

Today's Paper » **BUSINESS**

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Food inflation eases to 9.32 %

Special Correspondent

Food inflation eased a tad to 9.32 per cent for the week ended October 1 from 9.41 per cent in the previous week but the decline brought only statistical relief to the common man as prices of almost all edibles such as vegetables, fruits, milk, protein-rich items and even cereals continued to rule dearer.

The WPI data released here on Thursday show that while vegetables turned dearer by 13.01 per cent on a year-on-year basis, prices of fruits and milk were also higher by 12.19 per cent and 10.35 per cent, respectively. Alongside, not only were the protein-rich items such as eggs, meat and fish costlier by 9.92 per cent on a yearly basis, even cereals were 5.41 per cent more expensive with prices of rice up by 5.86 per cent.

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Food security: Centre to study States' needs

T. Ramakrishnan

The Union government is inclined to examine specific requirements of States individually while implementing the proposed legislation on food security.

When it was brought to his attention that crores of people in the State would be left out of the Public Distribution System as the ceiling for coverage of urban population stipulated in the draft National Food Security Bill was 50 per cent and the provisional figures of Census 2011 pointed to the presence of nearly one half of the population of Tamil Nadu in urban areas, Union Minister of State (with independent charge) for Food, Public Distribution and Consumer Affairs K.V. Thomas told *The Hindu* over the phone on Wednesday that the formulation of broad parameters had been made, keeping in mind the picture at the all-India level.

However, individual cases could be considered separately.

[Going by the proposed rules of exclusion as mentioned in the draft Bill, an estimate reveals that about 66 lakh rice-drawing card holders in the State, numbering 2.64 crore people, may become ineligible to receive subsidised rice from the Central pool. The ceiling of coverage of rural population is 75 per cent].

As for the suitability of the requirement of involving local bodies in the proper implementation of the proposed law in their respective areas given the fact that most of PDS shops in the State (around 31,000 out of around 33,000) were being run by cooperative societies, the Union Minister replied that as States would be entrusted with the responsibility of distribution of food grains, they would have the option of using appropriate institutions.

Asked why the Centre could not adopt Universal PDS for the implementation of the legislation, Mr Thomas cited resource constraints as the major factor.

The constraints were not just limited to finances but also to the aspect of management. For instance, he said the country did not have adequate storage mechanism if it had to adopt the Universal PDS. Only about 30 per cent of the country's production could be procured for PDS.

On wide variations in food grains entitlements for members of priority households (PHH) and general households (GHH), the Minister said that if the gap had to be bridged, procurement would have to be stepped up.

But, if the production of food grains went up, the standards for entitlements would be hiked. [According to the draft Bill, seven kg of food grains per person per month would be given for PHH and three kg per person per month for GHH.

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Seven per cent fall likely in kharif foodgrains output

Nagesh Prabhu

Drought and decline in area coverage affect production



KHARIF WOES: This year's kharif output will be around 85 lakh tonnes against a record 99.13 lakh tonnes during the 2010 season. — FILE PHOTO: K.K. MUSTAFAH

Owing to drought and decline in the area coverage in Karnataka, foodgrains production is estimated to fall at least by seven per cent in 2011 kharif season.

Kharif coverage, at 68.88 lakh hectares, has declined by 6.89 per cent, against 73.98 lakh hectares covered last year.

For 2011, the State has fixed a target of 74.65 lakh hectares.

The Government has declared 84 taluks as drought-hit in the State.

The foodgrains target has been set at 92.25 lakh tonnes in the 2011 kharif season and 130 lakh tonnes for 2011-12, which includes rabi.

"This year kharif output will be around 85 lakh tonnes against a record 99.13 lakh tonnes during 2010 kharif," a senior official told *The Hindu* .

The State Agriculture Department official pointed out that standing crops have been affected by a dry spell in September in Tumkur, Mandya, Davangere, Chitradurga, Mysore, Chamarajangar and several north Karnataka districts.

Moreover, crops on 13,000 hectares were affected due to excess rainfall in Shimoga, Dharwad, Uttara Kannada and Udupi districts.

The State has set a record in foodgrains production in 2010-11 by producing 132.90 lakh tonnes.

It has bagged the “Krishi Karman” national award. The earlier record production was 120.49 lakh tonnes in 2007-08. “Unlike a good kharif last year, this year crops have been damaged due to deficient rainfall,” he said.

Cereals

The total area under cereals in 2011 kharif season is 34.64 lakh hectares against the target of 34.90 lakh hectares.

Last year's coverage was 35.79 lakh hectares. Cereals included rice, jowar, ragi, maize, bajra and minor millets.

Pulses

On the pulses front, actual coverage is down from 16.72 lakh hectares last year to 13.25 lakh hectares in 2011 against a target of 16.68 lakh hectares.

To offset the loss during the kharif season, an additional area of 2.7 lakh hectares would be brought under pulses during the rabi season.

A total of 14 lakh hectares would be covered under pulses during the rabi season, the official said.

The production of pulses has gone up from nine lakh tonnes in 2000-01 to 15 lakh tonnes in 2010-11 with an addition of about 7.3 lakh hectares to the area under pulses during the decade.

The coverage of oilseeds such as groundnut, sesamum, sunflower, castor, niger, mustard, and soyabean is down by 9.91 per cent at 10.54 lakh hectares against 11.70 lakh hectares covered last year. Only the area under cash crops exceeded the target. Against a target of 9.33 lakh hectares, cash crops were sown in 10.51 lakh hectares.

Rabi

To compensate crop loss in the kharif season, the authorities have set a target of 34 lakh hectares in the rabi season.

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Floriculturists hit hard by low price, power crisis

Several farmers are thinking of uprooting plants from their fields



DESPERATE SITUATION: Farmers working in a field in Hunasikatte village in Chitradurga taluk.

Floriculturists of Hunasikatte village in Chitradurga taluk, who are already in distress due to a sharp fall in prices, are now facing another crisis because of the serious power shortage.

According to sources, several farmers in the taluk are seriously considering uprooting their plants.

“What is the use of keeping a crop in the field when it is only compounding our problems,” said Rajappa, whose family has been cultivating flowers for generations.

Of the 680 families in the village, about 500 are into floriculture, which is their major source of income.

Chrysanthemum, crossandra and aster are the prominent varieties cultivated in the village, as the demand for these flowers rises during festivals and religious programmes.

Of the 2,000 acres of cultivable land in this village, chrysanthemum is grown on almost 1,200 acres. Flowers have been the major crop for decades even in neighbouring Kunvabevu, Keenedalu, C.G. Halli, Rayanahalli and other villages.

According to the Horticulture Department, Chitradurga taluk alone produces about 6,000 tonnes of flowers on about 700 hectares every year.

“Floriculture has been the lifeline for most of the farmers in these villages. But due to the sharp decline in prices and erratic power supply, the farmers are facing hardship,” said Shivashankar, a farmer.

He said that several farmers had taken loans from private lenders. They were now worried about repaying the loan, especially because the crops had failed. If the market price were

slightly remunerative, the farmers could have earned about Rs. 2 lakh from a hectare. Going by the prevailing rates, they would not be able to recover even the cost of cultivation, he said.

Blaming the middlemen for the decline in prices, he said the middlemen were buying flowers cheaply and selling to vendors at exorbitant rates, he said.

Demanding that the Government supply uninterrupted power, the farmers have sought a minimum support price (MSP) for all flowers, in which case a government agency should start purchasing the produce to avoid middlemen.

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- *About 500 of the 680 families in Hunasikatte village are into floriculture*
 - *Middlemen blamed for decline in prices of flowers*
-

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Chandy promises all help to endosulfan victims

Special Correspondent

Chief Minister Oommen Chandy has said the government will take all measures required to rehabilitate and help victims of endosulfan poisoning in Kasaragod district.

Answering a submission from P. Sreeramakrishnan in the State Assembly on Thursday, he said the government would extend the period of moratorium on loans taken from public sector and cooperative banks by families of those suffering from endosulfan poisoning.

The moratorium, announced during the time of the previous government, was to end on October 31. Mr. Chandy said the government had set up a 51-member popular committee, headed by K.P. Mohan, MLA, to study and suggest steps that had to be taken to assist victims of endosulfan poisoning.

This committee had as its members elected representatives of panchayat wards where the victims resided, besides officials of various government departments.

He said the government would act according to recommendations of the panel.

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New rice variety promises high yield

Regional Agricultural Research Station, Tirupati, to release two varieties



Ground breaking: Associate Director of ANGRAU's Regional Agricultural Research Station, K. Raja Reddy, with the new rice variety in Tirupati on Thursday. - Photo: K.V. Poornachandra Kumar

The BPT 5204 rice variety, known in common man's parlance as 'Samba Masuri', is all set to get a replacement.

While its preference among rice-eaters is indisputable, farmers face the problem of rice blast (Aggi Thegulu) in this variety. To overcome this shortcoming, the Regional Agricultural Research Station (RARS), Tirupati, is getting ready to release two varieties NLR 3041 and NLR 3042. While Samba Masuri fetches anything between 6 and 6.4 tonnes per hectare, the plant protection cost is rather high. In sharp contrast, NLR 3041 is a long duration crop (takes 155 days to cover the seed-to-seed stage) fetching 7.5 to 8 tonnes per hectare, while NLR 3042 takes just 120-125 days. Though both fall under the 'medium slender' category, 3041 is a bit fine and 3042 is coarse.

Another plus point in this variety is that it is congenial in Kharif, late Kharif and also early Rabi seasons. "The culture was developed and is in mini-kit testing stage in the districts of Chittoor, Kadapa, Nellore, Anantapur, Kurnool and Mahabubnagar," says K. Raja Reddy, the Associate Director of Research at the ANGRAU's RARS, Tirupati.

In groundnuts, after the 'Narayani' was released in 2002, the centre has come up with a variety called TCGS 1043 (Tirupati Centre Groundnut Selection 1043). While it is suitable for all

seasons, it has the additional advantage of giving an output of up to 80 p.c. (after shelling out) in Rabi season.

Dr. Reddy said a seed godown constructed with an outlay of Rs.1.10 crore would be ready in three months, which would be of immense help for the farmers in storing the seed produced under the 'Farmer participatory seed production' programme. This apart, a seed-grading and processing machinery worth Rs.40 lakh would be installed for processing paddy, redgram and groundnut seeds.

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Coffee board encourages use of machines on farms

Staff Reporter

Coffee Board, Bangalore is encouraging coffee growers to take advantage of its scheme for mechanization of farm operations in the wake of shortage of labour and also for improving labour efficiency and productivity.

Some of the critical operations like weeding, pruning of coffee plants and shade trees, new planting, replanting, soil management, spraying for control of diseases and harvesting etc are highly labour intensive and need to be taken up in a timely manner. The use of machinery not only helps in improving the efficiency of farm operations but also ensures timely completion of critical operations, besides raising the overall quality of farm operations.

The scale of subsidy applicable to coffee growers up to 20 hectare holdings is 50 per cent subject to a ceiling of Rs.2 lakhs. For above 20 hectares it is 25 per cent subject to a ceiling of Rs.4.50 lakh and for Self Help Groups it is 50 per cent subject to a ceiling of Rs.5 lakhs.

The machines eligible for subsidy include weed brush cutter, telescopic pruner, pit digger, coffee harvester, sprayer chain saw, power tiller, mini-tractor, mini-transport and rubberised track carrier. The details of the scheme have been notified on the Coffee Board website. The approved list of machinery and implementation modalities will be in force from October 10. For more details on the scheme the offices of the Coffee Board may be contacted or its website www.indiacoffee.org may be accessed.

AIKMS attributes death of peacocks to BT cotton plantation



CAUSE FOR CONCERN: Members of AIKMS addressing the media at Pakidi village in Ganjam district on Thursday. — Photo: Lingaraj Panda

Recent death of peacocks in Pakidi area of Ganjam district due to use of pesticides hints at the menace of BT cotton plantations being promoted in the area, alleged the fact-finding team of All India Kishan Mazoor Sabha (AIKMS).

The team was led by bio-agriculture specialist and State convenor of AIKMS Natabar Sadangi and national committee member of the organisation B.C. Sadangi. They interacted with villagers of the area who are involved in protection of peacocks in the area, agricultural official as well as officers of the administration posted in the area.

Speaking to newsmen here on Thursday, members of the team criticised that the State Agriculture Minister was taking the death of peacocks lightly by saying use of pesticide is a normal natural phenomenon.

“It is high time for the State government to learn from the death of peacocks in Pakidi area and put curbs on BT cotton cultivation in Orissa,” said Mr. Natabar. The team found that apart from peacocks, snakes and frogs also died in the BT cotton field where extreme poisonous insecticide had been used.

The AIKMS activists alleged that in the past, use of insecticide and consumption of BT cotton plants had caused death of goats and cattle in Rayagada, Kalahandi, and Nuapada districts. Inhabitants of Pakidi area also claim that they never experienced such mass death of peacocks in their area before the start of BT cotton cultivation in their area.

“It is an irony that people from Andhra Pradesh have started to take up BT cotton plantation in Orissa and the State government is silent over it although it is destroying the environment and scope of natural agriculture in the State,” alleged AIKMS activists. The root cause of death of peacocks in Pakidi area was indiscriminate use of high potency pesticide in the 100-acre of BT cotton plantation of a person from Andhra Pradesh. The Chief Minister and State government should take up the responsibility for death of peacocks as cultivation of BT cotton which is hazardous for environment and animal life was allowed in Pakidi area,” Mr. Sadangi said.

The AIKMS activists asked the State government to immediately stop BT cotton plantation in Pakidi area as well as other regions of the State. The peasants of the area should be promoted to take up other cultivation in organic manner in stead, said Mr Natabar.

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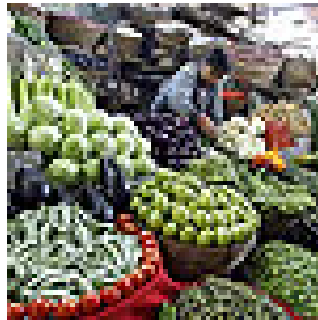
Press Trust Of India

New Delhi, October 13, 2011

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Food inflation eases to 9.32% for week ended October 1



Food inflation declined marginally, but was still high at 9.32% for the week ended October 1 as prices of major kitchen staples continued to pinch consumers' pockets.

Food inflation, as measured on the basis of the Wholesale Price Index (WPI), stood at 9.41% in the previous week. The rate of price rise in food items stood at 17.14% in the corresponding week of 2010.

The fall in food inflation could be attributed to a moderation in the rate of price rise for some of the items on a week-on-week basis, even though they remained higher on an annual basis.

The fall could also be attributed to the high inflation rate of 17% in the corresponding year-ago period, a phenomenon dubbed the 'high base effect' in economic parlance.

As per data released by the government today, vegetable prices shot up by 13.01%, with prices of potatoes rising by 3.79% on an annual basis, during the week under review.



In addition, milk became 10.35% costlier and fruit prices rose by 12.19%. Protein-based items like eggs, meat and fish also became 9.92% more expensive on an annual basis. Cereals turned dearer by 5.41%, rice by 5.86% and pulses by 6.87% annually.

However, onion prices declined by 10.15% on an annual basis and wheat by 0.24%.






<http://www.hindustantimes.com/StoryPage/Print/756723.aspx>

weather

Chennai - INDIA

Today's Weather		Tomorrow's Forecast	
	Friday, Oct 14		Saturday, Oct 15
Cloudy	Max Min 33.4° 25.5°	Rainy	Max Min 33° 25°
Rain: 0.4 mm in 24hrs	Sunrise: 5:59		
Humidity: 79%	Sunset: 17:51		
Wind: Normal	Barometer: 1008		

Extended Forecast for a week

Sunday	Monday	Tuesday	Wednesday	Thursday
Oct 16	Oct 17	Oct 18	Oct 19	Oct 20
				

30° | 25°

Rainy

30° | 25°

Rainy

29° | 25°

Rainy

30° | 25°

Rainy

30° | 25°

Rainy

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THE TIMES OF INDIA

Food inflation falls marginally to 9.32%

Tweet

Reuters | Oct 13, 2011, 12.16PM IST

NEW DELHI:India's food price index rose 9.32 percent and the fuel price index climbed 15.10 percent in the year to Oct. 1, government data on Thursday showed.

In the previous week, annual food and fuel inflation stood at 9.41 percent and 14.69 percent, respectively.

The primary articles index was up 10.60 percent, compared with an annual rise of 10.84 percent a week earlier.

The Reserve Bank of India has raised interest rates a dozen times in the past 18 months, in a campaign that has done more to slow growth than contain inflation, which remains at more than twice the bank's comfort level.

Data on Wednesday showed India's industrial production expanded less than expected in August in further evidence of a slowdown in Asia's third-largest economy as soaring interest rates and persistently high inflation weigh on demand.

Whether the persistent weakness in industrial output growth will spur the Reserve Bank of India (RBI) into ending a long cycle of rate rises may be determined by Friday's September headline inflation data.

Inflation in August accelerated to 9.78 percent, its highest in more than a year, from 9.22 percent in July. The RBI will meet on October 25 to review its policy.

14 OCT, 2011, 06.10AM IST, MADHVI SALLY,ET BUREAU

Cotton purchase gathers pace on foreign demand

AHMEDABAD: Cotton procurement by exporters, traders and millers has picked up as foreign buyers show interest. New contracts are being signed at 107-112 cents per pound, down 10% over last year.

However, export registrations are still less than 3 lakh bales till now out of an expected cotton crop of 360 lakh bales. "Exporters and traders are doing brisk business but not exploding like previous year. There is good demand from China, Bangladesh, apart from small orders from Indonesia and Pakistan," said Cotton Association of India president Dhiren N Sheth. He added that contracts this time last year were signed at 120 cents per pound.

Exports by the world's secondlargest supplier is expected to grow manifold this year on the back of a bumper production and a weak rupee. Compared to exports of seven million bales in 2010-11, shipments in 2011-12 are expected to grow to eight to nine million bales.

However, a slump in international prices with a bumper crop in the US, China and Pakistan is expected to impact Indian prices. Shankar 6, an export-quality variety, was being quoted at Rs 39,500 to Rs 40,000 per candy.

"Major buying in Gujarat, the largest producer in India, was being done by multinational companies such as Cargill India, Olam Agro India and Louis Dreyfus Commodities India apart from Indian leading exporters Bhadresh Trading Corporation and Gill & Co. With slow arrival of cotton to the mandis, contracts and deliveries are taking place simultaneously," said Saurashtra Ginners Association secretary Anand Popat.

Chinese traders and agents are arriving from Beijing, Shanghai and Quindio to buy cotton directly from ginners. "These are small players which sign 200-500 tonne in one contract unlike large players which sign contracts for 1,000 to 5,000 tonne," said Popat. There are no middlemen involved in deals with Chinese traders, he said. With money credited in four days of

the shipment reaching China from Mundra or the Pipavav port, Gujarati ginners are looking at more such contacts.

Availability across India is pegged at 30,000 to 40,000 bales per day this year compared to last year when it was close to 1 lakh bales per day during the period.

DECCAN Chronicle

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

Food inflation eases to 9.32 pc for week ended October 1



Food inflation declined marginally, but was still high at 9.32 per cent for the week ended October 1 as prices of major kitchen staples continued to pinch consumers' pockets. Food inflation, as measured on the basis of the Wholesale Price Index (WPI), stood at 9.41 per cent in the previous week. The rate of price rise in food items stood at 17.14 per cent in the corresponding week of 2010. The fall in food inflation could be attributed to a moderation in the rate of price rise for some of the items on a week-on-week basis, even though they remained higher on an annual basis. The fall could also be attributed to the high inflation rate of 17 per

cent in the corresponding year-ago period, a phenomenon dubbed the 'high base effect' in economic parlance. As per data released by the government on Thursday, vegetable prices shot up by 13.01 per cent, with prices of potatoes rising by 3.79 per cent on an annual basis, during the week under review. In addition, milk became 10.35 per cent costlier and fruit prices rose by 12.19 per cent. Protein-based items like eggs, meat and fish also became 9.92 per cent more expensive on an annual basis. Cereals turned dearer by 5.41 per cent, rice by 5.86 per cent and pulses by 6.87 per cent annually. However, onion prices declined by 10.15 per cent on an annual basis and wheat by 0.24 per cent. Overall, inflation in primary articles was recorded at 10.60 per cent during the week ended October 1, down from 10.84 per cent in the previous week. Primary articles account for over 20 per cent of wholesale price index inflation. Inflation in non-food articles, which include fibres, oilseeds and minerals, stood at 9.59 per cent during the week under review, compared to 10.77 per cent in the previous week.

Source URL: <http://www.deccanchronicle.com/channels/business/market/food-inflation-eases-932-pc-week-ended-october-1-441>



Rs 200 cr for loans to drought, flood-hit farmers

FRIDAY, 14 OCTOBER 2011 00:01

The State Government on Thursday decided not to collect the farm loans from the affected farmers in the flood and drought-hit districts and to convert the short-term loan to medium term loan.

Reviewing the drought and flood related issues at the State Secretariat here, Chief Minister Naveen Patnaik decided to provide loan assistance to the tune of `200 crore to the farmers in the flood and drought affected areas. Besides, the Chief Minister directed the Cooperative Department to take immediate steps to convert the short term loan to medium term considering the plight of the farmers.

According to official sources, the Chief Minister also decided to allow the affected loanee farmers to repay the loan amount in three years' time with reduced interest rate.

As per the decision, though the interest rate on the loan converted to medium term loan has been reduced from nine to five per cent, the farmers who would repay the loan installment in time, would be given further relief of two per cent more in the interest rate.

During the meeting it was also decided to renovate at least 1,000 defunct Lift Irrigation points with an expenditure of `65 crore. Besides, the Chief Minister has also asked the Agriculture Department to provide at least 3,000 diesel pump sets to the interested farmers at subsidised rates and to ensure distribution of one lakh quintal groundnut, moong, sunflower seeds to the farmers in the drought and flood-hit areas so as to take up cash crops during Rabi season, sources said.

Among others, Revenue and Disaster Management Minister Surya Narayan Patro, Chief Secretary Bijay Patnaik and senior officials of Revenue, Agriculture and Finance Departments attended the meeting.

Horticulture scientists working as babus in offices

THURSDAY, 13 OCTOBER 2011 21:44

It is an apt example of talent going waste, scientists entrusted with the task of conducting research work yielding innovative products for farmers are cooling their heels in the confines of offices as babus.

A case in point is related to UP Horticulture and Food Processing Department (UPHFPD) of the state. Scientists who should be in laboratories doing research work are working as babus in offices. Not only their presence in offices is violation of government orders, their talents are also being wasted.

The UPHFD has posts of scientists in various streams as plant physiologists, entomologists, biochemists, soil chemists, horticulturists and vegetable experts. Their main posting is at Horticulture Training and Experiment Centres. There are seven such centres in Lucknow, Basti, Saharanpur, Jhansi, Allahabad and Meerut.

Besides, there is one state-of -the-art tissue culture lab in Aliganj, Lucknow. The irony being that none of these centres have full-fledged scientists. Even the lab at Aliganj is on the verge of closure due to absence of scientists.

Due to this for the past one decade no new research work has been done at the department. No new variety, which could benefit farmers have been introduced while the private players have captured the market.

Even the banana saplings of these centres are not good enough to go to the market.

Officials recall that last time the department introduced something was the Amarpali variety of Dussehri 51 mangoes and Meadow Orchard scheme around 10 years ago.

Where have the scientists gone?. Half-a- dozen have been attached to the directorate while the remaining have been posted as incharges of horticulture offices at various districts. "This posting are against service rules and also wastage of their expertise. They are scientists and should be engaged in research work. At field offices or at directorate level they are merely acting as babus," remarked Chandra Bhushan Pandey, the president of the officers union.

However, sources claimed that scientists themselves clamour for field postings due to the lucre attached with it. "Being at district level or looking after some project in the directorate level gives them the leverage of handling funds worth several crores of rupees, the rest is better not said," an official said.

Business Standard

Friday, Oct 14, 2011

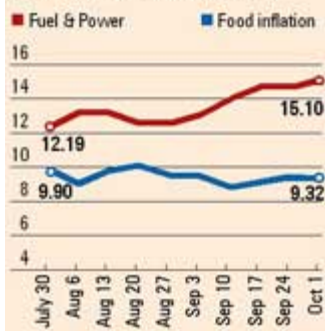
Drop in onion and potato prices ease inflation to 9.32%

BS Reporter / New Delhi October 14, 2011, 3:34 IST

After a upward profile, food inflation has eased, but only marginally — thus coming as no major relief for the common man. It remained at an elevated level of well above 9 per cent, even as it was evident that the Reserve Bank of India was readying for another rate hike on October 25.

NO RELIEF

Weekly food inflation rate
calculated year-on-year (%)



Source: Ministry of Commerce & Industry

For the week ended October 1, food inflation stood at 9.32 per cent on an annual basis — down from what was 9.41 per cent the week before. The slide, minor as it is, rode on the back of a major drop in the rate of price rise in onion, potato and protein-based items.

Experts sense the matter is multi-layered. “The worrying part is the rise in the food inflation numbers on a sequential basis,” notes Siddharth Shankar, director of Kassa, a capital-based financial services organisation. All the same, some economists attribute the easing of inflation to the base effect.

Going by a break-up, inflation in onion has moved in the negative territory this time, after touching the heights of 57 per cent two months ago. The rate of price rise in the bulbous vegetable has since been constant and dropped to -10.15 per cent during the week ended October 1. It was 10.58 per cent the week before. As for potato, the inflation eased 5.55 percentage points to 3.79 per cent.

In fact, it has been on a falling spree since September 3, when it stood at 21.16 per cent.

Egg, meat and fish experienced a marginal fall in price rise from 10.33 per cent to 9.92 per cent.

On the other hand, cereals saw inflation crawl to 5.41 per cent versus 4.57 per cent the earlier week. Rice and wheat, too, exhibited a similar trend: their inflation climbed to 5.41 per cent and -0.24 per cent from 4.13 per cent and -1.01 per cent earlier respectively.

Shankar says one should expect “some relief” in the food inflation numbers around the first week of next month.

Fuel and power also experienced a surge in inflation to 15.10 per cent from 14.69 per cent earlier.

Another rate hike by the country’s central bank would depend majorly on the September inflation numbers. They are to come out tomorrow.

IMF for further monetary tightening

The International Monetary Fund's (IMF's) Asia-Pacific Regional Economic Outlook has suggested further monetary tightening to tame inflation in India. IMF said in India, robust disposable income growth (including from high agricultural prices) and still "accommodative" financial conditions are expected to support private consumption and investment.

The report said policymakers in Asia face a delicate balancing act as fears of spillovers from global growth and high inflation pressures mount on the region.

Inflation pressures have been elevated in a number of other Asian economies amid accommodative financial conditions, but should recede as food and energy prices gradually moderate, the report said.

A worsening of the financial turbulence in the euro area and a more severe slowdown than anticipated in the United States would have clear macroeconomic and financial spillovers to Asia an extreme downside risk for Asia.

While domestic demand remains strong, "Asia has clearly not decoupled" from advanced economies," the IMF says.

"Though domestic demand remains strong, we cannot say that Asia will be immune from risks materialising in the rest of the world", cautioned Anoop Singh, Director, Asia Pacific Department, IMF.

He said as one third of the trade in Asia is from the United States and Europe, "the uncertainty from the advanced economies will have significant effect on Asia from the trade side".

In India, where corporate funding relies increasingly on external commercial borrowing and equity finance, a severe fall in investment would severely curtail growth, the report said.

IMF report said the crisis in advanced economies is a reminder of the need for Asia to now make further progress with economic rebalancing and develop stronger domestic engines of growth. In addition to structural reforms, this would require a reprioritisation of fiscal spending, in order to create fiscal space for critical infrastructure investment and social priority expenditure.

Coconut oil prices fall on increased supply

George Joseph / Kochi October 14, 2011, 2:06 IST

An increase in supply from Tamil Nadu and Kerala has led to a sharp fall in the price of coconut oil. The price today dropped to Rs 7,500 a quintal in the local market, which had touched the peak of Rs 10,400 a quintal during the second week of May.

With the end of monsoon, processing of coconut was active in Kerala, especially in the northern districts of Malappuram, Kannur and Kasargode. So, copra supply to crushing mills had increased now, said Thalath Mehamood, president, Cochin Oil Merchants Association (COMA).

The sharp increase in production in Tamil Nadu also caused a fall in wholesale prices in Kankayam, the largest coconut oil market in India. The price fell below Rs 7,000 last week. This sharp fall raised demand from FMCG companies, leading to an improvement in prices.

A section of traders told Business Standard that production of copra is yet to be active in the southern districts of Kerala, hence supply would be tight in the coming weeks. The demand for tender coconut is also on a rise after the monsoon.

The retail price of tender coconut increased to Rs 20 for each in most parts of the state. So a major chunk of coconut farmers now opt this channel as for ripe coconut they get a maximum price of Rs 10-12. This also affects the production of good quality copra in Kerala as well as in Tamil Nadu.

Meanwhile, the drop in the price of palm kernel oil also led to the fall in coconut oil price. Palm kernel oil is being widely mixed with coconut oil and sold at lower rate.

Every time coconut oil price increases, adulteration also rises. Now adulteration is active as the price of palm kernel oil dropped to Rs 5,200 a quintal from Rs 10,200 few months back. Palm kernel oil is a suitable mix for adulteration of coconut oil and 25-30 per cent mixing cannot be detected easily.

Due to this mixing, coconut oil is offered at lower rates in the retail segment. This practice is widely used in crushing mills of Tamil Nadu that helps dealers to offer lower rate for coconut

oil.

As main production season of coconut and copra begins in December, market is likely to be in a low phase, with fluctuation in prices based on the swing in demand for the next six-eight weeks.

PTI adds: Copra Alapuzha and copra Kozhikode prices firmed up further at the spices market on sustained demand from stockists coupled with good offtake by millers in view of festivities.

Bumper turmeric crop likely this kharif season

Sharleen D'Souza / Mumbai October 14, 2011, 1:44 IST

India is expected to have a bumper turmeric output this kharif season. Farmers increased area under sowing for the spice as they received higher returns for the produce last year. This year, the total production is estimated to be around 8.5 million bags (1 bag= 75 kg), while it stood at 6.5 million bags in 2010-11 and 4.8 million bags in 2009-10, traders said.

“Farmers earlier got around Rs 20-35 a kg for their produce. In the last two years, farmers have been getting good returns of Rs 175-225 a kg,” said Manubhai Shah, a Navi Mumbai-based trader.

Erode in Tamil Nadu is estimated to produce 4.5 million bags this year, compared to 3.5 million bags last year.

Farmers received a good price for their crop in the last two years, which led farmers in Andhra Pradesh and Tamil Nadu to increase acreage under the spice. Although prices have begun to witness a fall, but in 2010, prices had reached an all-time high of Rs 16,000 a quintal.

Prices have seen a decline since January as last year's production and arrivals reached at their peak. This year's carryforward stock could be between 1.5 million bags and 2 million bags, taking the total stock for 2011-12 to over 10 million bags, thus, stocks would be higher.

Sowing is still on and has picked up on better weather conditions. Fresh crop comes to the market from January.

Traders and analyst say prices of the spice will rise for few more weeks on strong domestic and international demand, but, bumper production will soon begin to weigh on the price of the commodity when arrival season comes near.

Turmeric prices on NCDEX have begun to move northward from September 27 and have so far seen a 23 per cent rise to Rs 5,432 a quintal.

“Currently, domestic demand is strong from north India due to the ongoing festive season, and export demand for the spice is coming in from Singapore and Malaysia,” said Nalini Rao, a spices research analyst at Angel Commodities.

Turmeric exports rose 52 per cent to 36,500 tonnes during April-August this year, according to the data released by the Spices Board of India.

Price of turmeric at spot markets varied from Rs 6,000-7,200 a quintal depending on the quality. Traders said buying support from stockists as well as retailers, driven by seasonal demand against restricted arrivals mainly pushed up prices.

Govt to give bonus to farmers

Reuters / October 14, 2011, 1:42 IST

Food minister K V Thomas on Thursday said the government had decided to give bonus to farmers for rice procurement in the new season, which began this month. The move could help the government stoke inflation, and at the same time win political support too. “We have agreed to give a bonus to farmers. The government will take a decision soon,” Thomas told reporters. The government currently pays local farmers Rs 1,080 (\$22.061) for a tonne of rice.

While increasing the price it pays farmers will help the government win political support ahead of a string of state elections next year, it could worsen already high inflation. India's food price index rose 9.32 percent in the year to October 1, and the central bank's raising of interest rates a dozen times in the past 18 months has hardly helped rein in prices. Thomas said the government would procure at least as much rice as it did last year — a figure that stood at 33.6 million tonnes. “We have enough space to store new season rice,” he said. Following a good monsoon, India is likely produce a record 245 mt of grain in 2011-12, up 1.4 percent from a year

ago, raising hopes of more exports that could help bring relief to Asian importers trying to combat food-led inflation.

FCI plans record rice procurement

Vijay C Roy / Chandigarh October 14, 2011, 1:40 IST

The Food Corporation of India (FCI) aims to procure a record 35.30 million tonnes (mt) of rice in 2011-12 on expectations of a bumper crop. During the previous financial year (2010-11), it had procured 32.70 mt of rice. The procurement data include those by FCI, state agencies (which procure for central pool) and levy rice (procured by millers).

A senior FCI official said the procurement target for 2011-12 had been kept on the higher side in view of high production estimates. The agriculture ministry is expecting a record 102 mt rice production in the 2011-12 crop year, against 95.32 mt last year. If the food ministry achieves the procurement target, this would help the government meet the requirement under the proposed National Food Security Act.

As far as the current procurement season is concerned, till yesterday, FCI and state agencies had procured 3.52 mt of paddy, out of the total arrival of 3.78 mt. Last year, during the same period, FCI and state agencies had procured 3.35 mt of paddy, out of the total arrival of 3.53 mt.

The current procurement is being dominated by Punjab, which has contributed almost 60-65 per cent to the central pool, followed by other states like Haryana. Till Thursday, government agencies and private millers in Punjab procured more than 2.38 mt of paddy.

Out of the total procurement of 2.38 mt of paddy in all the procurement centres of Punjab, government agencies procured 2.22 mt of paddy (93.2 per cent) till date, whereas private traders procured 162,000 tonnes. The central government agency, FCI, had been able to procure 26,336 tonnes.

It is worth mentioning that the government's nodal procurement agency, FCI has been procuring paddy (common) at Rs 1,080 a quintal and paddy (grade A) at Rs 1,110 a quintal in the ongoing 2011-12 marketing year. Last year, it was Rs 1,000 a quintal for common variety and Rs 1,030 for grade A variety.

On being asked about the present buffer stock with FCI, senior official said at present 19.93 mt of rice was lying with FCI including the stock of state agencies as on October 1, while it was 22.16 mt during the corresponding period of the previous year.

He mentioned that inter-state movement of rice is going and in the month of August alone around 5.1 mt of rice were moved out from FCI godown for the public distribution system.

Turmeric up on export demand, rise over 2%

Press Trust of India / New Delhi October 13, 2011, 14:24 IST

Turmeric prices moved up by Rs 2.10% to Rs 5,354 per quintal in futures market today, on buying by traders, driven by some overseas demand.

At the National Commodity and Derivatives Exchange, October turmeric rose by Rs 110, or 2.10%, to Rs 5,354 per quintal, with a trade volume of 5,390 lots.

The November contract gained Rs 100, or 1.87%, to Rs 5,444 per quintal, with an open interest of 10,480 lots.

Market analysts said some overseas as well as domestic demand, helped turmeric futures prices to rise.

THE HINDU **Business Line**

Over 30% of tea imports come from Nepal

P.S. Sundar

Coonoor, Oct. 13:

More than one kg out of every three kgs of tea that India imported so far this year came from Nepal, reveals an analysis of the latest information available with Tea Board and importers' organisations.

Between January and July, the latest period for which official data is available, India imported 9.42 million kg (mkg) against 11.64 mkg in the corresponding period last year.

This fall of 2.22 mkg showed a decline of 19.07 per cent in the imported volume.

However, the price of imported tea rose to Rs 96.89 a kg from Rs 89.38. This increase of Rs 7.51 marked a gain of 8.40 per cent.

Still, because of the sharp decline in volume, India's overall tea import bill reduced to Rs 91.28 crore from Rs 103.07 crore.

This reduction of Rs 11.79 crore posted a decline of 11.33 per cent.

Of the 9.42 mkg imported, as much as 3.50 mkg came from Nepal.

This accounts for 37.15 per cent thereby proving that more than one kg out of every three kg of imported tea came from Nepal.

Last year also, tea import from Nepal was at the same level but that time, it accounted for 30.15 per cent of the total import of 11.64 mkg.

(This article was published in the Business Line print edition dated October 14, 2011)

Cotton gains on Chinese demand, inadequate stocks

ANIL SASI & M.R. SUBRAMANI

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Arrivals begin, but seen up after Diwali

BLOOMING DEMAND*			
Variety	Oct 13	Oct 1	
Shankar-6	39,500	38,000	
LRA	35,000	34,000	
NHH-4	33,200	32,500	
Bengal Desi	37,300	36,800	
H-4	38,100	35,500	

*Prices in Rs/candy of 356 kg in Mumbai

New Delhi/Chennai, Oct. 13:

Cotton prices have gained in the last few days on lower arrivals, inadequate stocks with ginning mills and demand from domestic spinning mills and China.

The Shankar-6 variety, which is in demand for exports, has increased to Rs 40,000 for a candy of 356 kg in Gujarat markets from Rs 38,000 at the beginning of this month. Similarly, LRA and H-4 varieties, too, have increased by over Rs 1,000 a candy. (See table)

Demand from China

“Cotton prices are moving up mainly on demand from China. Ginning mills are not having adequate stocks to meet the demand,” said Mr Anand Poppat, Secretary, Saurashtra Ginners Association.

“Demand from China is good. Export prospects are also good,” said Mr M.P. Patel, Chairman of Jaydeep Cotton Fibres Pvt Ltd, from Rajkot in Gujarat.

The rise has been reflected in raw cotton or kapas prices too. “Kapas are quoting at Rs 900-940 for a maund of 20 kg since arrivals began just a couple of days ago,” said Mr Kalpesh Posiya, a trader at Dhoraji in Gujarat. “Ginning mills are trying to build inventories as stocks with them are low,” he said.

Arrivals

Currently, 40,000 bales (170 kg each) a day are arriving throughout the country with Gujarat accounting for 12,000-15,000 bales.

“Arrivals will begin picking up after Diwali. Though prices are rising, corrections are taking place now and then,” said Mr Patel.

“Arrivals will peak only during the second week of November. Even then, we expect a firm trend in prices,” said Mr Poppat.

Import quota

China's cotton import quota expires on December 25 and buyers there must get in the consignments before that.

“If the consignments have to reach before the expiry of their import quota, then contracts will have to be shipped out before November 30. Therefore, prices will rule firm until then,” said Mr Poppat.

China's cotton export had dropped in August by 13.8 per cent, though overall imports increased for the year. The depreciation in the rupee is also keeping exporters interested since a firm dollar is getting them good margins.

No restriction on exports

“With the Government announcing that there will be no restriction on exports from this season that started this month, exports will do well,” said Mr Patel.

Exports, on the heels of a projected record production, are expected to be around 70 lakh bales against 83 lakh bales last season. A higher crop in the US could result in exports from India being lower next year.

The higher crop prospects in the US have led to cotton futures dropping to \$1.0051 a pound. This is over 50 per cent lower after prices hit a record \$2.197 in March.

In the domestic market, prices for Shankar-6 increased to a record of over Rs 63,000 a candy in March before beginning to slide on poor demand and consumption.

Meanwhile, the current cotton crop is reported to be excellent. Mr Patel and Mr Poppat said that the crop development was good.

The Cotton Advisory Board, which has representation from the trade, farmers, exporters, textile and agriculture ministry besides the industry, has pegged this season's crop at a record 355 lakh bales against last season's 325 lakh bales. The higher production has been aided by the acreage under the crop rising to 121 lakh hectares from 111 lakh hectares last year. The Agriculture Ministry sees the crop at over 360 lakh bales, while a section of exporters, too, is projecting the crop at around 365 lakh bales.

Meanwhile, exporters and traders said that rumours of the Centre extending a five per cent subsidy for cotton exports. “They are mere rumours,” said Mr Poppat. “We have not heard anything of that sort,” said Mr Patel. In some trade circles, the rise in cotton prices, particularly on Wednesday, was attributed to the rumours of export subsidy. Exporters said with prospects looking good, subsidy was unlikely.

(This article was published in the Business Line print edition dated October 14, 2011)

Global cues drag soya oil a tad

Our Correspondent

Indore, Oct. 13:

Soyaban oil declined marginally on weak foreign markets and negative projections by Chicago Board of Trade.

Soya refined in local mandis sold at Rs 590-593 for 10 kg against Rs 592-595 on Wednesday. However, it fetched Rs 595 for 10 kg in the ready market. Soya solvent also traded lower at Rs 556-560 for 10 kg on restricted demand. It was traded at Rs 560 for 10 kg in the delivery market. Sluggish foreign markets dragged soya oil futures. The November contract of soya refined on the National Board of Trade (NBOT) closed lower at Rs 594.80 (Rs 599.90). The NBOT on Thursday witnessed the first cut of the month at Rs 623.70 for 10 kg. It traded lower on the National Commodity and Derivatives Exchange (NCDEX), too, with October and November contracts closing lower at Rs 613.80 and Rs 594.20 for 10 kg.

In contrast, soya seeds in the physical market gained as traders increased buying ahead of the festival season during which *mandis* will remain closed. In mandis across Madhya Pradesh, soyabean ruled at Rs 1,950-2,050 a quintal and about five lakh bags arrived. In Indore mandis, 14,000 bags arrived, 22,000 in Ujjain mandis, 18,000 in Dewas mandis and 8,000 in Barnagar mandis.

Plant deliveries of soyabean sold at Rs 2,100-2,125 a quintal. Soyabean futures traded lower on panic selling, with October contracts on the NCDEX dropping Rs 43 at Rs 2,065 a quintal and November down Rs 28 at Rs 2,115. Soya de-oiled cake in the port quoted at Rs 16,700 a quintal and at Rs 15,500-15,700 in the local market.

(This article was published in the Business Line print edition dated October 14, 2011)

Spot rubber rules steady

Aravindan

Kottayam, Oct. 13:

Physical rubber prices ruled steady for the fourth consecutive day on Thursday. Sentiments remained neutral as there was no fresh news or incentives specific to rubber to set a definite

trend. Sheet rubber finished unchanged at Rs 214 a kg both at Kottayam and Kochi, according to traders and the Rubber Board.

Meanwhile, the revised estimates available from China reveal that the country's total import of natural rubber (NR) including rubber compounds containing over 95 per cent of NR is likely to fall 1 per cent on year to 7,28,000 tonnes in the third quarter this year. The new figure is a marked improvement from the previously estimated 7.5 per cent fall during the quarter to 6,80,000 tonnes.

The October series weakened to Rs 215.80 (216.79), November to Rs 213.35 (215.04), December to Rs 215.40 (216.52) and January to Rs 218 (218.71) while the February series inched up to Rs 220.44 (220.02) a kg for RSS 4 on the National Multi Commodity Exchange.

RSS 3 (spot) increased marginally to Rs 209.03 (208.72) a kg at Bangkok. The October futures firmed up to ₹312.7 (Rs 199.58) from ₹311.4 a kg during the day session but then remained inactive in the night session on the Tokyo Commodity Exchange.

Spot rates were (Rs/kg): RSS-4: 214 (214); RSS-5: 211 (211); ungraded: 205 (205); ISNR 20: 204 (204) and latex 60 per cent: 130 (130).

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Good scope for FDI in poultry sector, says Assocham

Our Bureau

Hyderabad, Oct. 13:

Fuelled by burgeoning demand for broiler meat and eggs, the poultry industry in the country has finally attained the momentum to cross the Rs 1-lakh-crore mark soon.

Business chamber Assocham has pegged the market size for the poultry products at Rs 1.32 lakh crore by 2015 against the current size of Rs 49,000 crore.

The Associated Chambers of Commerce and Industry of India (Assocham), which came out with the study 'Trends in Domestic Poultry Segment' on Thursday, said that the market had been growing 20 per cent annually.

Broiler meat and table eggs accounted for most of the domestic poultry market.

India was the third largest egg producer and fourth largest broiler meat producer in the world.

It produced 3 million tonnes of broiler meat and about 2.86 million tonnes of eggs annually, the Assocham study said.

FDI

The study observed that there was a huge opportunity for foreign direct investment (FDI) in the poultry sector in areas like breeding, medication, feedstock, vertical integration and processing. Lack of infrastructure like power and transportation, however, posed major challenges, it said. "Driven by rising purchasing power, changing food habits, contract poultry farming and rapid urbanisation are certain key reasons for this constant upswing in this niche poultry sector," Mr D S Rawat, Secretary-General of Assocham, said, commenting on the study.

The industry employed two crore farmers backed by 1,000 hatcheries across the country.

Bird flu outbreak

"But sporadic bird flu outbreaks in different parts of the country along with lack of storage and processing facilities and rising prices of feed stocks including soy meal and maize have severely hit the poultry exports," the study said. Maize accounted for over half of the total production cost of poultry feed and the poultry sector consumes over 50 per cent of total maize production in the country. Southern India had led the poultry industry, followed by Maharashtra in the West and Haryana and Punjab in the North.

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Mixed trend in wheat market



Karnal, Oct. 13:

The wheat market witnessed a mixed trend on Thursday. The Dara variety rose marginally, while desi wheat decreased from previous levels.

Dara is ruling firm on current levels as local stocks have dried up and the market is relying on stocks coming from Uttar Pradesh, said Mr Sewa Ram, a wheat trader. But it's unlikely to see any major uptrend in prices because of this, he added. The Dara variety increased further by Rs 5 a quintal and quoted at Rs 1,100-1,125 a quintal. Around 75 tonnes of dara variety arrived from the Uttar Pradesh and the stocks were directly offloaded at the mills. Mill delivery was at Rs 1,115 a quintal. On the other hand, after witnessing a steady trend, desi wheat decreased from their previous levels. The Tohfa variety and Samrat eased by Rs 50 and quoted at Rs 2,100 and Rs 1,850 a quintal, respectively. Lal Quila dropped by Rs 30 and ruled at Rs 1,840, while Rasoi sold at Rs 1,800 a quintal, Rs 20 down from the previous level. At the National Commodity and Derivatives Exchange, wheat for October delivery increased by 8 paise to Rs 1,108.8 a quintal, it had touched a low at Rs 1,108 a quintal earlier on Thursday. At the MCX, wheat for December delivery was at Rs 1,185.4 a quintal.

Flour Prices

Following equal demand and supply in the market, flour prices continued to rule flat and quoted at Rs 1,130 for a 90-kg bag. Similarly, chokar prices remained steady and sold at Rs 580 for a 49-kg bag.

Rabi season

Wheat-sowing period starts from October 25 and the wheat production target for the rabi season 2011-12 has been set at 87 million tonnes.

(This article was published in the Business Line print edition dated October 14, 2011)

Export demand lifts castor marginally



Rajkot, Oct. 13:

Buying by exporters to fulfil old contracts lifted castorseed marginally in spot and futures markets on Thursday.

The October contract on the National Commodity and Derivatives Exchange increased by Rs 26.50 or 0.62 per cent to Rs 4,315 a quintal, with an open interest of 10,750 lots while the November contract was up Rs 24 to Rs 4,075, with an open interest of 24,400 lots.

Castorseed for December delivery rose by Rs 29 to Rs 3,869 a quintal on Rajkot Commodity Exchange (RCX). Spot castor on the exchange increased by Rs 10 to Rs 4,050 a quintal.

While 9,000-10,000 bags arrived in Gujarat and sold at Rs 810-830 for 20 kg, 700-800 bags arrived in Saurashtra and sold at Rs 760-800.

Castor gained as exporters bought to fulfil old contracts, though overall demand is limited because of weak international markets, said Mr Haribhai Patel, a senior trader on RCX.

According to the Agriculture Department of Gujarat, area under castor rose to 8.11 lakh hectares in this kharif season against 5.18 lakh hectares last year.

According to the Agriculture Department, castor sowing in the country has increased by 3.9 lakh hectares to 12.75 lakh hectares this year from 8.82 lakh hectares.

(This article was published in the Business Line print edition dated October 14, 2011)

Sugar extends gains on festival buying

Our Correspondent



Mumbai, Oct. 13:

Sugar prices extended gains by Rs 15-20 a quintal on festival buying on Thursday, rising by Rs 40-50 this month.

Spot prices rose by Rs 15-20, while naka rates were up by Rs 20-25. Mill tender rates increased by Rs 15-20 a quintal on higher demand for Diwali. Eastern buyers bought two rakes. A rake has 27,000 bags of a quintal each. Local demand and demand from neighbouring States ahead of Diwali kept the market sentiment positive, market sources said.

Mills sold at higher prices. Producers offloading was based on demand. Estimates of lower-than-expected output in Maharashtra and the likelihood of permission for more exports next month lifted prices at upper naka and tender levels.

The Maharashtra Government has lowered its production forecast to 87 lakh tonnes in 2011-12 from 92-93 lakh tonnes, against 90 lakh tonnes last year, due to poor sugarcane crop this year.

Arrivals in the Vashi market were at 52-53 truckloads, while local dispatches were 50-51 truckloads. On Wednesday evening, 18-20 mills offered tenders and sold 75,000-80,000 bags to local traders.

Mills sold S-grade at Rs 2,665-2,775 (Rs 2,650-2,760) and M-grade at Rs 2,780-2,880 (Rs 2,780-2,880).

Bombay Sugar Merchants Association's spot rates: S-grade Rs 2,782-2,890 (Rs 2,782-2,865) and M-grade Rs 2,871-3,041 (Rs 2,856-3,031) a quintal.

Naka delivery rates S-grade were Rs 2,770-2,800 (Rs 2,740-2,790) and M grade Rs 2,860-3,000 (Rs 2,850-3,010).

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Diwali demand lifts turmeric



Erode, Oct. 13:

Bulk buying ahead of Diwali lifted spot turmeric by Rs 100-250 a quintal, despite heavy arrivals of 12,000 bags.

“Bulk buyers have received orders from North India, which they have to fulfil before Diwali. So they are quoting higher for quality turmeric. On Thursday, prices increased by Rs 100 to Rs 250 a quintal. But sales were average. Only half of the 12,000 bags was sold,” said Mr R.K.V. Ravishankar, President, Erode Turmeric Merchants Association (ETMA).

He said markets will remain open for only five more sessions before Diwali. Prices fell by Rs 300 a quintal at the ETMA because of poor quality.

Farmers are selling huge stocks at prevailing prices as they need money for the festival.

The hybrid variety decreased by Rs 100 because of poor quality.

Barring ETMA, the finger variety sold at Rs 5,700 in all other markets here.

In the ETMA sales yard, the finger variety was sold at Rs 4,096-5,575 a quintal and the root variety at Rs 3,874-5,159.

Salem Crop: The finger variety was sold at Rs 5,269-6,074 a quintal and the root variety at Rs 5,096-5,396. Only 502 of the 2,817 bags that arrived were sold.

At the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety fetched Rs 4,800-5,738 and the root variety Rs 3,900-5,469. Out of the 364 bags that arrived, 348 were sold.

At the Erode Cooperative Marketing Society, the finger variety was sold at Rs 4,789-5,799 and the root variety at Rs 4,569-5,499. Out of the 873 bags that arrived, 716 were sold.

At the Regulated Marketing Committee, the finger variety fetched Rs 5,239-5,759 and the root variety Rs 5,022-5,489. Out of the 1,504 bags that arrived, 1,429 were sold.

(This article was published in the Business Line print edition dated October 14, 2011)

Egg price slashed to raise consumption

Gayathri G.



Chennai, Oct. 13:

Egg price, that ruled almost flat for a week, has been reduced by 10 paise to Rs 2.51 a piece.

The National Egg Coordination Committee, Namakkal zone, has trimmed the price as the Telangana stir has hit movement of trucks to neighbouring Andhra Pradesh (a major consumer of Tamil Nadu's poultry products).

“We have accumulated stocks and to clear that we have cut prices hoping that this will increase consumption,” said an official.

NECC has hiked the price of layer birds by Rs 2 a kg to Rs 42.

On the contrary, broiler prices, which were until now were marred by seasonal uncertainties, are inching up on short supplies.

live birds

The Broiler Coordination Committee (BCC) has hiked the price of live birds to Rs 57 a kg from last week's Rs 53.

Earlier this March, the price touched a record Rs 75 a kg. “Broiler prices declined last month because of the austere/festive season resulting in poor offtake.

Most of the poultry farms were running at half their capacity; and due to shortage of birds, prices are likely to go up gradually,” said an industry source.

(This article was published in the Business Line print edition dated October 14, 2011)

Poor offtake drags edible oils



Mumbai, Oct. 13:

Edible oils turned bearish on Thursday as retail demand was poor and as foreign markets remained weak. Groundnut oil and sunflower oil remained unchanged, rapeseed oil rose by Rs 7, and cotton oil increased by Rs 2. Imported palmolein and soya refined oil declined by Rs 3 and Re 1 for 10 kg.

Crude palm oil (CPO) futures on Bursa Malaysia Derivatives (BMD) declined on higher stocks and concerns about crude oil and global economy. Retail demand is poor despite Diwali approaching, said local traders. Local refiners reduced palmolein prices by Rs 3-5 following weak Malaysian markets. Only 40-50 tonnes of palmolein were traded at Rs 519-520. Liberty offered palmolein at Rs 521 and soya oil at Rs 619. Ruchi quoted palmolein at Rs 518 and soya refined oil at Rs 617. Allana offered palmolein at Rs 523 for delivery between October 20 and 31. In Rajkot and Saurashtra, groundnut oil sahved off Rs 10 at Rs 1,390 for a *telia* tin and Rs 5 at Rs 905 for loose (10 kg). Malaysia's BMD CPO's November contracts settled at MYR2,830 (MYR2,863), December at MYR2,840 (MYR2,864) and January at MYR2,846 (MYR2,878) a tonne. Soya oil closed at Rs 622.50 (Rs 621.50) for October delivery and at Rs 594.80 (Rs 599.90) for November delivery on National Board of Trade in Indore.

Bombay Commodity Exchange spot rates (Rs/10 kg): groundnut oil 910 (910), soya refined oil 617 (618), sunflower exp. ref. 655 (655), sunflower ref. 720 (720), rapeseed ref. oil 687 (680), rapeseed expeller ref. 657 (650), cotton ref. oil 640 (638) and palmolein 521 (524).

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