THE HINDU

Online edition of India's National Newspaper

Saturday, March 05, 2011

Date:05/03/2011 URL: http://www.thehindu.com/2011/03/05/stories/2011030566660600.htm

Sunshine on fields in Erode

Staff Reporter

Parts of Sathyamangalam and Bhavanisagar blocks are clothed in marigold

- Photo: M. Govarthan

Play of flowers:Women working in marigold fields in Sathyamanagalm block.

ERODE: The rural pockets of Sathyamangalam and Bhavanisagar blocks in Erode district are a treat to watch these days. Swathes of fields are so covered with marigolds in full bloom that the land here seems to have taken a yellow and deep-orange hue.

Marigold is grown in more than 300 hectares of the blocks and in some parts of Nambiyur.

Farmers, who are now preparing for harvest, have been attracted to take up marigold cultivation prompted by the remunerative prices, favourable weather conditions and a short growing period.

“Growing marigold is profitable for the farmers here, as they can harvest them thrice in a year,” horticulture officials say.

During the harvest season, the flowers can be plucked every four days, and the farmers get an average of six to eight tonnes of marigold from an acre of land.

The flower is usually purchased by the traders in Sathyamangalam and Coimbatore.

Some are sold to traders in Kerala, and to companies producing poultry feed and food colouring, officials say. The spot price of the flower ranges from Rs. 6 to Rs. 10 per kg during the season. The total cost of cultivation for an acre of marigold varies from Rs. 20,000 to Rs. 25,000 including the seeds, cost of labour and fertilizers.

“We can expect an average income of Rs. 45,000 to 55,000 per acre,” farmers say. Though it looks profitable, marigold cultivation is marred by severe shortage of labour, which is forcing farmers to switch over to other crops.

“We need a lot of labourers particularly during the harvest season. But we find it too difficult to get the workers. Many agricultural labourers have enrolled themselves in the Mahatma Gandhi National Rural Employment Guarantee scheme, and are refusing to work in our fields. The cost of labour has gone up several folds,” farmers say.

Most of the farmers cultivating marigold depend on their family members for harvest.

Date:05/03/2011 URL: http://www.thehindu.com/2011/03/05/stories/2011030554140500.htm

---

Cotton prices move up

M. Soundariya Preetha

Prices were nearly Rs. 55,000 a candy 10 days ago A variety on Friday cost nearly Rs. 60,000 a candy

---

COIMBATORE: Cotton prices are moving up again after a decline for a short period.

Price of Shankar-6 variety of cotton was nearly Rs. 60,000 a candy on Friday. The prices had gone down to nearly Rs. 55,000 a candy 10 days ago. “We fear prices will touch Rs. 70,000, and hence mills are continuing to buy cotton even at these (latest) prices,” says an official of the Southern India Mills' Association. Though cotton yarn movement is dull, mills are buying cotton, as they need to keep their operations going.

Production estimate

So far, this season (October 2010 to September 2011), nearly 235 lakh bales have come into the market. The Cotton Advisory Board has estimated the total production at 312 lakh bales.

“Cotton prices have firmed up again, as the closing stock this year is estimated at just 27.5 lakh bales.

Farmers and ginners know the demand will continue throughout the season,” says K.N. Viswanathan, secretary of South India Cotton Association.

Cotton arrivals are not expected to improve now, and the demand is also low. Hence, prices were expected to continue at these levels, Mr. Vishwanathan added.

With cotton prices shooting up this season, the trade and industry also fear shortage of cotton seed for the next season.

Date:05/03/2011 URL: http://www.thehindu.com/2011/03/05/stories/2011030550720200.htm

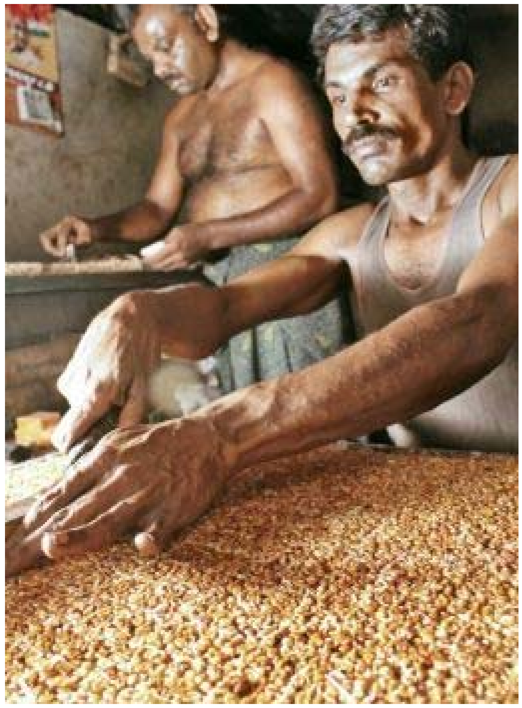
---

A sweet trade is turning sour

Akila Kannadasan

Shortage of workers is said to be the reason

— Photo: K.Ananthan



On the verge of extinction:Groundnut bar (peanut candy), a traditional sweet made by cottage scale units, still remains popular despite the onslaught by newer offerings.

COIMBATORE: It costs just a rupee. Nutty, crunchy and sweet at the same time, there's nothing to beat the taste of good old kadalai mittai. But behind every square of this sweet is a story of hard work in cramped kitchens. And, shortage of workers is turning sour the business of making the sweet.

If you live in and around Nanjundapuram, chances are that you would have eaten groundnut chikkis and coconut burfis manufactured at Jeni Vilas, a cottage industry in Sreepathy Nagar. Grocery and petty shops around this area stock them.

Seated next to a blistering mud stove, T. Selvan, the proprietor, his wife S. Thangasceli and a worker A. Sandhyaraj make small balls out of a hot mixture of jaggery and groundnuts. “We need to be quick,” says Selvan without looking up. “If the mixture cools down, it will be of no use.” He has portioned a small part of his house to serve as the manufacturing unit.

Sandhyaraj has been working with him for 14 years now. “My job is to stir the roasted groundnuts and jaggery syrup,” says the 43-year-old. “The task requires one to stand before the hot stove for hours," he adds. Years of handling the heavy iron ladle has left thick calluses on Sandhyaraj's palms.

Skilled labour

"Our field is short of skilled labour. And, one has to toil day in and day out. Given the increasing cost of groundnuts, the profit margin is very small. So, youngsters do not come forward to take to chikki making for a living, let alone work in our units." says Selvan. "The demand is steady, but meeting it is an uphill task due to lack of workers," he adds.

Not just Selvan and Thangasceli, there are many households at Bharathi Nagar in the city, where couples turn out slabs of groundnut chikkis from tiny kitchens. "We are planning to wind up the business," says V. Ponkani of Sri Ram Sweets.

"Initially, we had a few women working for us. But they left to work in textile showrooms," she adds.

Jagadeshwaran of Eshwaran Sweets says that he will call it quits once his daughter is married off. "This business will end with me," he says. He too works out of his house with his wife Viji. "The minute the jaggery-groundnut mixture is poured onto the slab from the stove, I press it flat and cut out the squares. My wife starts packing them instantly, for air could turn them sticky. All this should happen in less than five minutes," he says.

Jagadeshwaran says that he has seen several cottage industries that were once doing brisk business, close down. "Ravi Sweets and Swastik Sweets were at the top of the order in the early and mid 80s. But they were forced to close down due to labour shortage," he says. "I know of a lot of units that are considering the same. MKS Sweets, for example, once a pioneer in the business, is on the verge of closure."

Now there are machine-cut groundnut chikkis that come individually packed in candy-style wrappers. "But, as far as groundnut chikkis are concerned, the hand-made ones are far tastier and have better finishing than the machine-cut ones," says Jagadeshwaran.

"We sort out the stones from the raw groundnuts by hand before roasting them and spend time in getting the perfect padham for the jaggery syrup. This is for that perfect crunch," he smiles.

Jagadeshwaran says that despite the hard work put in, the profit he makes is just enough for a hand-to-mouth existence. “This is the case with almost every other groundnut chikki maker in the city. Hand-made kadalai mittai could soon become extinct.”

Date:05/03/2011 URL: http://www.thehindu.com/2011/03/05/stories/2011030551970700.htm

---

“China, India has policies for sustainable use of water”

Special Correspondent

Chennai: Undertaking eco-restoration of hydrological hotspots, developing ground water sanctuaries in chronically drought prone areas and use of NREGA effectively could strengthen water security, said M.S. Swaminathan, agricultural scientist.

Addressing an Indo-US workshop on ‘The critical global challenge: Managing water resources for food security and sustainability' on Friday, he said the world's most populous nations, China and India, had come out with policies for sustainable use of water resources.

With an outlay of USD 600 billion over the next ten years, China's first policy document was released this January. The rationale behind it was that sustainable use of water resources was critical for the country's food, economic, ecological and even national security.

In India, supply augmentation, demand management, quality monitoring and improvement and harnessing new technologies were the pathways to build a sustainable water security system. WAR (Winning, Augmentation and Renovation) for water called for a six-pronged strategy for water security.

The ‘More crop and income per drop of water' movement has helped save water at farm level in various crops ranging from 23 to 89 per cent and the additional yield recorded in the programme ranged from 30 to 50 per cent in different crops with an addition to income of farmers ranging from Rs.2,000 to Rs.20,000 per hectare depending on the crop, Mr. Swaminathan said.

Joint R&D centre

Arabinda Mitra, executive director, Indo–US Science & Technology Forum, said the two countries were in the process of setting up a joint R&D centre for clean energy with an allocation of USD 10 million to work on solar photovoltaic, energy efficiency buildings and bio-fuel.

An Indo-US R&D Innovation Fund would be created with an allocation of about USD 4 million for research in agriculture, water, affordable health care and information technology. To be equally funded by both sides, it would develop products and technologies to be used in both countries and for the worldwide market, he said.

James B. Milliken, president, University of Nebraska, said there should be partnerships across institutions and countries to meet the challenges arising out of an explosion in population over the next fifty years.

MSSRF and University of Nebraska jointly organised the workshop, sponsored by Indo–US Science & Technology Forum. Ajay Parida, executive director, MSSRF and Ronnie Green, vice chancellor, University of Nebraska– Lincoln, spoke.

Date:05/03/2011 URL: http://www.thehindu.com/2011/03/05/stories/2011030551920600.htm

---

Watermelons arrive in Erode

Staff Reporter

PHOTO: M. GOVARTHAN

Erode town is witnessing huge arrival of watermelons as mercury continues to rise. —

ERODE: Watermelons have started arriving at the fruit markets here as the mercury continued to rise for the past few weeks.

Fruit shops selling watermelons have sprung up in almost all parts of the town, much to the delight of summer-weary residents.

Seasonal vendors have begun to procure the sweet watery fruit from farmers in Tiruvannamalai and Viluppuram districts.

Some others have started procuring from Karnataka.

Traders flooded with orders from retailers

Traders in the markets here said they were already flooded with orders from retailers and roadside vendors in the district.

They expected the demand to go up during the third week of this month.

"This year, the watermelons will cost more. Till a few weeks ago, we sold a slice of watermelon for Rs. 4 or 5. But now it would cost Rs. 5 to 7 a piece," said a vendor.

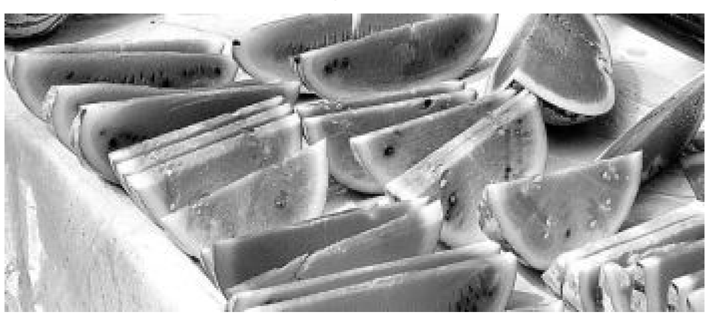
Date:05/03/2011 URL: http://www.thehindu.com/2011/03/05/stories/2011030558080500.htm

---

Water melons offer juicy respite

Special Correspondent

— M.SRINATH



Thirst quenchers: Water melon pieces arranged for sale in Thanjavur on Wednesday.

THANJAVUR: Heralding summer, water melons have come to the market in the town. Heaps of water melons can be seen on Medical College road in Keelavasal.

With Mahasivarathiri festival coming to an end, mercury is on the rise and people feel sultry during the day-time.

People take a respite by taking water melons and tender coconuts, which are also on sale. "We bring water melons from Marakkaanam for sale.

It is also cultivated by local farmers around Thiruvaiyaru and Thanjavur. A fruit which cost Rs.8 last year is selling at Rs.12 this year. Slices of melons are being sold at fifty paise to one rupee.

Soft drink companies have stepped up their advertisements and campaign with a view to do a maximum sale this summer.

Shops selling fresh fruit juices are also doing good business. Cucumber is yet another sought after vegetable by people.

Date:05/03/2011 URL: http://www.thehindu.com/2011/03/05/stories/2011030564091700.htm

---

Centre seeks Rs.79,590 cr more to meet fuel, fertilizer bills

Special Correspondent

The outgo will not have any implications on the fiscal deficit

NEW DELHI: The government on Friday sought Parliament's nod for the sanction of an additional Rs.79,590 crore to meet extra expenses related to fuel and fertilizer subsidies in the current fiscal.

This includes an additional Rs.21,000 crore for compensating the oil marketing companies (OMCs) for under-recoveries on the sale of subsidised petroleum products, according to the third supplementary demands for grants tabled in the Lok Sabha.

In addition, Rs.9,000 crore was sought for meeting the defence pension bill and Rs.8,000 crore on fertilizer subsidy.

Out of the total demand of Rs.79,590 crore, the net cash outgo on meeting the extra expenses in the current fiscal would be Rs.68,918 crore. The remaining amount would be met through savings in other heads of expenses and enhanced recoveries.

The outgo will not have any implications on the fiscal deficit, as the amount has been included in the revised estimates for 2010-11 The Rs.8,000-crore grant for fertilizers was sought in lieu of a Rs.4,350-crore subsidy on imported decontrolled fertilizers and Rs.3,650 crore subsidy on indigenous decontrolled fertilizers.

The total grant amount sanctioned for OMCs in the current fiscal stands at Rs.38,558 crore, including Rs.14,278 crore that was allocated towards their under-recoveries last fiscal.

The government has also sought Rs.3,187 crore for meeting the additional expenditure on recapitalisation of public sector banks and to raise its holding in certain state-run banks to 58 per cent.

VAT compensation

The grant also includes Rs.3,000-crore compensation to State governments for their revenue loss due to the reduction in the Central Sales Tax and Rs.500 crore towards VAT compensation.

Furthermore, Rs.5,000 crore was sought for extending short-term loans to Food Corporation of India for procurement operations under the targeted public distribution system.

The government also sought an additional Rs.3,380 crore sanction for the farmers' debt relief fund to implement debt waiver and debt relief schemes. The government had budgeted Rs.11.08 lakh crore towards various subsidies in the current fiscal, which was later revised to Rs.12.16 lakh crore.

Date:05/03/2011 URL: http://www.thehindu.com/2011/03/05/stories/2011030555420400.htm

---

Rs. 25 cr. released for arecanut purchase

Special Correspondent

Price of the produce dropped from Rs. 18,000 to Rs. 9,000 a quintal

Arecanut prices crash after gutkha makers suspend purchases Supreme Court has banned use of plastic pouches for gutkha

Bangalore: The State Government has released Rs. 25 crore from the revolving fund to procure arecanut directly from the growers, who have been affected by the recent fall in the prices.

Chief Minister B.S. Yeddyurappa told the Legislative Assembly on Friday that the Agricultural Marketing Department has taken steps to protect growers from the recent crash in the prices of arecanut.

Arecanut growers have been facing severe financial difficulties following the crash in the prices of the produce owing to suspension of purchases by gutkha manufacturers in north India. The Supreme Court in its ruling recently banned use of plastic pouches for gutkha.

The Government would give an additional Rs. 600 per quintal over and above Rs. 6,900 fixed by the Union Government. The procurement would be done through the Mangalore-based Central Arecanut and Cocoa Marketing and Processing Cooperative Ltd (CAMPCO) and other cooperative bodies in Shimoga and Sirsi at Rs 7,500 per quintal till June 30.

Earlier, raising the issue during Question Hour, Kimmane Rathnakar of the Congress said the prices of arecanut had dropped drastically following the Supreme Court ruling on banning use of plastic by gutkha manufacturers. The court had also ordered for closure of the manufacturing of gutkha for a temporary period. As a result of this, the prices of arecanut had dropped by 50 per cent from Rs 18,000 a quintal to Rs 9,000 a quintal, he said.

Date:05/03/2011 URL: http://www.thehindu.com/2011/03/05/stories/2011030558730500.htm

Farmers demand loan waiver

Correspondent

'The traditional areca growers are neck-deep in loans' Farmers' meet planned on March 20

SIRSI: A mega farmers' meet will be held at MES College grounds in Sirsi on March 20 at 2 p.m. The meet is convened to draw the attention of the State and Union governments about the necessity of waiver of farmers' loan in Uttara Kannada district, Swarnawalli Gangadharendra Saraswati Swamiji told presspersons on Thursday.

The traditional areca growers were neck-deep in loans because of the rising cost of farm labour. The situation was so sensitive that if the Government did not intervene, farmers could commit suicide, the swamiji said.

The meet would demand waiving of farmers' loan (assami loan) and loans taken on vanilla cultivation besides asking for support price for areca nut. The meet was not against any political party but for the welfare of farmers of the district, he said. He added that about one lakh farmers from the district would participate in the meet.

Union Ministers S.M. Krishna, K.H. Muniyappa, Jairam Ramesh and Veerappa Moily along with Chief Minister B.S. Yeddyurappa and the former Chief Minister H.D. Kumarswamy would participate in the programme, he said.

Totgars Sale Society president Shantaram Hegde, Taluk Marketing Society president G.M. Hegde Hulgol and former zilla panchayat member G.N. Hegde Muregar were present.

Date:05/03/2011 URL: http://www.thehindu.com/2011/03/05/stories/2011030561320500.htm

---

National seminar on biotechnology begins

Staff Reporter

CHANGANASSERY: A national seminar on current trends in biotechnology and bioinformatics commenced at the NSS Hindu College here on Friday.

The two-day seminar is jointly organised by the Postgraduate and Research Department of Zoology and the Kerala State Council for State, Technology and Environment.

Kerala University of Health Sciences Vice-Chancellor K. Mohandas inaugurated the event. In his inaugural address, Dr. Mohandas elaborated on the immense contribution of biotechnology in the field of modern health science.

College principal M.P. Rajan presided over the function. Mahatma Gandhi University Syndicate member K. Radhakrishnan, V.T. Antony, P.P. Kaimal, Sarala Nair, M. Gopakumar, and P. S. Gopakumar spoke on the occasion.

A. Mohan Rao, Associate Professor, University of Agricultural Sciences, Bangalore, presented a technical paper on ‘Advances in the field of DNA Marker Assisted Breeding in crop plants'.

He pointed out that DNA marker-assisted breeding in plants is a safe technology that could be applied in agriculture and that it yielded no bad effects compared to transgenic technology.

Aquatic weeds

G. Nagendra Prabhu, Associate Professor, Sanatana Dharma College, stressed on the removal of aquatic weeds through their utilisation using biotechnology.

M. Krishnan of the Bharathidasan University will present a paper on ‘Pest Management – A Molecular Approach' on Saturday. S. Parthasarathy, Bharathidasan University will deliver a lecture on bioinformatics and DNA bar-coding.

NSS Colleges' Central Committee secretary R. Prasanna Kumar will inaugurate the valedictory function.

Date:05/03/2011 URL: http://www.thehindu.com/2011/03/05/stories/2011030561360500.htm

---

Poor facing ill effects of climate change: expert

Staff Reporter

Meet expresses concern over food security

Need for growth profile that benefits all

Farmers should learn to adapt to climate change

PATHANAMTHITTA: Declining bio-diversity and crop production, continuing crop loss, increasing population, growing urbanisation and decreasing farmland are key factors influencing India's farm sector and food security, Chandra Bhushan, director of the Delhi-based Centre for Science and Environment, has said.

He was delivering the keynote address at an international conference on ‘Impact of climate change on food security,' organised by Bishop Moore College, Mavelikara, at Charalkunnu camp near Kozhencherry on Friday.

Mr. Bhushan said developed countries that were primarily responsible for climate change should do justice to developing countries. Poorer sections in various developing countries were facing the ill-effects of climate change, mainly owing to use of modern science and technology in pursuit of luxuries in life by the developed countries, he said.

The conference stressed the need for a development profile that protected the interests and needs of different sections of people in all countries. Mr. Bhushan said the number of refugees owing to climate change would increase manifold in the next decade. What was needed was a growth profile that was beneficial to all the countries. “We should ensure food security by bringing in necessary changes in the farming sector,” he said.

Agriculture represented a major portion of the Indian economy and provided food and livelihood to much of the population. Changes in agriculture could affect food security, trade policy, livelihood activities and water conservation, affecting large segments of the population, Mr. Bhushan said.

The major impact of climate change would be on rain-fed crops, which account for nearly 60 per cent of the area under crops. It was noteworthy that the poorest farmers practised rain-fed farming in the country, Varghese C. Thomas, chief sub-editor, the Malayala Manorama, said.

He said the interplay between aerosols, clouds and mesoscale flows around the Indian mountains that warms the atmosphere may play a crucial role in the regional climate. Mr. Varghese said the farming community should learn to adapt to climate changes. Climate variability should also be combated in a scientific and pragmatic manner, he said.

Presenting a paper ‘Kerala inching towards food insecurity,' Michael Raj of St. Stephen's College, Pathanapuram, and Renjith Mathew Abraham of Bishop Moore College, said Kerala would become dependent on external sources of food supply, which were highly uncertain, with the rising population and demand for food. They stressed the need to introduce genetically modified crops with greater yields, at least to a certain extent, to ensure food security.

Mathew Koshy Punnakkad, college Principal, presided over the morning session. Thomas Kuruvila, convener; Najeeb Malik, delegate from Canada; Dinakar Lal, Director (Asia), International Promotion for Christian Higher Education; Laly Jacob and Nair Anup Chandrashekharan, coordinators; also spoke.

The three-day meet will come to a close on Saturday. Philipose Mar Chrysostum, senior metropolitan of the Mar Thoma Church, will inaugurate the valedictory session.

Kuriakose Mar Gregorios, Metropolitan of Knanaya Church; Joseph Mar Divannaseus Metropolitan; and P.J. Kurien, Rajya Sabha member, will address the valedictory meet.

hindustantimes

Reuters
New Delhi, March 04, 2011
First Published: 17:01 IST(4/3/2011)
Last Updated: 17:02 IST(4/3/2011)

Govt seeks additional $2 bn spend on food subsidy

The government has sought parliamentary approval to spend about an additional $2 billion in the fiscal year to March 31, documents presented by finance minister Pranab Mukherjee on Friday showed.

Food subsidy in India mainly covers compensation to state-run procurement firms such as Food Corp of India for buying staple grains including rice and wheat from local farmers to supply to the poor at below-market rates.

The additional spending of $2 billion is over and above an estimated $13.5 billion the government said in its federal budget last month it would spend on food subsidy during 2010/11.

http://www.hindustantimes.com/StoryPage/Print/669439.aspx

Wind: Normal	Barometer: 1010.0

Extended Forecast for a week

Monday	Tuesday	Wednesday	Thursday	Friday
Mar 7	Mar 8	Mar 9	Mar 10	Mar 11
30° | 21°	31° | 21°	33° | 21°	33° | 22°	32° | 22°
Cloudy	Cloudy	Sunny	Sunny	Sunny

By PTI

05 Mar 2011 10:23:42 AM IST

Sugar output estimates unchanged

NEW DELHI: The governnment today kept the country's sugar production estimate unchanged at 24.5 million tonnes for 2010-11 despite some "minor seasonal effects" on the sugarcane cultivation.

The output stood at 18.8 million tonnes in 2009-10 sugar year (October-September). India is the world's second largest producer of the sweetner.

"We have kept the sugar production figure unchanged at previous estimate of 24.5 million tonnes," a senior official said after a high-level meeting of Cane Commissioners of all sugar producing states.

The domestic demand of the sweetner for this year is pegged at 22.5 million tonnes, he added.

The government's production estimate is lower by 5,00,000 tonnes than the industry's projection

of 25 million tonnes.
The industry has pegged the demand at 22 million tonnes.
Today's meeting was attended by Cane Commissioners of Maharashtra, Uttar Pradesh, Karnataka, Tamil Nadu, Andhra Pradesh, Gujarat, Uttarakhand and Haryana.

THE ECONOMIC TIMES

Sat, Mar 05, 2011 | Updated 10.45AM IST

4 Mar, 2011, 02.29PM IST,PTI

Sugar futures down 0.54 pc on adequate stocks

NEW DELHI: Sugar prices fell by 0.54 per cent in futures trade today due to adequate stocks in the spot markets on higher supplies.

At the National Commodity and Derivatives Exchange , the sugar futures prices for delivery in May fell by Rs 16, or 0.54 per cent, to Rs 2,935 per quintal, with an open interest of 2,670 lots.

Likewise, the sugar prices for delivery in April shed Rs two to Rs 2,879 per quintal, with an open interest of 16,460 lots.

Analysts said comfortable stocks at the spot markets on increased supplies, after the government released higher non-levy quota for March, mainly put pressure on the sugar futures prices.

However, some demand on the back of the ongoing marriage season capped the losses, they added.

Onion prices dip further as supply increases

Business Line Onions sale at a vegetable market. (file photo)

Chennai, March 4:

Onion prices nosedived further this week as arrivals flooded various markets across Maharashtra and Gujarat.

“Prices dropped by over Rs 100 a quintal this week as farmers rushed to sell their produce,” said Mr Rupesh Jaju, Director of Nashik-based United Agro Pacific Pvt Ltd.

In Pune Agricultural Produce Marketing Committee yard, the modal price or the rate at which most trades took place dropped to Rs 485 a quintal from Rs 600 a week ago. Price of best grade onion too dropped to Rs 680 from Rs 800 a quintal.

On Sunday, arrivals in the Pune market were nearly 4,500 tonnes. Since the third week of February, arrivals have been in the excess of 2,000 tonnes against the usual 1,000 tonnes.

Though the Centre cut the minimum export price for onion to $450 from $600 a tonne, prices still dropped.

“Buyers abroad feel $450 is still high and the cut is not enough. Whatever buying is taking place abroad is need-based. If prices drop to $275-300 level, then we could see demand emerging,” said Mr Madan Prakash, Director at the Chennai-based Rajathi Group of companies that exports onion.

Mr Jaju said exports were likely to pick up with enquiries coming in from the Gulf and Europe.

“Exports seem to be picking up and we are seeing some demand coming in. But there is a general feeling that prices can drop a little more,” said Mr Jaju.

Traders see onion prices falling another Rs 100 a quintal.

“The Lasalgaon market is closed as there is no place to accommodate the huge arrival. Once the market opens, arrivals will again flood. Chances are that prices could be under more pressure,” Mr Jaju said.

Cotton blooms on lower supply, dearer kapas

Rajkot, March 4:

Despite limited demand from mills, cotton prices have increased about Rs 4,000 for a candy of 356 this week to Rs 59,000-59,500 on rise in raw cotton rates and lower supply.

Moreover, the price surge in the global market also supported the bullish trend in the domestic market.

At Rajkot, Shankar-6 cotton was quoted on Friday at Rs 59,000-59,500 a candy. The daily arrival in Gujarat is 33,000 bales (of 170 kg) and in the country 80,000 bales. With the third picking in cotton getting almost over, arrivals are down to a trickle.

Price of kapas or raw cotton, main raw material for ginning mills, increased to Rs 1,375-1,380 for a maund of 20 kg in Gujarat from Rs 1,220-1,240.

The surging price has limited demand from spinning mills, while buying of raw cotton by ginners is limited due to disparity in the price of compared with the lint or ginned cotton.

A Rajkot-based cotton broker Mr Jainbhai Patel said: “Ginners are not buying so much and are waiting for kapas price to ease a little. Similarly, millers are also waiting for price to be stable. It is not viable for them.”

Cotton futures in the global market is heading for the biggest weekly gain in three months, on signs global supplies will remain subdued amid increased demand from China, the world's biggest consumer.

While the global price trend is driving up domestic cotton prices, another major factor for boosting the price is the Cotton Advisory Board's pruning of production estimates for the current season.

On February 26, the CAB cut the production estimate five per cent to 312 lakh bales (of 170 kg each) from its earlier estimated of 329 lakh bales.

Unstable weather, low demand drags down rice

Karnal, March 4:

Thin trading pulled the prices of aromatic and non-basmati rice down by Rs 10-60 a quintal on Friday.

Unstable weather and sluggish domestic demand led the market downwards, said Mr Amit Chandna, a rice trader. Market sentiments are low and it's hard to anticipate the levels where the market will get any support, he added.

Prices of aromatic rice dropped by Rs 50-60, Pusa-1121 (steam) ruled at Rs 5,200-5,250 a quintal, Pusa-1121(sela) ruled at Rs 4,250-4,350, and Pusa-1121 (raw) at Rs 5,100-5,160. Basmati (sela) was sold at Rs 6,200 and basmati (raw) at Rs 7,300-7,320. Prices of duplicate basmati ruled at Rs 3,970-4,045 a quintal.

Prices of broken varieties of aromatic and non-basmati ruled unchanged. Brokens such as Tibar was quoted at Rs 3,000-3,500, Dubar at Rs 2,200-2,600 and Mongra was at Rs 1,900-2,100.

Prices of non-basmati dropped by Rs 10-20; sharbati (sela) quoted at around Rs 2,600-2,680 while the Sharbati (steam) at Rs 3,000-3,150.

Permal (sela) ruled at Rs 1,900-2,100 and Permal (steam) was at Rs 2,100-2,180 a quintal. For the brokens of Sharbati variety, Tibar was quoted at Rs 2,450, Dubar was at 2,100 and Mongra was at Rs 1,475.

Paddy Trading

About 150 bags of Pusa (duplicate basmati) arrived and were sold at Rs 2,100-2,300 a quintal and around 200 bags of Pusa-1121 at Rs 2,100-2,450 a quintal. Around 350 bags of pure basmati arrived and were sold at Rs 2,250-2,620 a quintal.

Grape exports to EU may turn sour this year

Growing market: Organic grapes displayed for sale at a retail outlet in Thrissur, Kerala. (file photo)

New Delhi, March 4:

The Europeans want Indian grape farmers to tinker with their farm practices – no pesticides, henceforth. The Indians want Europeans to stop setting unrealistic targets of chemical residue levels.

With the grape issue becoming an emotive one, India's exports to EU are likely to take a hit this year, feel exporters. Seventy per cent of India's grape exports, which touched Rs 545.34 crore last year, are to the EU.

At the ‘Fresh Produce India' summit that kicked off in the Capital on Thursday, a whole session was devoted to Indian grapes, signalling how sour the issue has become. March to May are the peak months for export of Indian grapes to the EU. And, India is the only country capable of feeding the EU market in those months. Hence, both parties want to avoid a repeat of last year.

New regulation

In 2010, Indian grape exports faced a setback, with EU reluctant to accept Indian table grape consignments as chlormequat chloride — a plant growth regulator — was detected in excess of the prescribed maximum residue level (MRL). In 2009, EU had come up with new regulations on pesticides, raising the chemicals to be monitored from 98 to 167. Unaware of the changed rules, Indian exporters who did not meet the new standards, faced rejection.

Although only less than 10 per cent of the total export volumes were rejected, the issue has escalated into a big one, going by the worry writ large on the face of both European delegates and Indian grape exporters.

Mr Henk Van Dujin, Agriculture counsellor at the Dutch Embassy in New Delhi, described how Indian grapes were crucial for the Netherlands — the Dutch import 50 per cent of all table grapes exported to the EU from India.

Mr Dujin described how after the imbroglio the Dutch and Indians have been running Government to Government projects, creating awareness among grape, pomegranate and banana growers and exporters about safe trade. He is hopeful that APEDA's new residue monitoring project and web-based GrapeNet software system, which provides traceability for all grape exported to the European Union (EU), will improve issues.

Exporters pessimistic

But exporters remained pessimistic. The new standards mean more tests — from Rs 3,000 shelled out earlier for residue tests, today growers and exporters have to pay Rs 15,000. At the other end of the chain, importers too shell out more for testing.

Mr Mayank Tandon, Sr Vice-President, Sales and Marketing, Freshtrop Fruits Ltd , which exports an average of 250 to 300 containers of grapes annually to Europe, foresees a drop this year. “The process of exports to EU has become very expensive and unviable. Also domestic prices are very high this year,” he says.

A representative from Mahindra Agribusiness, India's largest grape exporter, too, was very vocal about why Indian farmers should change farm practices to kowtow to EU's new standards. “At your end what is being done to lower standards to food safety levels rather than regulatory ones,” he demanded of them.

But, with EU likely to remain firm on setting stringent pesticide regulations, if India wants to keep exporting to the region, the change has to come at the field level. Farmers have to learn to use chemicals judiciously, says Mr Johnathon Sutton, TESCO's Group Sourcing manager — Asia and Ocenia, pointing out how spraying at an early stage, rather than waiting till harvest stage could cut residue levels.

N. India tea auction sees lower offerings

Kolkata, March 4:

This week, Sale 9, the total offerings (packages) at the three North Indian auction centres at Kolkata, Guwahati and Siliguri, at 155,081, were lower than the 193,313 offered in the corresponding Sale of last year, according to tea auctioneers, J Thomas & Company Pvt Ltd. There was no sale at Guwahati this week as against 51,194 offerings in the corresponding sale last year. The Kolkata offerings were 134,027 (CTC/Dust 124,226, Orthodox 8970 and Darjeeling 831) as against 123,481 (CTC/Dust 119,428, Orthodox 3,616 and Darjeeling 439) in the corresponding Sale of the previous year. The figures for Siliguri were 21,054 (18,636).

Selected clean and well-made Assam CTCs were irregular around last, while the remainder were easier in line with quality. Dooars were irregularly lower. There was good support from Hindustan Unilever and selective enquiry from Tata Global. Western India operated on the better liquoring teas on offer. Local dealers and other internal sections were active.

Nominal weight of earlier Orthodox invoices on offer sold readily at dearer rates. The remainder were irregularly lower with quality. Stalky varieties were discounted. West Asia shippers and Hindustan Unilever operated. Good support came from North India. There were fair enquiries from local dealers.

The small weight of Darjeeling teas on offer sold readily at firm to dearer rates following strong export and internal enquiry.

Decision on sugar export next week

New Delhi, March 4:

A decision on allowing sugar exports is expected to be taken next week by the Empowered Group of Ministers (EGoM) on Food headed by the Union Finance Minister, Mr Pranab Mukherjee.

A Committee of Secretaries, which met on Friday, did not take a decision on permitting five lakh tonnes of sugar exports under the Open General Licence, and has left it to the EGoM, official sources told *Business Line*.

The Commerce Secretary Dr Rahul Khullar had said last month that a decision on allowing sugar exports will be taken only after a final report on the current season's production comes in on February 15. The Government had earlier decided to hold back exports of five lakh tonnes of sugar as prices of the item started rising, he said.

Though the EGOM on Food had met recently and had reviewed prices and availability of sugar in the country, it deferred a decision on exports of the sweetener due to the absence of Cabinet ministers including the Agriculture Minister, Mr Sharad Pawar, and the Food Minister, Mr K V Thomas.

Export favoured

The sugar industry has been pitching for allowing export. According to the industry, the production this year will be much greater than domestic demand for the item.

Covering buys cushion weak trend in spot rubber

Kottayam, March 4:

Spot rubber showed a mixed mood on Friday. The market appeared to be moving under the shadow of a weak trend on the National Multi Commodity Exchange but it managed to hold on in most active counters amidst dull volumes. The sentiments were also affected by the declines in international indices but the absence of quantity sellers and weekend covering purchases extended moderate support though the gains were partial and limited. Latex continued its downward journey on extremely low demand.

Sheet rubber improved to Rs 230 (229.50) a kg according to traders. The grade finished unchanged at Rs 230 a kg, as quoted by the Rubber Board.

FUTURES SLIP

The March series slipped to Rs 228.95 (229.58), April to Rs 238.17 (238.46), May to Rs 242.35 (243.32), June to Rs 245.29 (245.54) and July to Rs 243.76 (244.24) a kg for RSS 4 on the NMCE.

RSS 3 (spot) declined to Rs 270.10 (274.34) a kg at Bangkok. The March futures for the grade weakened to ¥501.5 (Rs 273.48) from ¥510.4 a kg during the day session but then remained inactive in the night session on the Tokyo Commodity Exchange (TOCOM).

Spot rates were (Rs/kg): RSS-4: 230 (229.50); RSS-5: 228 (228); ungraded: 225 (225); ISNR 20: 229 (227) and latex 60 per cent: 137 (138).