers for the rabi season and more is expected to be given in the days to come, he said.

Harvesting of the kharif crop is almost over except for red gram, chilli and sugarcane. Inter-cultural operations have also begun in all early-sown dry/rainfed areas.

However, the torrential rains till December damaged about 1.71 million hectares across the state. Rain has affected the farm sector adversely as the crop yield as well as the quality of paddy, cotton and maize has been affected. Leaf blight might hit the Bengal gram crop yield in Kurnool and Anantapur districts.

While maize, greengram, red gram and blackgram are at the vegetative stage, Bengal gram is at the flowering and pod-formation stage. Sowing will continue till mid-January. Paddy transplantation is in progress under wells and minor irrigation sources. Pulses are being sowed in rice fallows.

Srikakulam, Nellore, Kurnool, Anantapur, Rangareddy, Visakhapatnam and Mahabubnagar districts lead others in terms of farm activity.

Paddy output may fall 40% in West Bengal

Namrata Acharya / Kolkata January 11, 2011, 0:05 IST

Paddy production in West Bengal is expected to fall 40 per cent due to last summer’s drought, which lowered seed production in some rice-producing districts by as much as 60 per cent. In the absence of sufficient irrigation, productivity is also likely to take a hit. Potato and boro paddy (winter rice) are the two main rabi crops of the state.

“This year we expect winter paddy production to decline 40 per cent due to lack of enough irrigation,” said state agriculture minister Naren De.

However, summer paddy production declined 1.2-1.3 million tonnes this year, as against the government projection of 2.5 million tonnes.

Normally, the total area under rice cultivation is about 5.9 million hectares. The state produces about 14.5 million tonnes paddy every year in three seasons — Aus, Aman and Boro. Rice production during the Boro season is about 4.5 million tonnes.

Potato production is likely to dip five per cent due to water shortage, though weather has been favourable so far, according to traders. The state, on an average, produces about eight million tonnes potato every year.

The extent of crop loss in the kharif season can be assessed from the poor loan off-take in the season. The government set a target of lending Rs 20,000 crore for the year. But, it was scaled down to Rs 16,000 crore due to drought. Till September, the credit disbursement was close to Rs 4,000 crore.

“In some rice-producing districts like Bankura, rice seed production declined 60 per cent. In the kharif season itself, paddy shortage was about 20 per cent. This year, the total coverage is less, but if productivity is better, there might not be any shortfall,” said Rajashri kundu, managing director, Mali Agritech, a rice trading company.

Burdwan, Birbhum, Nadia and Hooghly have the highest productivity and account for about 27 per cent rice acreage and 32 per cent production.

In West Bengal, about 62 per cent of the land is irrigated, according to official data. The state is one the largest rice producers in the country.

UP crops to gain from late rain

Virendra Singh Rawat / Lucknow January 11, 2011, 0:04 IST

Uttar Pradesh, the leading producer of rabi crops in the country, has set a target of over 12.6 million hectares of acreage this season.

According to preliminary survey by the state agriculture department, about 12.5 million hectares has already been brought under sowing so far.

Wheat, which accounts for 80 per cent of the total rabi crop production in UP, is likely to be sown over an area of 9.4 million hectares during 2010-11.

“The rabi outlook for this season is good and we are expecting a bumper crop,” a senior agriculture department official told Business Standard. He also discounted any significant loss to the prospective crop production due to the current cold spell.

Last year, rabi production in the state was 29.48 million tonnes, which officials felt would be overtaken this year.

The official informed that the final estimated data for the state rabi crop would be available after mid-January. Rabi crops also include pulses such as gram, masur and arhar.

Over the years, rabi acreage in UP has been constant. During 2004-05, the acreage was about 11.8 million hectares, which dipped to 10.9 million hectares during 2007-08. However, the corresponding production improved from 26 million tonnes to 27.4 million tonnes during the same period.

The late rain spell during the last monsoon season is also likely to help the rabi crop.

Underlying fundamentals of sugar become tighter

Kunal Bose / January 11, 2011, 0:02 IST

Not many would have noticed the news item of Portugal briefly running out of sugar a few weeks ago. But the fact that in nearly three decades a European country had to contend with zero stock of an essential commodity, however short-lived that might have been, was a kind of rude awakening for the European Union (EU). This alongwith harsh winter in Europe has led Brussels to not consider sanctioning new sugar licences immediately.

As any other country groupings or individual nations will be reacting in a situation like the above, EU is unambiguous about its commitment to meet the requirements of the internal market first. We have seen it here how cautious New Delhi always is while sanctioning sugar exports. But whether it is the EU or India, it is better to err on the side of caution than to risk shortages and inflation in the internal market.

We are not to forget too quickly the common man's ire and the government's discomfiture with the behaviour of sugar prices between August 2009 and March 2010. As after the disastrously low production in 2008-09 followed by a much less discomforting output than originally feared in the season ended September 2010, mills are now poised for a major production breakthrough, sugar has once become affordable than earlier.

We had jitters on the price front recently when sugar started costing over Rs 32 a kg. Prices since made a retreat to a level where sugar factories are breaking even without consumers complaining. Explaining the reasons for prices piping down quickly, director general of Indian Sugar Mills Association (Isma) Abinash Verma says, "This happened because the government extended the stock holding limit of 200 tonnes per trader and made an liberal non-levy release of 1.7 million tonnes for January 2011. In the past three years, the January release was 1.45 million tonnes."

According to former Isma President Om Dhanuka, the assurance of India producing a volume this season which is to leave it with good exportable surplus is coming to the aid of the government to make market interventions of the right kind. But the move to make releases for exports in tranches, keep speculation at bay by keeping the lid on trade stocks and a liberal monthly free sale sugar quota now underpins the government's watchfulness. In fact, the government has enough in its armoury to neutralise any overindulgence in speculation that resumption in futures trading may encourage.

The immediate past chairman of Isma Vivek Saraogi says the country expecting sugar production of around 25.5 million tonnes in 2010-11 with opening stocks of over 5 million tonnes should make the best of the current supply squeeze in the world market to export 3.5 million tonnes. There is much merit in his recommendation that we should try to export the maximum by February to take advantage of the nearly 30-year high sugar prices at ICE futures for raws and NYSE Liffe Exchange for the refined. Saraogi wants exports to be pushed hard ahead of the beginning of "Brazilian sugar production and exports." The government will, however, have to strike a balance between cashing in on attractive world prices and compulsions to keep sugar affordable for the masses here. After all, it is still early to make a firm projection about the season's sugar production.

Besides what is allowed for exports to meet the official condition to neutralise tax-free raw sugar imports during 2004-08, the government has allowed exports of 500,000 tonnes under OGL in the first instalment. Verma, who is setting great store by land accretion to cane by nearly 1 million hectares to 5.1 million hectares in the current season making ground for a bumper cane harvest of 336 million tonnes and consequently a bountiful sugar output, is hoping that New Delhi will be allowing further exports by January end. A sea change from the last two seasons when we supplemented domestic supply by imports of 6.48 million tonnes.

ABN Amro Bank says the global supply shortfall this season will be nearly 3 million tonnes as demand is to reach 165.3 million tonnes. This then is going to be the third consecutive year when supply will fall short of demand. Funds and speculators are drawing inspiration from the weather triggered difficulties that Europe, the US and Australia are facing, while shipments from Brazil under dry weather spell and a cautious India may be less than required. All this is happening on the back of second half of 2010 when, according to Thomson Reuters/Jefferies CRB Index of 19 raw materials sugar made the biggest gain at 89 per cent.

Year	Sugar Production	Sugar consumption
1990	12.58	11.54
1991	13.71	12.28
1992	15.25	12.98
1993	12.45	13.8
1994	11.7	13.9
1995	16.41	13.84
1996	18.23	14.82
1997	14.62	15.7
1998	14.59	16.7
1999	17.44	16.98
2000	20.22	17.3

2001	20.48	17.85
2002	20.48	19.76
2003	22.14	20.26
2004	15.15	19.12
2005	14.17	20.39
2006	21.14	19.87
2007	30.78	22.43
2008	28.63	23.5
2009	15.95	24.2
2010	20.54	23.5
Source: Bloomberg *Compiled by BS Research bureau* *Figures in million tonnes*		

Sugar's underlying fundamentals are becoming tighter. China will need to import about 3 million tonnes as anticipated domestic production will fall short of demand of 14.5 million tonnes by at least 2.5 million tonnes. The US is reportedly planning to up imports by 300,000 tonnes. Australia, a victim of wettest spring and now floods, is leaving huge quantities of cane unharvested. But sugar is no exception. So many other agri commodities from cotton to soybean are trading at multi-year highs.

Onion prices rise as traders keep away from auctions

Tushar Pawar / Nashik January 11, 2011, 0:01 IST

Onion prices increased 20 per cent today in the city retail markets due to short supply, following a traders' boycott of the Agricultural Produce Market Committee's (APMC) onion auctions.

Good quality onions were sold at Rs 50 and the poor quality at Rs 25-30 a kg in the retail markets, against Rs 40 and Rs 20 a kg, respectively, on January 8.

The new crop has just started trickling in at the district APMCs and regular arrivals are expected in the next couple of weeks. The sale of onion – that recorded 33,620 quintals during the last week of December at Asia's biggest onion market in Lasalgaon – has increased by almost 36.31 per cent to 45,795 quintals during January first week.

All APMC markets in the district were closed today as traders kept away from the auctions. "Nashik District Onion Traders' Association has decided to boycott onion auction in district APMCs for two days to protest the state and central governments' policies. They have not taken to well the decision to force traders to sell onion at lower rates," an official said.

The NDOTA said there was no connection with the ban on onion auction with the recent Income Tax raids on onion traders.

However, onion trading in Saurashtra region suffered a set back for the last two days with traders protesting the IT department raids following reports of illegal hoarding. Though farmers travelled the distance to sell their produce, brokers and traders stayed away in Rajkot, Gondal, Bhavnagar, Mahuva and other parts of Saurashtra.

Trade resumed in Gondal, Mahuva and Bhavnagar districts. According to onion traders from Rajkot, trading will start from Tuesday and the prices are also expected to come down with ample stock in APMC godowns.

PTI adds: Onion traders in the district called off their two-day strike after assurances that contracting parties would not be forced to sell the vegetable at below cost price that had dried up offtake from the mandis here. The Maharashtra State Co-operative Marketing Federation assured that their problems will be conveyed to the state government.(With inputs from Vimukt Dave in Rajkot)

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Back **No reversal of sugar export decision, claims Pawar**

But permits after Jan 30 effectively mean shipments suspended.

Our Bureau

New Delhi, Jan. 10

The Union Food and Agriculture Minister, Mr Sharad Pawar, has said that the Centre would start issuing permits for export of five lakh tonnes (lt) of sugar under open general license (OGL) after January 30.

Speaking to presspersons here on Monday, Mr Pawar denied any reversal of the earlier decision to allow the five lt of exports following the recent, sudden spike in food prices. Ex-factory sugar prices in Maharashtra have eased by about Rs 50 a quintal since rumours began circulating from Friday about an impending suspension, if not ban, on shipments of the already-permitted OGL quota.

“We have not taken a decision”, Mr Pawar said. However, he added that the Government will be “cautious” and “give a serious thought to (allow exports in) each and every item” because of food inflation crossing 18 per cent. The Directorate of Sugar, on January 1, had issued detailed guidelines for export of the five lt quantity, which was to be pro-rated among individual mills based on their average annual production for the last three years. The guidelines stated that all applications by mills seeking release orders (RO) for their export entitlements “will be processed within 3 working days.”

Mr Pawar's statement now that the permits would be issued only after January 30 means that the three-working days processing time limit no longer holds. That effectively translates into a suspension of exports.

The earlier export permission had led to many mills entering into contracts for supply of sugar to traders. This included even transferring their export entitlements to others, better placed to undertake the shipments. In Maharashtra alone, mills apparently sold some 25,000 tonnes of sugar (out of their total entitlement of 1.9 lt) to export firms such as Shree Renuka Sugars and Sakuma Exports at ex-factory prices of between Rs 2,850 to Rs 3,050 a quintal.

Currently, domestic sale realisations by Maharashtra factories range from Rs 2,710 a quintal on S-30 to Rs 2,750 a quintal on M-30 grade sugar. The prospective realisations from exports would be more, given that mills in the South are now shipping sugar of 150 ICUMSA at roughly $770 a tonne free-on-board, working out to an ex-factory price of over Rs 3,200 a quintal. Better quality 45 ICUMSA sugar is fetching well over $ 800 a tonne.

“By this month-end, the Centre will have a better picture of how much sugar the country would produce during the 2010-11 season (October-September). By deferring issue of release orders, it is basically buying time,” sources said. Mr Pawar maintained that the output would touch 245 lt, which is 29.5 per cent more than the 189.12 lt of 2009-10.

Meanwhile, in Maharashtra, mills had, as on Sunday, produced 29.37 lt of sugar for this season, marking a 11 per cent increase over the 26.45 lt during the corresponding period of the 2009-10 season. In Uttar Pradesh, the country's No. 2 producer, output for October-December 2010 was estimated at 17.1 lt, a 9 per cent jump over the 15.7 lt during the opening three months of last season.

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Back A different food obsession

Strengthening the farm production base and raising productivity must now become a national obsession.

If you thought the worst of food inflation was behind you and hoped 2011 would bring genuine relief, you were mistaken. If anything, conditions — global and domestic — could get worse. The signals pointing to further upside risks to food prices are real. While the demand side grows robustly, driven primarily by rising consumption needs of the developing world, represented largely by Asia, weather aberrations have played havoc with food production elsewhere. Too much wet weather in Canada was followed by drought in Russia and the Black Sea region. More recently, while Australia reels under unprecedented floods, South America, especially Argentina, faces the ravages of La Nina-induced dry weather. These supply-side concerns have sent out strong bullish signals to the world market, where everyone is scurrying to cover their food requirements.

Quick to spot the tightening market fundamentals, speculative capital has moved into the bourses, taking long positions in many food commodities. With globalisation of the food market, the price signals are almost instantly transmitted around the world. Many economies, even if emerging, are no more insulated from global influences. There is nothing on the horizon to suggest that the price situation will ease, let alone improve markedly. No wonder, the UN Food and Agriculture Organisation cautioned recently that food prices may head higher. Most countries, especially food importing ones, are truly worried. The Indian situation is worse. Despite rebound in kharif crop production (rice, pulses, coarse grains, oilseeds, sugar) and massive fine cereal stocks with the government, food has become unaffordable for a vast majority of the poor. Unseasonal rainfall has damaged vegetable crops in some parts of the country. At the end of December 2010, rabi planted area (mainly rice, coarse cereals, oilseeds) was lower than it was a year earlier, which suggests that the new crop is unlikely to be large enough to dampen food prices. . If anything, some crops, such as wheat, are vulnerable to weather shocks. New Delhi must recognise that food inflation, already at elevated levels, hurts the poor the hardest. The policymakers have nearly exhausted all the weapons in their armoury for inflation control with but little success. The scope for further tightening of monetary, fiscal and administrative measures is limited.

The only way forward is to address with great seriousness and urgency the much-neglected supply-side. Strengthening the farm production base and raising productivity must now become a national obsession. This calls for visionary and committed leadership as also the political will to implement programmes and schemes covering mainly input supplies, irrigation, agronomy and rural infrastructure. There is a glaring lack of research and commercial intelligence within the government to help it form a price outlook or offer a timely price prognosis for commodities. Decision-making within the government must become more market-savvy. This calls for a certain level of de-bureaucratising, and taking the industry and trade on board in policy formulation.

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Back **Cotton surges on buying by S. India mills**

Our Correspondent

Rajkot, Jan 6

Cotton prices rose on Monday following demand from mills in South India and indications of a hike in the cotton exports quota.

Prices increased Rs 500 to Rs 42,800-43,200 for a candy (356 kg). According to market sources, South Indian mills are buying heavily before the holiday this week.

Gujarat Sankar-6 variety cotton was traded at Rs 42,800-43,200 a candy in Rajkot. Cotton arrivals have come down during the past few days.

In Gujarat, about 60,000-65,000 bales arrived on Monday, compared over than 75,000 bales a week ago. Similarly, total arrivals of cotton reached 1.88 lakh bales, against 2.1 lakh bales in last week. Raw cotton was traded at Rs 920-960/20 kg.

A Rajkot-based broker said, “This week, cotton prices may increase by more than Rs 400-500 a candy, as arrivals are low and demand high. Mills are buying as market will be closed for some days for the Makar Sankranti festival.”

A bullish sentiment has set in cotton following the Union Commerce Secretary,

Dr Rahul Khullar's statement that the Centre could consider increasing the export quota from the 55 lakh bales allowed in October.

Mr Khullar told reporters in New Delhi that the 329 lakh bales production estimated by the Cotton Advisory Board was at the lower-end and it could higher around 340 lakh bales.

A decision on raising quota is likely to be made this week.

Pressure from Pakistan and reports that India has offered cotton to the neighbouring country in return for onion are seen as factors that could drive the natural fibre up further.

In Andhra Pradesh, prices ruled firm despite higher arrivals. At Adilabad, the rates were Rs 4,300 a quintal, while elsewhere they hit Rs 4,500.

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Back **Vegoil sector cries out for structural changes**

G. Chandrashekhar

Supply growth is most unlikely to match demand growth in the coming years, widening demand-supply mismatch and dependence on imports.

In what is arguably one of world's fastest growing significant economies, rising incomes and demographic pressure continue to drive demand for foods, including vegetable oil . While growth in demand for vegetable oil in India has been strong in the last five-six years, consumption growth is expected to remain robust in the foreseeable future. .

Even as the demand side is decidedly healthy and certain, supply side issues pose serious concerns. If the past is any guide, supply growth in most unlikely to match demand growth in the coming years which will inexorably result in widening demand-supply mismatch and greater dependence on imports. Policy vagaries

For years, policymakers have taken the facile option of liberalising imports to the meet the internal supply gap. What started as a temporary measure has now become a permanent fixture. In recent years, trade and tariff measures have become the focus of attention of policymakers and trade/industry alike, rather than structural issues. The government tinkers with trade and tariff policies from time to time and the market remains highly vulnerable to policy changes.

Unaddressed issues

Most unfortunately, structural issues have remained largely unaddressed, although some politically correct noises are made from time to time. Unless structural issues - from oilseed cultivation to processing to distribution are addressed holistically, all the stakeholders and market participants will remain vulnerable to policy changes and market volatility.

For a country that suffers pervasive malnutrition and under-nutrition, rising demand for vegetable oil is a positive sign. However, there is a worrisome skew in actual consumption which the per capita availability numbers mask. The less-affluent sections get to consume just about half the national average of 13.5 kg. These sections are in dire need of calories.

We need to put in place policies to ensure that the really vulnerable and needy, several hundred millions, are able to access vegetable oil at affordable rates because cooking oils provide the much-needed calories. This will of course result in a huge expansion in demand. The least we should do is to attempt to freeze import volumes at current levels by ensuring that incremental domestic supplies are sufficient to meet incremental demand on an annual basis.

So, the first target should be to freeze import volumes (80 lakh tonnes or so); and make serious attempts to produce domestically the annual incremental demand of an estimated 600,000 - 700,000 tonnes. How to do this?

Raising productivity

A simple stratagem would be improvement in yields; and we are not talking about ambitious numbers. Our yields per hectare are abysmally low at about 1,000 kg per hectare. Can we not target an annual yield growth of just 100 kg/ha over the next five years? The four major oilseeds — soyabean, groundnut, rapeseed/mustard and sunflowerseed - together occupy about 20 million hectares. An increase of a mere 100 kg/ha will generate two million tonnes of oilseeds equivalent to about 600,000 tonnes of oils.

This is surely achievable because we have all endowments to make us agriculturally strong. Policymakers have to assess financial, technological and human resources required . It also requires tremendous ‘political will' to implement the programme as a national priority.

Role of industry

The industry has a major role to play. It must become the ‘change agent'. It is a pity there is hardly any backward integration by the processing industry. On the other hand, the industry has been clamouring for tariff changes on imported oils from time to time to make speculative profits. Often, the industry pays growers lip service without delivering any real benefit.

Fragmentation of the industry is a bane that denies scale economies. There is huge idle capacity. There is no modernisation either. There is a strong case for consolidation of processing capacities to ensure that the operating industry benefits from economies of scale. This will incentivise investment in modernisation.

Often, consumers are short-changed. Quality of oil sold in the market is suspect. Unfortunately, enforcement of food laws in our country is lax. In its own interest, the industry must evolve guidelines and work on the basis of self-imposed discipline. The sector needs vision and mission statement. It should be backed by a strategic action plan. Land constraints and water shortage are set to pose serious risks. Also, global warming and climate change make agriculture vulnerable.

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Back **Refineries' buyback lifts edible oils**

Our Correspondent

Mumbai, Jan. 10

Two leading refineries here bought back 1,800-1,900 tonnes of palmolein on a day when most of the volumes that the edible oil market witnessed was due to buybacks. Regular suppliers/refineries were the buyers, with the traders/stockists playing the sellers. On Monday, selling prices were not quoted and everyone concentrated on buyback, market sources said. Because of dull demand, the market sentiment was weak.

Prices of groundnut oil, soya refined oil and sunflower oil increased Rs 5 and cotton oil by Rs 8/10 kg. In the absence of local demand, there was no trade in resale. In the producing centres, arrivals of seeds is slowly picking up. In the South,, new arrivals of groundnuts put pressure on prices. In Saurashtra, groundnut oil prices were steady at Rs 1,155 (Rs 1,155) a tin and Rs 745 (Rs 745)/10 kg.

In Malaysia, crude palm oil (CPO) futures continued to decline on profit-taking, in tandem with fall in soya oil and crude oil futures, and narrowing of price difference between palm and rival soya oil. Malaysia's palm oil exports during January 1-10 rose 0.8 per cent, compared with the same period last month, to 300,250 tonnes, cargo surveyor Intertek Agri Services said on Monday. China's December edible oil imports rose 11 per cent from a year ago to 790,000 tonnes, and were up 32 per cent compared with November, 2010, the General Administration of Customs said on Monday.

A wholesaler said though the month has just begun, the absence of demand has restricted volumes till now. On Monday, refineries Ruchi and Liberty bought back about 1,000-1,200 tonnes and 500-700 tonnes of palmolein at Rs 583-Rs 578/10 kgs. In Indore, soyabean arrivals were about 2 lakh bags quoting at Rs 2,320-Rs 2,350 a quintal.

Malaysia's BMD CPO January contracts closed at MYR 3,775 (3,800) and February at MYR 3,771(3,800). Indore NBOT soya oil January contracts ended Rs 630 (Rs 631) and February at Rs 641.10 (Rs 642.40).

Mumbai commodity exchange spot rate (Rs/10kg): Groundnut oil 770 (765), soya refined oil 620 (615), sunflower exp. ref. 675 (670), sunflower ref. 720 (720), rapeseed ref. oil 637 (637), rapeseed expeller ref. 607 (607), cotton ref. oil 600 (592) and palmolein was 582 (582).

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Back **Rubber imports double to Rs 2,000 cr in April-Oct**

Sensitive products' imports jump 14% to Rs 40,499 cr.

Our Bureau

New Delhi, Jan. 10

Rubber imports have nearly doubled to over Rs 2,000 crore in April-October 2010 and, along with a surge in other sensitive items such as automobiles, edible oils and milk, led to a 14.1 per cent rise in import of such products during the same period to Rs 40,499 crore.

With domestic supplies not meeting demands, rubber imports have risen 93.1 per cent to Rs 2,026.84 crore from Rs 1,049.6 crore during April-October 2009, according to data released by the Commerce and Industry Ministry on Monday.

Currently, domestic rubber prices are about Rs 210-215 a kg, whereas international prices are about Rs 240 a kg. Last month, to increase domestic availability of the item and check rising prices, the Government had cut import duty on natural rubber to 7.5 per cent from 20 per cent for shipments up to 40,000 tonnes till March 31, 2011. After that date, the duty will be reinstated at whichever is the lower of 20 per cent or Rs 20 a kg.

Autos, auto parts

Automobile imports also saw a 114.3 per cent jump to Rs 1,249.92 crore during the period, while that of parts and accessories of motor vehicles rose 30.1 per cent to Rs 8,607 crore.

Imports of edible oil increased 11.8 per cent to Rs 15,882 crore. Within this segment, crude oil imports went up 17.2 per cent, while that of refined oil fell 16 per cent. Increase in edible oil import is mainly due to substantial increase in import of soyabean crude oil, the official statement said.

Imports of milk and milk products saw four-fold jump to Rs 536.12 crore. Foodgrains surged to Rs 211.25 crore from Rs 12.47 crore.

Alcoholic beverages increased 55.4 per cent to Rs 287.4 crore.

Total imports

While total import of 415 sensitive products increased to Rs 40,499 crore (April-October 2010) from Rs 35,487 crore during the previous year, the gross import of all commodities was Rs 8,89,827 crore against Rs 7,43,469 crore.

Imports of pulses, fruits and vegetables (including nuts), cotton and silk, spices and tea and coffee declined during the period; that of all other items, including products of SSI, marble and granite, increased.

Imports of sensitive items from Indonesia, China, Argentina, Korea, Malaysia, the US, Germany, Ukraine, Thailand, Australia, Cote D' Ivoire, the UK, Czech Republic, Vietnam and New Zealand have gone up while those from Myanmar, Canada, Brazil and Japan have gone down.

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Back **Cardamom prices likely to firm up**

Good domestic demand, slowing market arrivals cited as reasons.

G. K. Nair

Kochi, Jan. 10

Matching demand and supply kept cardamom prices nearly steady last week at auctions in Kerala and Tamil Nadu. However, on Monday the market in Bodinayakannur was buoyant with the prices moving up, trade sources in Bodi told Business Line. They said 8 mm green colour bold was going at Rs 1,650-1,700 a kg while bulk was being sold at Rs 1,380-1,425 a kg.

Exporters stayed away as the current prices were not workable for them. However, according to trade sources, upcountry dealers were active on the anticipation that the arrivals will decline as the lean season has begun and, consequently, prices might move up.

Prices fluctuate

The prices last week fluctuated marginally. The individual auction average was between Rs 1,290 and Rs 1,408 a kg, they said. Total arrival at the Sunday auction for KCPMC was 39.8 tonnes, and the entire quantity was sold.

According to Mr P. C. Punnoose, General Manager, CPMC, the maximum price was Rs 1,592.50 a kg and the minimum, Rs 1,200. The average was Rs 1,392 a kg . “Non-availability from other sources is also keeping the market buoyant”, he said. Arrivals last week declined to 235 tonnes from 282 tonnes the previous week and 331 tonnes the week before that, he added.

Total arrivals during the current season, from August 1 to January 9, 2011, stood at 6,227 tonnes. Of this, 6,099 tonnes were sold. Arrivals and sales in the same period of the previous season were 6,270 tonnes and 6,159 tonnes respectively. The weighted average price was Rs 1,098 a kg on January 9, 2011, , up from Rs 742.90 a kg on the same day last year.

Meanwhile, the Agricultural Market Intelligence Centre (AMIC) of Kerala Agricultural University has predicted that the prices would rule at higher levels in the coming weeks.

According to Dr K. Satheesh Babu, Professor and CCPI, AMIC, the production prospects of cardamom in Kerala is reckoned at 9,500 tonnes due to continuous heavy rains, and the fourth round of picking also points out to this. Market arrivals are also slowing down as 55-60 per cent harvest has already been offloaded, and there is practically no selling pressure. The trade circles indicate good domestic demand.

Demand from Northern India will also remain high till the festival season ends with Holi in the third week of March. “With the procurement of cardamom from Guatemala a remote possibility, countries such as Saudi Arabia has started placing orders from India. Large cardamom, which is used by restaurants and bakeries in view of spiralling small cardamom prices, is also facing supply crunch,” he said

High prices of large cardamom rules out the possibility of it substituting small cardamom, he said. “Widening demand-supply gap is expected to perk up cardamom prices further and based on the above market sentiments, the following prices are expected to prevail for the next three months for Alleppey Green Extra Bold (AGEB), and non-graded cardamom lot (bulk): AGEB prices for January, February and March will be Rs1,500-1,700, Rs 1,600-1,800 and Rs 1,8002,000 a kg respectively.

Bulk prices would remain in the Rs 1,5001,700 a kg range.”

As the prices are likely to stay high, the cardamom growers are advised to time their selling accordingly to their advantage, he added.

As per official sources, the prices per kg for graded varieties on Monday were:AGEB, Rs 1,620-1,630; AGB, Rs 1,510-1,520; AGS, Rs 1,490-1,500; and AGS1, Rs 1,470-1,480.

According to trade sources, prices per kg in the open market in Bodinayakannur were: AGEB (7-8 mm), Rs 1,490-1,520; AGB (6-7 mm), Rs 1,395-1,415; AGS (5-6 mm), Rs 1,370-1,390; and AGS1, Rs 1,355-1,370.

Weather conditions last week were favourable in the growing areas as many parts received moderate rains, growers said.

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Back **Liquidation takes toll on pepper futures**

G.K. Nair

Kochi, Jan 10

Pepper futures on Monday fell sharply on bearish sentiments and heavy liquidation.

All the contracts were pulled down sharply. There were liquidation of around 400 tonnes and switching over to nearby positions.

Bearish sentiments were spread in the market by saying that around 6,700 tonnes of January are available while there was lack of overseas and domestic support and the new crop in India and Vietnam would hit the market making availability in abundance and so on.

These propaganda had made the weak and medium operators to liquidate while some had switched over to nearby positions. It had resulted in the market falling sharply against the fundamentals.

Low arrivals

In fact, availability hasn't picked up as anticipated while sellers are also said to be limited, market sources claimed.

Arrival of the new crop has not yet picked up and nobody knows what had happened to the pepper already harvested.

Only small quantities have arrived in the primary and terminal markets.

Similarly, the situation in Vietnam is also quite uncertain.

Based on speculations and assumptions and presumptions the market has been pulled down, trade sources told Business Line.

January contract on the NCDEX fell by Rs 586 to Rs 22,212 a quintal.

February and March dropped by Rs 530 and Rs 502 respectively to Rs 22,557 and Rs 22,832 a quintal.

Turnover gains

Total turn over increased by 9,720 tonnes to close at 12,450 tonnes.

Total open interest dropped by 366 tonnes to 12,928 tonnes. January open interest fell by 1,300 tonnes to 6,645 tonnes.

February increased by 869 tonnes to 5,425 tonnes. March moved up by 43 tonnes to 475 tonnes.

Spot prices slide

Spot prices dropped by Rs 300 a quintal for ungarbled in tandem with the futures market trend.

As the market started falling, buyers withdrew. In fact, there were not many sellers.

As the pepper arrives in the spot market is a mixture of old and new pepper and given the cloudy weather conditions prevailing in the growing areas the moisture content is higher estimated at 14 – 14.5 per cent and hence there is an estimated shortage in weight by 3 to 3.5 per cent while processing.

Thus, the conversion cost, the trade claimed, would go up by Rs 3-8 a kg from Rs 5.

Therefore, the difference between ungarbled and garbled (MG1) has gone up to Rs 8. As a result, the spot prices today would be for ungarbled Rs 21,200 and MG 1 Rs 22,000 a quintal, they said.

Indian parity

Indian parity in the international market has become competitive at $5,125-5,150 a tonne (c&f) as the main competitor Indonesia is said to have quoted today $5,000 a tonne (f.o.b), they said.

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Back **Flowering pattern signals late, but good, cashew crop**

A.J. Vinayak

Mangalore, Jan. 10

The cashew processing industry in Karnataka expects a good crop this season, which could be delayed by a month. The delay in crop arrivals will be due to the unseasonal rainfall in cashew-growing regions till November-end.Mr Kiran Kumar Kodgi, President of the Karnataka Cashew Manufacturers' Association (KCMA), told Business Line that the flowering in cashew-growing regions is encouraging. “This gives us a feeling that the crop will be good this year,” he said.Mr K. Prakash Rao, former President of KCMA, said in spite of extended rainfall right up to December, the cashew crop is expected to be good this season. The crop may be delayed, but the flowering pattern indicates a bumper one for season 2011.Mr G. Giridhar Prabhu, former President of Kanara Chamber of Commerce and Industries and proprietor of Achal Industries, said coastal Karnataka experienced excess rainfall of over 50 cm from September 1 to November 30.Terming it as a new phenomenon which never happened in coastal Karnataka for over 50 years, he said it cannot be judged ashaving a negative impact.

There are physiological implications if rains do not stop at the right time. “We are in the process of studying this phenomenon and this will take another six weeks to unravel. The primary fact is that the entire process of commencement of flowering is late by at least 30 days,” he said.Mr B. Rahul Kamath, partner in the Karkala-based cashew processing firm Bola Surendra Kamath & Sons, said all seasonal crops are expected to get hit due to the unseasonal rainfall last year. However, it is too early to estimate the crop size.

BETTER PRICE

Raw cashew growers can expect better price, at least 20-25 per cent more than last year, said the cashew processors.Referring to the increase in the demand for the commodity in the domestic market, Mr Kodgi said the growers are expected to get a better price this season.Mr Prabhu said the prices will be at least 20 per cent better than those of last year, depending on the region and quality. Last year the prices for grower were between Rs 44 and Rs 56 a kg, he said.Indian farmers are expected to realise a better rate for their produce this season, said Mr Prakash Rao, adding we urgently need to increase raw cashew cultivation. The cashew farms will now become very attractive at these prices and will pay more in the long term as cashew markets will be more stable, he said.

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Back **Turmeric drops below Rs 16,000/quintal**

Our Correspondent

Erode, Jan. 10

Spot turmeric prices decreased further on Monday and dropped below Rs 16,000 a quintal.

“Due to severe cold wave in North Indian towns, traders placed minimal orders. Due to this, prices have come down. Traders are expecting a further dip in prices in the next few days,” said Mr R.V. Ravishankar, President, Erode Turmeric Merchants Association.

He said: “On Monday about one hundred bags of fresh Mysore variety turmeric arrived in the market for sale. But it fetched only Rs 14,200 a quintal, much lower than farmer's expectation. Traders are also buying limited stocks”. He said farmers almost have sold all their stocks, expecting decrease in price for the fresh crop that will arrive in the market in the middle of February, as the cultivated area is almost double this year.

At the Erode Turmeric Merchants Association sales yard, the finger variety fetched Rs 9,299-15,939 a quintal and the root variety Rs 9,000-16,069. Out 1073 bags that arrived in the market, 415 were sold. At the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety sold at Rs 14,827-15,997 a quintal, the root variety Rs 14,737-15,831. Of 173 bags that arrived, 143 were sold. At the Erode Cooperative Marketing Society, the finger variety sold at Rs 15,650-16,050, the root variety Rs 15,639-16,010. Of 504 bags kept for sale, 400 were sold. At the Regulated Marketing Committee, the finger variety sold at Rs 15,489-15,949. The root variety Rs 15,293-15,809. Of 634 bags that arrived, 585 were sold.

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Back **Lack of demand undermines sugar**

Our Correspondent

Mumbai, Jan. 10

Sugar prices on the Vashi wholesale market continued to decline with spot rates falling by Rs 10-15 on Monday in the absence of local and upcountry demand. This month prices have dropped almost Rs 50-60 a quintal due to selling pressure on higher free sale quota.

Market players are expecting that after the continuous decline, prices may settle at the current level, give or take Rs 10-15. On Monday, naka and mill tender rates also came down by Rs 10-20 a quintal.

Mr Harakhchand Vora of Kavita Trading Co. said: “A higher free sale quota for the current month and unexpected lower retail demand kept trading dull. Due to less-than-expected demand, prices ruled weak, but once the local demand rises, prices may rebound and settle down at the current level. “On Saturday 5-6 mills came forward with tender offers and sold about 70,000-75,000 bags of sugar at Rs 2,780-2,820 for S-grade and Rs 2,820-2,860 for M-grade a quintal to local and State level traders. It includes one rake (about 27,000 bags) sold to an eastern buyer. On Monday, arrivals in the market were about 44-45 truckloads (each 100 bags) and dispatch was about 38-40 truckloads.”According to Bombay Sugar Merchants Association, spot sugar rates were: S-grade Rs 2,941-2,965 (Rs 2,946-2,972) and M-grade Rs 2,946-3,021 (Rs 2,966-3,041). Naka delivery rates were: S-grade Rs 2,880-2,920 (Rs 2,900-2,930) and M-grade was Rs 2,930-2,960 (Rs 2,930-2,970).

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Back **Weak global market drags soyabean oil**

Our Correspondent

Indore, Jan. 10

The bullishness in soyabean oil abated on Monday following weakness in the global vegetable oil market and drop in demand at the higher rates. Soyabean oil prices have been witnessing a downtrend for the past two days in the spot market.

Amidst scattered trading on Monday, soya refined ruled steady at Rs 598-600 for 10 kg. However, in the resale it was quoted at Rs 595-597. On the other hand, soya refined delivery for Gwalior and Morena regions for the next 10 days was done at Rs 602 for 10 kg.

Soya refined edged as low as Rs 595 on subdued demand. Similarly, soya solvent also edged lower to Rs 571-573.

Soya oil futures declined on the NBOT and NCEDX. On the NBOT, soya oil January contracts closed Rs 3.50 lower at Rs 630 for 10 kg after opening at Rs 633.50. Similarly, soya oil February contracts closed Rs 6 lower at Rs 640.20.

Soya oil futures on the NCEDX closed lower with January and February contracts closing Rs 1.35 and Rs 2.70 lower at Rs 631.55 and Rs 642.5 for 10 kg respectively.

However, soyabean increased in Indore mandis. Soybean quoted at Rs 2,210-2,260 a quintal, while in Indore it was quoted at Rs 2,215-2,250 a quintal.

Demand for soya DOC continued to remain sluggish. The port rate of soya DOC on Monday was Rs 18,100 for January and Rs 18,200 for February. In the domestic market, soya DOC was quoted at Rs 16,700-17,300 a quintal.

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Back **Cold weather halts trading in rice**

Our Correspondent

Karnal, Jan. 10

With trading turning sluggish, prices of aromatic and non-basmati rice ruled flat.

The cold weather has brought rice trading to a standstill, said Mr Amit Chandna, Proprietor of Hanuman Rice Trading Company. Traders expect a good rally in the market in the first week of February, he said.

On Monday, Pusa-1121 steam (new) ruled at Rs 5,150-5,180 a quintal, while the old variety was quoted at around Rs 5,200-5,250.

Pusa-1121 sela (new) was at Rs 4,100-4,150; old variety was at Rs 4,250. Pusa-1121 raw (new) ruled around Rs 5,080, while the old variety was quoted at around Rs 5,200.

Pusa (sela) ruled at Rs 3,150-3,200 and Pusa (raw) around Rs 4,200. Basmati sela quoted at Rs 5,950-6,000, and basmati raw at Rs 6,950-7,000.

Brokens such as Tibar was at Rs 3,100, Dubar at Rs 2,300, and Mongra at Rs 2,000. Permal sela ruled at Rs 2,000-2,150, while Permal steam ruled at Rs 2,170 a quintal. Sharbati sela sold at around Rs 2,700 and Sharbati steam at Rs 2,970-3,000 a quintal.

Around 2,000 bags of PR were sold between Rs 1,000 and Rs 1,025. About 2,000 bags of Sharbati ruled at Rs 1,550. Sugandha-999 arrived in about 5,000 bags, and was quoted at Rs 1,400-1,550.

Around 2,000 bags of Pusa (duplicate basmati) were quoted at Rs 2,000-2,150. Around 10,000 bags of Pusa-1121 ruled at Rs 1,900-2,300. About 3,000 bags of pure basmati quoted at Rs 2,400-2,600.

Date:11/01/2011 URL: http://www.thehindubusinessline.com/2011/01/11/stories/2011011152651800.htm

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Back **Duty-free import of sugar restored**

New Delhi, Jan. 10

In a further signal of its concern over food inflation spreading to more commodities, the Centre has brought back sugar under the duty-free import regime.

Earlier, imports of both raw as well as white sugar were allowed at zero duty till December 31. Since there was no official notification for its continuation, the import duty was automatically restored to the original 60 per cent from January 1.

But in a fresh notification, dated January 8, the Revenue Department has permitted sugar to be imported without payment of any duty till March 31.

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Back **Nabard programme on Organic Farm Certification**

Our Correspondent

Madurai, Jan. 10

The National Bank for Agriculture and Rural Development (Nabard), under the auspices of Farm Innovation Promotion Fund (FIPF), organised a one-day programme on Organic Farm

Certification, here recently. Inaugurating the programme, Mr R. Shankar Narayan, AGM, Nabard, said that there was a need to build a pool of dedicated farmers who practiced organic farming methods, complying with appropriate certification requirements, which could give credibility to the products as also open up export opportunities.

He said that Nabard has been funding studies under FIPF, basically to come out with empirical data as also documentation on the profitability of organic methods of cultivation. It intends to place the findings to the farmers so that they would be in a position to take a considered view on appropriate cropping pattern through organic methods based on soil condition.

Survey of farmers

As a follow-up, it has been proposed to conduct a survey of farmers who are interested in taking up organic farming full time and make available intensive training inputs on organic farm certification through experts, he added.

Mr Nammalvar, State Co-ordinator of Organic Farming Association of India (OFAI), in his address said that farming techniques were location-specific and farmers should learn from their experience and apply available resources appropriately. He called upon farmers to take farming closer to nature and narrated various case studies in support of organic farming practices. He released a Booklet on ‘Organic Inputs Preparation'. Mr Mannar Mannan, a practicing organic farmer, briefed about the various interventions carried out under the project

The programme was attended by scores of farmers who were already into organic farming methods in and around Meenakshipatti, Chellampatti, Karumathur, Karuveppillai, Munduvelampatti, Usilampatti, Peraiyur and nearby villages.

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Back **Spot rubber prices surge to new high**

AravindanKottayam, Jan. 10

Spot rubber made another record on Monday. The market moved up on fresh buying and short covering, though there were only marginal gains on the National Multi Commodity Exchange. Domestic supply concerns continued to cast their shadow over trading activities and it was difficult to find out a quantity seller even at those awesome levels. The trend was mixed as ungraded rubber closed unchanged amidst low volumes.

Indian rubber prices are likely to set record highs this week buoyed by good demand and rally overseas though profit taking may limit the gains, dealers and analysts said. Demand from tyre companies was intact despite record high prices. A few farmers were holding back stocks expecting a further rise in prices.

Sheet rubber improved to Rs 215 (214) a kg, according to traders. The grade finished flat at Rs 214.50 a kg, both at Kottayam and Kochi as reported by the Rubber Board.

Futures firm

In futures, the January series for RSS 4 firmed up to Rs 214.90 (214.24), February to Rs 223.00 (221.01), March to Rs 228.12 (225.97) and April to Rs 233.90 (232.68) a kg on the NMCE.

RSS 3 (spot) slipped to Rs 239.68 (239.87) a kg at Bangkok. Spot rates were (Rs/kg): RSS-4: 215 (214); RSS-5: 204.50 (203.50); ungraded: 200 (200); ISNR 20: 212 (211) and latex 60 per cent: 148 (146). **Date:11/01/2011 URL: http://www.thehindubusinessline.com/2011/01/11/stories/2011011151991900.htm**

Back **Nabard to focus on joint liability groups**

Our Bureau

Thiruvananthapuram, Jan 10

The National Bank for Agriculture and Rural Development (Nabard) will be focusing more on Joint Liability Groups as a more effective target for directing priority sector lending.

This was stated by Dr Prakash Bakshi, Executive Director, Nabard, while delivering the presidential address at the State Credit Seminar organised here recently as part of unveiling the State potential credit plan for the priority sector for 2011-12.

INFORMAL GROUP

Joint Liability Groups (JLGs) is an informal group comprising of four to 10 individuals coming together for the purpose of availing bank loan against mutual guarantee.

JLGs will help Nabard to reach out to the rural masses, including tribals, the fishermen community and farmers at large in a more effective manner, Dr Bakshi said.

The Chief Minister, Mr V. S. Achuthanandan, inaugurated the seminar. In his address, the Chief Minister said that farming practices that are not harmful to lives of the ordinary citizens need to be promoted in the State. Organic farming that uses local knowledge of the farmer community is the best bet for the State in this context, he said.

PRICE STRUCTURE

The Chief Minister called for better price structure and value addition to agricultural produce to ensure the welfare of the farming community. On the occasion, Mr Achuthanandan also released the Aralam resettlement project report prepared by the regional office of Nabard. Mr K. C. Shashidhar, Chief General Manager, Nabard-Kerala and Lakshadweep, said that the State Potential Credit Plan for Rs 58,000 crore formed the basis for the potential-linked plans for each district of the State.

The potential linked plans show an increase of 16 per cent year-on-year for the State.

NEW SEGMENTS

It also envisages penetration into new segments in tune with the initiatives of the State Government. This plan will also serve as the basic document for the Lead Bank of each district to prepare the district credit plan.

The district plans not only estimated the credit potential, but also indicate the infrastructure and other support cumulatively required by the State Government.

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Back **2010 Nilgiri tea output up 3.1 %**

P.S. Sundar

Coonoor, Jan. 10

Tea production in the Nilgiris, the largest tea growing district in South India, fell as much as 20 per cent in December 2010 over December 2009 due to adverse weather conditions. However, aided by earlier gains, the overall production in calendar 2010 rose by 3.1 per cent

“Production in our member estates in December 2010 fell to 0.83 million kg (mkg) from 1.03 mkg in December 2009, posting a decline of 20 per cent. The five-year mean for the month was 0.87 mkg”, Dr B. Radhakrishnan, Assistant Director, Nilgiris regional Centre, UPASI Tea Research Foundation, told Business Line. The minimum temperature had dropped to three degrees Celsius in Craigmore and Dunsandale and four degrees in Thiashola.

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the pioneer

Pak to resume onion exports to India

January 11, 2011 11:25:12 AM

PTI | Islamabad

In a decision that could soften prices of the bulb in the neighbouring country, Pakistan's Ministry of Food and Agriculture has agreed to the move to continue onion exports to India.

This is due to adequate production of the vegetable despite the floods that devastated agricultural lands across Pakistan last year, an official of the ministry told PTI.

However, the Commerce and Foreign Ministries here are opposed to onion exports, he said.

Sources in the Indian High Commission confirmed that there has been no movement of onion consignment since the ban was imposed by Pakistani authorities last week.