

Today's Paper » NATIONAL

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## Rise in fertilizer prices burdens farmers

B.Chandrashekhar

*Prices increase six times this kharif forcing farmers to spend an additional Rs. 1,000 crore*



**COSTLY AFFAIR:** Fertilizer stocks piled up at the Kakinada port. Increase in prices has added to the misery of farmers. — Photo: Special Arrangement

Increase in the prices of all fertilizers except urea six times during the current kharif season has burdened the farming community in the State by about Rs. 1,000 crore additionally.

It is likely to add to the production cost heavily coupled with the increase in other input costs like seed, labour charges, diesel and pesticides. Scanty rainfall in about 350 mandals resulting in lesser crop coverage by about 10 lakh hectares and erratic power supply during the last one month have also compounded the problems of farmers further this season.

Decontrolled pricing policy for all fertilizers except urea under the Nutrient Based Subsidy (NBS) scheme from April 1, 2010 has almost doubled the prices of all complex fertilizers and DAP. Irrespective of their shortage during the crucial crop periods, the sale of fertilizers was normal during kharif as about 39 lakh tonnes of all varieties were sold.

**No control**

“The State government has no control or say over fertilizer prices and the Centre is considering decontrolling urea pricing too,” a top official of the Agriculture Department told *The Hindu* .

According to statistics available with the Agriculture Department, about 39 lakh tonnes of fertilizers were sold in the kharif season including 16 lakh tonnes of urea, 5 lakh tonnes of DAP, 11 lakh tonnes of complex, and 7 lakh tonnes of MoP and others.

“Farmers have coughed up over Rs. 150 crore additional amount on DAP alone as its price has gone up by an average of Rs. 100 per bag of 50 kg during the season,” the official said.

Similarly, prices of complex fertilizers have gone up by a minimum of Rs. 170 per bag during kharif involving an additional investment of over Rs. 650 crore.

### **Worrisome**

“In spite of many committees and commissions suggesting reduction in cost of cultivation, the governments have allowed increase in all input costs. It will only force the farmers to leave their profession in the years to come,” K. Ramakrishna, president of Andhra Pradesh Ryotu Sangham said.

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- *It is likely to add to the production cost heavily coupled with increase in other input costs*
  - *Scanty rainfall resulting in lesser crop coverage, erratic power supply compounding woes*
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Published: October 17, 2011 00:00 IST | Updated: October 17, 2011 04:05 IST

### **UAS to create awareness on millet cultivation**

Staff Correspondent

Vice-Chancellor of the University of Agricultural Sciences (UAS), Dharwad, R.R. Hanchinal, has said that funds will be set aside in the varsity budget for taking up research focussing on millets.

Presiding over the two-day national convention of millet growers here on Sunday, Prof.

Hanchinal said the varsity had already take steps for processing of millets, and was planning to hold a series of programmes to create awareness among farmers to cultivate millets.

The “Millet first for Research and Development of millets” would become the mantra of the varsity. The new agricultural college opened in Haveri district would concentrate on development of millet-growing areas and enhance the knowledge of farmers.

Prof. Hanchinal said that use of chemical fertilizers to increase the crop yield has rendered fertile land barren.

He argued that if millet cultivation is taken up on a large scale, it could help the country overcome food crisis.

Karnataka Rajya Raitha Sangha working president Basavaraj Tambake inaugurated the convention. Distributing millets through the Public Distribution System (PDS) was the need of hour and the issue would be discussed with the National Raitha Sangha Committee, he said.

Farmers from 10 States are participating in the event.

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- *Two-day convention of millet growers begins*
  - *Karnataka Rajya Raitha Sangha to demand welfare schemes for millet growers*
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Published: October 17, 2011 00:00 IST | Updated: October 17, 2011 04:18 IST

## **Farm training session on October 20**

Staff Reporter

Amrutha Dhaara Goshaala at Bajakoodlu, near here, and the National Bank for Agriculture and Rural Development (NABARD) are jointly conducting a 'Kasaragod breed conservation' project that will also promote organic farming in the district. Enmakaje, Badiyadukka, Kumbadaje, and Karadukka are the select panchayats for the project.

A training programme on "zero-budget farming" will be held at Yethadka on October 20 as part of the programme.

Mohankumar, a retired teacher, will inaugurate the programme and present the zero-budget farming concepts. Billampadav Narayana Bhat, an expert on the subject, will speak on vegetable cultivation using cow dung and urine of the Kasaragod breed of cows as manure. An interactive session for farmers will also be held on the occasion.

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### **'State fails to release water for irrigation'**

YSR Congress Party spokesperson Duppala Ravindrababu on Saturday revealed that the party would chalk out an agitational programme very soon to highlight the plight of the farmers in the district. He alleged that the ruling party leaders are forcing the Srikakulam people to depend on industries by systematically destroying the agricultural sector. According to him, the government failed to release water from Totapalli, Vamsadhara, Narayanapuram and Madduvalasa, causing huge damage to the thousands of acres in the district.

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Published: October 17, 2011 00:00 IST | Updated: October 17, 2011 04:18 IST

### **Crop loss fear grips farmers in Ganjam**

Staff Reporter

*Drought-like situation prevails in the district due to low rainfall*



GRIM SCENARIO: A farmer sits in his dried-up paddy field at Ralaba village in Ganjam district.

— PHOTO: LINGARAJ PANDA

Farmers in Ganjam are facing possible crop loss due to drought-like situation caused by low and erratic rainfall this year. This is in sharp contrast to other areas of the State where heavy rainfall has caused extensive loss due to floods. Most of the canals in the district are unable to provide sufficient water to farmers for cultivation. In a recent report the officials of the Agriculture Department have pointed out that all the 22 blocks of this district are affected by low rainfall.

Non-provision of proper amount of water has started to irk peasants. In some areas such as Huma and Burupada, farmers have demonstrated at local offices of the Irrigation Department.

Former deputy speaker of State Assembly Ram Chandra Panda says unless government comes out with some remedial measures for farmers, it may lead to law and order situation in some areas.

He says it was high time to distribute whatever water is available through irrigation systems.

Paddy cultivation has been worst affected due to low rainfall. According to the Agriculture Department data, this year low rainfall in the beginning of kharif season affected paddy cultivation in four blocks of the district. But paddy cultivation in other blocks also got affected as proper rainfall did not occur in subsequent months. It is estimated that no cultivation could be taken up in around 13,000 hectares of agricultural land in the district.

### **Minister's visit**

During his recent visit to the district, State Revenue Minister Surya Narayan Patra also admitted the agricultural loss due to low rainfall and drought-like situation in the district. This year, the crop loss assessment will be made by taking panchyats as units rather than blocks so that more peasants who are likely to suffer crop loss could be benefited, he says, adding that efforts are on to save existing paddy crop in Ganjam through lift irrigation system. Ten thousand lift irrigation points will be repaired and renovated on a war-footing.

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**hindustantimes**



**Press Trust Of India**

New Delhi, October 17, 2011

First Published: 17:10 IST(17/10/2011)

Last Updated: 17:11 IST(17/10/2011)

### **Inflation to remain at around 9% till November: Nomura**

Research firm Nomura has said it expects inflation in India to remain elevated at around 9% till November, before moderating to around 6.8% by end of the current financial year.

"Headline Whole Price Index (WPI) inflation is likely to stay around 9% till November, beyond which we expect it to moderate to reach 6.8% in March, 2012, primarily due to base effects," the agency said in the latest edition of its 'Asia Economic Alert'.

The base effect in economic terminology refers to a statistical phenomenon in which a low rate of inflation, or any other indicator like sales, during a corresponding period prior to that under review would make a small change in the period under review appear large.

Similarly, in case of a high base during a given year, a large change in absolute terms would appear small during the corresponding period under review.

Headline inflation in the country has been above the 9%-mark since December, 2010.

Nomura said the moderation in inflation numbers will start to show from December, when it expects the rate of price rise to fall to 8%.

Headline inflation stood at 9.72% in September, the latest month for which data is available. The government and the Reserve Bank had earlier said that they expect inflation to remain at an elevated level till the first half of the year and then show signs of moderation.

Experts, however, have said that inflation is unlikely to fall much in the near future.

"Encouragingly, core inflation has steadily moderated over the past few months... Looking ahead, we expect this trend to continue as both domestic demand and external demand are likely to weaken further," Nomura said.

Core inflation, as measured by the rate of price rise of non-food manufactured items, declined marginally to 7.69% in September from 7.79% in August. It had touched a high of 7.90% in June.

Manufactured items constitute over 65% of the total WPI basket.

Regarding the RBI's likely course of action, Nomura said: "We maintain that there will be no further hikes in policy rates by the RBI... since developments over the past few months indicate

that core inflation has moderated, domestic demand has weakened considerably... and the near-term outlook for the global economy remains weak."

However, at the central bank's meeting at Jaipur last week, RBI Governor D Subbarao had said the rate hikes have affected industrial activities, but asserted that inflation continues to remain above comfort levels. He also said that interest rates would come down only if inflation eased.

The RBI has already hiked key policy rates 12 times, by a total of 350 basis points, since March, 2010, to tame demand side pressure and curb inflation.

<http://www.hindustantimes.com/StoryPage/Print/758338.aspx>

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## THE ECONOMIC TIMES

Tue, Oct 18, 2011 | Updated 11.07AM IST

17 OCT, 2011, 05.24AM IST, ET BUREAU

### Green leaf prices fall to 5-year low

GUWAHATI: Green leaf prices in the open market have plummeted from Rs 14 per kg in September to Rs 6. This is the lowest price in the last five years. On Saturday, the All Assam Small Tea Growers' Association (AASGA) will dump leafs on the national highway as a protest.

The AASGA general secretary Karuna Mahanta told ET: "We want the state government to remove the ban on setting up bought leaf factories. The government has put on hold fresh registration of BLFs for the last three years." Rakesh Saini, executive director of Tea Board, told ET: "We are going to implement the price sharing formula strictly.

According to the formula, every registered tea manufacturer, purchasing tea leaf from small tea growers, shall share the total gross proceeds from the sale of such manufactured teas with the growers."

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17 OCT, 2011, 05.22AM IST, JAYASHREE BHOSALE, ET BUREAU

### Sugar prices move up 3-5% on festival demand

PUNE: Wholesale and ex-factory sugar prices have moved up by about 3-5% after three to four months due to good demand for the festival. The uptrend is likely to continue for another week as bulk buying by sweetmeat makers continues with Diwali round the corner.

The October sugar quota - allocated by the government for open market sales -- is usually higher due to the festival season. This year, the October quota of free sale non-levy sugar is at 17.50 lakh tonne, higher by about 6% than the last year's October quota of 16.50 lakh tonne. The industry is not worried about the higher volume because there is good demand for the sweetener.

Ashok Jain, president, Bombay Sugar Merchants' Association, said, "The festival demand for sugar has increased by about 20%. As a result, wholesale sugar price has gone up by Rs 1.5/kg in the last one week.

The prices are likely to keep the upward trend with a further increase of about Rs 0.50/kg in the next week." Supplies to the Vashi market in Mumbai have gone up from about 60 to 70 trucks a day earlier to 100 trucks a day now. Wholesale sugar prices have moved up by more than 5%. The current wholesale price in the Vashi market is Rs 28.30/kg to Rs 28.50/kg for the S30 variety.

The retail price, which was stable throughout the year, has gone up marginally by Rs 1/kg in Mumbai. Current ex-factory sugar price in Maharashtra, the top producer in the country, is in the range of Rs 27/kg to Rs 27.50/kg, up by about Rs 1/kg to Rs 1.5/kg.

In Uttar Pradesh, the second largest producer in the country, sugar prices have moved up by Rs 30/quintal to Rs 40/quintal in October. The current price of S30 sugar is about Rs 28.80/kg in Uttar Pradesh.

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## **One quintal of dairy products destroyed**

MONDAY, 17 OCTOBER 2011 22:48

The authorities conducted a drive against adulterated food items and destroyed about one quintal of adulterated milk and dairy products like paneer and mawa.

While cockroaches were found floating in the milk, other dairy items were mixed with water and other substances. While samples of ghee were collected and sent for laboratory test, a home being used for manufacturing adulterated ghee was also sealed by the authorities on Monday.

Though the sale of adulterated food items is common in Uttarakhand the sale of such items peaks during the festive season. In view of the rise in sale of adulterated food items, the officials of the Uttarakhand Food Safety Authority raided many locations across the city on Monday and seized quantities of adulterated milk and dairy items in addition to which one home used for manufacturing spurious ghee was also sealed.

Officials of the Food Safety Authority raided different locations in the city and destroyed about one quintal of adulterated milk, paneer and mawa and sent about one kg ghee for lab tests. The departmental team headed by the Dehradun district food safety inspector GC Kandwal conducted the drive against adulterated food items by conducting checks in different areas including Asharodi check-post, Saharanpur Chowk, Hanuman Chowk and Raipur among others.

The drive which started early on Monday morning caused panic among traders involved in the supply and sale of adulterated food products. The departmental team seized about a quintal of milk, mawa and paneer at the Asharodi check-post and Saharanpur Chowk and found that these were mixed with water and failed required standards as cockroaches were found floating in the milk. These items unfit for human consumption were destroyed by the team immediately. After this the team raided a shop at Hanuman Chowk and found five tins of spurious ghee which were confiscated and sent for laboratory examination. Officials received information about a home in Raipur area being used for the manufacture of spurious ghee.

They raided and sealed this home in the Tapovan locality of Raipur after the information was found to be true. Some traders tried without success to use their influence in order to convince the officials to end their drive. The Dehradun district food safety inspector GC Kandwal said that the department will continue its drive to check supply and sale of adulterated food items in the coming days in view of the festive season.

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# Business Standard

Tuesday, Oct 17, 2011

## Pepper down 0.7% on profit-taking

Press Trust of India / New Delhi October 17, 2011, 15:08 IST



Pepper prices moved down by Rs 265 to Rs 36,575 per quintal in futures trade today, as speculators booked profits, driven by a subdued demand at prevailing high levels in the spot market.

At the National Commodity and Derivatives Exchange, November pepper fell by Rs 265, or 0.72 per cent, to Rs 36,575 per quintal, with an open interest of 9,028 lots.

The October contract lost Rs 235, or 0.65 per cent, to Rs 36,100 per quintal, with a trade volume of 1,750 lots.

Market analysts said besides profit-booking by speculators, fall in demand in the spot market mainly led to the decline in pepper futures prices.

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## Chana futures rise on strong spot demnd

Press Trust of India / New Delhi October 17, 2011, 14:46 IST

Chana futures rose by Rs 37 to Rs 3,014 per quintal today, as speculators enlarged their positions, driven by a strong demand in the spot market for the ongoing festive season.

At the National Commodity and Derivatives Exchange, October chana rose by Rs 37, or 1.24%, to Rs 3,014 per quintal, with an open interest of 34,480 lots.

The November contract gained Rs 35, or 1.13%, to Rs 3,130 per quintal, with a business volume of 1,37,330 lots.

Traders said speculators increasing their positions on the back of strong demand in the spot market supported by festive season, mainly led to rise in chana prices at futures trade.

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### **Coriander futures up on spot demand**

Press Trust of India / New Delhi Oct 17, 2011, 14:06

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Coriander futures prices rose by Rs 27 to Rs 5,680 per quintal today, as speculators enlarged their positions, driven by pick-up in demand in the spot market.

At the National Commodity and Derivatives Exchange, coriander for delivery in November was down by Rs 27, or 0.48%, to Rs 5,680 per quintal, with an open interest of 20,710 lots.

Similarly, the spice for delivery in October gained Rs 15, or 0.27%, to Rs 5,629 per quintal, with a business turnover of 10,680 lots.

Market analysts said increased buying by speculators, driven by pick-up in demand in the spot market mainly pushed up coriander futures prices.

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### **Heavy arrivals, weak demand may pull jeera prices down**

Rutam Vora / Mumbai/ Ahmedabad Oct 17, 2011, 00:17

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High arrivals with low demand from overseas buyers may pull down jeera or cumin seed prices by about 10-15 per cent from November onwards, industry sources informed. Jeera arrivals at Unjha market hovered in the range of 5,000 - 7,000 bags (each bag weighing 60 kg) in recent days.

Trader sources expect jeera production to the tune of 3.5 million bags in 2011-12 but higher arrivals over the past two months has increased the possibility of a carryover stock to the tune of a million bags.

"This year arrivals have been high at about 12,000 to 13,000 bags in September against 4,000 to 5,000 bags seen in the same period last year. In absence of strong demand from domestic as well as international buyers, there are increased chances of about 1 million bags of carryover stock to be available in the next season," said a leading jeera exporter from Unjha.

In the spot market, Jeera (NCDEX quality) was quoted in the range of Rs 135 - 145 per kg at Unjha, lower by about Rs 20 per kg from Rs 157 per kg quoted three months back. The industry insiders anticipate a further drop in prices amid high production estimate and low demand.

"The sowing for rabi crop is expected to start soon, while the arrival of new jeera crop will start three months from now. Hence, with increased availability due to higher arrival and new crop hitting markets, we anticipate jeera prices to fall to about Rs 125 per kg from November onwards," said Arvind Patel, industry expert and former president, Unjha APMC.

Meanwhile, supplies from overseas jeera producers including Syria and Turkey is considered as a major determining factor for future price trend of the commodity. Jeera in the international markets is quoted in the range of USD 3,500 and USD 3,500 per ton (FOB). However, international demand has remained weak due to which, industry insiders anticipate a further correction in the prices.

According to recent reports from Spice Board of India exports of Jeera has fallen by 39 per cent from 15,700 tonnes in 2010 to 9,500 tonnes in 2011.

"There may not be a sudden fall in the prices and we would not witness a value erosion of jeera, but at the same time we should not expect a bull-run in the near future either. The global factors clubbed with domestic supply availability and demand weakness would hamper pricing scenario in coming months," said Mukeshbhai Patel, a jeera exporter from Unjha.

In the past season, during March, jeera prices had shot up to Rs 18,000 per quintal (Rs 180 per kg) due to delayed arrival and poor quality of the seed following untimely rains last year. However, prices moderated by July this year. Currently, arrivals are coming mainly from Rajasthan and Saurashtra in Gujarat, traders informed.

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### **Turmeric falls 3.2% on reduced offtake**

Press Trust of India / New Delhi Oct 17, 2011, 15:04

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Turmeric futures fell by Rs 174 to Rs 5,130 per quintal today, as speculators reduced their positions, driven by a weak trend at the spot market on subdued demand.

Expectations of higher output in the producing region also dampened trading sentiments to some extent..

At the National Commodity and Derivatives Exchange, November turmeric fell by Rs 174, or 3.28%, to Rs 5,130 per quintal, with an open interest of 10,245 lots.

The October contract moved down by Rs 152, or 2.91%, to Rs 5,070 per quintal, with a business turnover of 3,955 lots.

Market analysts said besides speculators reducing their positions, sluggish demand in the spot market also led to the fall in turmeric prices at futures trade here.

They said reports of a higher production also put pressure on the turmeric futures prices.

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### **Mentha oil futures up 0.2% on spot demand**

Press Trust of India / New Delhi Oct 17, 2011, 14:41

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Amid fresh demand from pharma units and restricted arrivals from producing region, mentha oil prices rose by Rs 2.70, or 0.20 per cent, to Rs 1,329.40 per kg in futures trade today.

At the Multi Commodity Exchange, October mentha oil gained Rs 2.70, or 0.20 per cent, to Rs 1,329.40 per kg, with a business turnover of 362 lots.

The November contract edged up by Rs 2.10, or 0.16 per cent, to Rs 1,337.70 per kg, with a trade volume of 115 lots.

Market analysts said fresh demand from pharmaceutical units in the spot market and less arrivals from Chandousi in Uttar Pradesh mainly pushed up mentha oil prices at futures trade

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## **UAS develops 2 varieties of wheat**

**BS Reporter / Chennai/ Dharwad October 17, 2011, 0:40 IST**

The University of Agricultural Sciences, Dharwad, has developed two varieties of wheat — UAS-304 and UAS 428 — for making bread. While one is resistant to the deadly Ug99 disease, the other can help combat malnutrition. The two wheat varieties have been selected for notification by the Central Subcommittee on Crop Standards, Notification and Release of Varieties for Agricultural Crops, which comes under the Central Seed Committee, Ministry of Agriculture. Seed production could commence thereafter, UAS V-C R R Hanchinal said.

He informed that the tests had shown that the UAS-304 was effective against Ug99, a fungal disease that devastated the wheat crop in East Africa, Yemen, Iran and Iraq. “This disease is on the threshold of reaching India, having already reached Afghanistan,” he said. Tests on the UAS-428 have confirmed its high-yielding capacity and suitability in combating malnutrition.

Shreenivas A Desai, senior scientist (genetics and plant breeding), UAS, Dharwad, said, “The UAS-304 had been tested in the agriculture laboratories in Kenya and were found to be effective against the deadly fungus. The disease, which originated in Uganda in 1999, belongs to a race of black stem rust, which results in major crop loss, said senior scientist (Genetics and Plant Breeding) Shrinivas Desai. The UAS-304 was one of the 22 varieties of wheat recognised by the Karnal-based Directorate of Wheat Research for having the ability to combat the Ug99 disease and has been recommended for the peninsular region in India. This variety has the added advantage of being rich in micronutrients such as zinc, copper and iron. It has also exhibited average yields of 46.8 quintals per hectare which was higher than the existing varieties in the peninsular zone such as RAJ-4037 (43.9 quintal/ha) and NIAW-917 (44.5q/ha). Though the yield was more in the variety MACS-6222 (47.1 q/ha), this variety has no resistance against Ug99.

Another durum wheat variety, UAS-428, had been identified by the Central Varietal Identification Committee at the All-India Wheat Research Workers’ Workshop at the Indian Agricultural Research Institute in New Delhi recently.

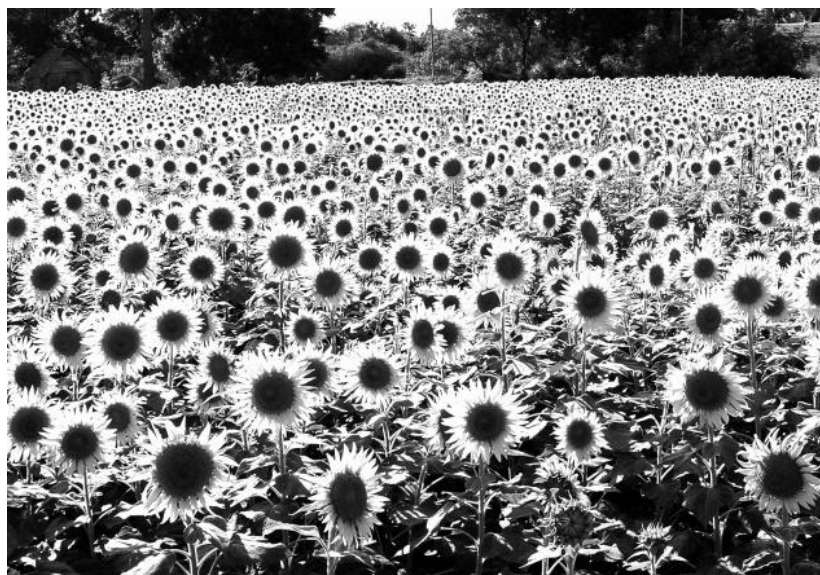
This variety yielded 47.9 quintals per ha, which was 14 per cent higher than the yield from the

existing durum wheat varieties in the peninsular zone. It has shown better adaptability to variations in sowing periods, apart from resistance to the prevailing rust races (brown and black) and spot blotch leaf disease. This variety too was resistant to Ug99.

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## THE HINDU Business Line

### Output may drop



Acreage shrinks: Sunflowers in full bloom at a farm near Dindigul, Tamil Nadu. Though oilseed production in kharif has been projected at a tad above 20.89 million tonnes, sunflower oil output is likely to be lower on drop in acreage. Price of refined sunflower oil is at Rs 720 for 10 kg in Mumbai. — G. Karthikeyan

(This article was published in the Business Line print edition dated October 17, 2011)

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## **Demand for mushroom on the rise in Tamil Nadu**

Traders source from neighbouring States to tackle supply shortfall



More enquiries: A mushroom in growing stage at a farm in Thanjavur in Tamil Nadu. (file photo)

**Coimbatore, Oct. 16:**

Mushroom cultivation may not have caught on in a big way, but booming demand for the edible fungi has sparked attention among farmers.

The daily demand for mushroom is around 75 to 100 tonnes in Tamil Nadu alone, whereas the State's production of the button, oyster and milky mushroom is only about 10 to 15 tonnes, says Dr Prakasam, Professor, Plant Pathology at the Tamil Nadu Agricultural University.

To meet the supply shortfall, traders source the (button) mushroom from markets in Andhra Pradesh, Maharashtra and Punjab.

The Directorate of Mushroom Research at the ICAR has set up a centre at the farm varsity here, which according to Dr Prakasam is one of the oldest centres among the 14 established in the country.

The farm varsity has been popularising and promoting mushroom cultivation as a commercial venture for the past 25 years, conducting day-long training programme on the fifth of every month.

“We have imparted training to over 20,000 farmers till date. Though a majority of them were from Tamil Nadu, we have had participants from Kerala and Andhra as well,” the professor said.

He conceded that there were apprehensions initially about marketing the produce, though not any more. “In recent years, a good number of those who have attended our training



programmes have undertaken this venture on a commercial scale. There are 600 mushroom growers in the State of whom 550 are engaged in oyster mushroom cultivation, 40 have taken up button mushroom and less than 10, the milky mushroom. The investment for starting a small oyster mushroom farm would work out to around Rs 30,000,” he added.

Seeds can be bought from the private farms, numbering about 30 in Tamil Nadu apart from the TNAU research stations, Dr Prakasam said, before adding “the main problem however is in getting the seeds on time.”

To address this issue, the centre has also started imparting training for seed production, setting up of spawn labs.

Meanwhile, the Directorate of Mushroom Research identified two farmers – Mr A.R. Subramanian from Kovaipudur in Coimbatore and Mr S.S. T Rajenthiran of Thuraiyur in Trichy, and conferred them with the “Progressive Mushroom Grower Award” during the National Mushroom Mela held at Solan in Himachal Pradesh last month.

Both these farmers are into mushroom cultivation and for close to two decades now.

Mr Subramanian is engaged in production of oyster mushroom, while Mr Rajenthiran concentrates on milky mushroom.

The daily production volume in Mr Subramanian's farm is estimated at 250 to 300 kg, while at the latter's it is around 100 kg. Mr Rajenthiran is in the process of expanding his business.

To a query on price fixation, the TNAU professor said that the University gives an indicative rate every morning to the concerned farmers and it varied from market to market.

“The oyster mushroom was quoting Rs 85 a kg at the Uzhavar Santhai (Farmers Market) here, while it touched Rs 120a kg in Salem and Rs 200 a kg in Chennai. Coimbatore district accounts for maximum consumption of mushroom; while there is demand in other parts of the State, the produce is not available,” added Dr Prakasam.

The University has released 8 oyster mushrooms (5 varieties and 3 species), one each of milky and button mushroom species this far. Newer species are in the pipeline, the professor said.

(This article was published in the Business Line print edition dated October 17, 2011)

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### **Homedale's tea fetches highest price at Coonoor sale**

P.S. SUNDAR

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#### **Coonoor, Oct. 16:**

Homedale Tea Factory has repeated its record at the Coonoor Tea Trade Association auctions. "At Sale No: 41 held this weekend, our Red Dust grade, auctioned by Global Tea Brokers, was bought by Paras tea Co for Rs 162 a kg. This was the highest price fetched by any CTC leaf or dust grade of any bought-leaf factory in this sale. It is also the highest price fetched by our teas since manufacture started in our factory 60 years ago. This is the second time we achieve this record having fetched Rs 162 on June 30, 2011," Homedale Managing Partner Mr Prashant Menon told *Business Line*.

Vigneshwar Estate got Rs 139, Hittakkal Estate Rs 133, Kannavarai Estate and Shanthi Supreme Rs 132 each and Sree Tea Supreme Rs 130. In all, 84 marks got Rs 100 and more.

(This article was published in the Business Line print edition dated October 17, 2011)

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### **Better liquoring grades escape price fall at Kochi tea sale**

OUR BUREAU

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#### **Kochi Oct. 16:**

Arrivals continued to be low at the Kochi Tea Auction at 10,78,500 kg of dust and 2,46,500 kg of leaf tea. But prices of most grades continued to gravitate lower but for the good liquoring teas which continued to be sought-after in the market. The CTC dust auction opened lower and continued to fall as the sale progressed. Good liquoring grades were relatively less vulnerable to this fall.

AVT, Tata Global and the Kerala State Civil Supplies Corporation were active on good liquoring grades. Loose tea traders and an exporter also evinced interest in good liquoring CTC dust. Hindustan Unilever remained selective. Upcountry buyers and most exporters remained

subdued. High grown orthodox dust quoted lower. Medium primary grades remained steady. Exporters and upcountry buyers were also fairly active at the orthodox dust counter.

### **Leaf Auction**

High grown smaller broken grades appreciated in value at the orthodox leaf sale while prices of bolder broken and whole leaf grades tended to ease. Most fanning generally quoted lower. Medium fannings also quoted lower and there was fair amount of withdrawals. Most orthodox leaf grades were irregular and quoted lower. Exporters to CIS countries lent fair amount of support at the orthodox leaf auction while exporters to Tunisia remained subdued. HUL remained selective while upcountry buyers were active on whole leaf grades. At the CTC leaf auction broken grades quoted lower while fannings were barely steady and tended lower as the auction progressed. Exporters and upcountry buyers absorbed bulk of the CTC leaf offerings.

### **Top Prices**

Injipara SRD fetched the top price at the dust auction at Rs 127 followed by Injipara SFD at Rs 124, Pasuparai FD Rs 119 and Injipara SRD Rs 117. At the leaf auction Pascoe's green tea fetched the top price at Rs 289 followed by Korakundah green tea at Rs 250, Chamraj OP Rs 205 and Chamraj FOP at Rs 185.

(This article was published in the Business Line print edition dated October 17, 2011)

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### **Higher sale percentage at Coonoor auctions**



**Coonoor, Oct. 16:**

The sale percentage of leaf and dust at this week's auctions of Coonoor Tea Trade Association has increased over last week.

This week, 8.37 lakh kg out of 9.62 lakh kg of leaf teas on offer, was sold accounting for 87 per cent sale. Last week, 7.37 lakh kg of the 9.11 lakh kg was sold accounting for 80.86 per cent sale. The average price rose marginally to Rs 67.28 a kg from Rs 67.16 last week.

Of the 4.09 lakh kg of dust teas on offer, 2.96 lakh kg was sold this week accounting for 72.43 per cent. Last week, 2.60 lakh kg out of 4.11 lakh kg was sold accounting for a sale percentage of 63.19. The average price has fallen to Rs 69.38 a kg from Rs 72.91 last week.

Overall, brokers reported 76-93 per cent sale. They reported 'leaf and dust combined' average price of Rs 58-72 a kg. The overall average price at the auction this week dropped to Rs 67.83 a kg from Rs 68.66 last week.

In all, 2.38 lakh kg has remained unsold this week.

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## **Japanese model sees cool to wet weather for India**

VINSON KURIAN

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### **Thiruvananthapuram, Oct. 16:**

The repeat La Nina conditions in the east equatorial Pacific are growing, and would continue do so in the following months, according to Japanese researchers.

The La Nina may die out during the northern hemisphere summer of 2012, according to researchers at the Tokyo-based Regional Institute for Global Change (RIGC) attached with the Japan Agency for Marine-Earth Science and Technology.

### **EARLIEST FORECAST**

RIGC was the earliest global model to come out with a forecast for La Nina as far back as late last year.

In regional forecasts for the next few months, the RIGC said the developing La Nina would bring cool to wet conditions over southern Africa, Australia, Brazil, and India.

It would also help bring down surface temperatures over many parts of the globe except northern Eurasia and eastern US.

Eastern China, Korea and western Japan are likely experience colder weather during this winter, the RIGC said.

Meanwhile, back home, India Meteorological Department (IMD) extended the outlook for a brewing low-pressure system in the Bay of Bengal to Tuesday.

### **'LOW' BY TUESDAY**

Isolated heavy rain or thundershowers have been forecast over the Andaman and Nicobar Islands on Monday and Tuesday.

Extended outlook valid until Friday said that the 'low' over east-central Bay might intensify further.

A short-term outlook until valid Wednesday said that fairly widespread rain or thundershowers would also lash Tamil Nadu, Kerala, Lakshadweep, Karnataka, Konkan, Goa and south Madhya Maharashtra.

Isolated rain or thundershowers are expected over east and northeast India, Gujarat, and Andhra Pradesh. Rainfall activity will scale up over the Northeastern States from Wednesday.

This could likely indicate a north-northeasterly movement of a well-marked 'low' from east-central Bay.

### **WIDESPREAD RAIN**

Fairly widespread rainfall activity has been forecast over the Northeastern States, the west coast and extreme south peninsular India during the period until Wednesday.

Meanwhile, the 24 hours ending Sunday morning saw fairly widespread rainfall being recorded over interior Karnataka, Kerala, Tamil Nadu and the Andaman and Nicobar Islands.

It was scattered over Meghalaya, Konkan, Goa and Madhya Maharashtra and isolated over sub-Himalayan West Bengal, Sikkim, Arunachal Pradesh,

Assam, Orissa, Telangana, coastal Andhra Pradesh and coastal Karnataka, the IMD said.

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## Spot pepper hits historic high

G.K. NAIR

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**Kochi, Oct. 16:**

Strong demand amid tight supply last week on Friday pushed spot pepper prices to the highest-ever level of Rs 343 a kg for ungarbled and Rs 358 a kg for MG 1. Meanwhile, the final outcome of last week's trading on the futures market gave the impression that there was a "neck-to-neck tug of war" between the bull and bear operators with both gaining marginally at the weekend.

It sends out the impression that some are working hard to pull the market down for covering while some others are bent on pushing up the market for selling.

This kind of high volatility, at a time when all other origins are firm and ruling above the MG 1, would only help to steer away overseas buyers besides depriving exporters of potential business as many of the exporters might not be able to book orders because of high fluctuation in prices. Some were able to book firm orders and covered against them.

On the other hand, it also becomes difficult to cover as availability is claimed to be very tight. On the exchange platform, less than 2,000 tonnes of pepper were available of Oct delivery at the weekend close and there are hardly four days left for its maturity. On the spot, growers and primary market dealers are said to be releasing only small quantities cautiously at every hike.

Those big growers who can afford to hold the produce for long and fully aware of the international and domestic market pulses are reluctant to sell even at current prices, which are at historical levels.

### **Liquidation of stocks**

Domestic demand has also not yet picked up probably because of liquidation of stocks held by upcountry dealers in Delhi, Maharashtra, Madhya Pradesh, Rajasthan etc. They were reportedly selling at Rs 345 a kg the material they bought when prices were at lower levels.

Meanwhile, Karnataka operators were said to be offering at Rs 345–347 a kg delivered anywhere in India, market sources told *Business Line*.

Good quantity of spot pepper was reportedly traded in several directions last week at the price range of Rs 343-353 a kg and exporters were the main buyers. Once upcountry dealers exhausted their stocks they would have to revert to the market to cover for their future winter/festival requirement.

Domestic and overseas buyers, who had postponed their buying on the anticipation that prices would decline had to cover. Availability of material in India is, by and large, on the exchange platform. In the international scenario conflicting reports are emanating from the overseas markets.

Some come out with bearish reports while others are highly bullish.

Such reports are also putting the market in a dilemma. However, the firm price trend prevailing in the market for some time now is being construed as the result of a strong supply squeeze.

At the same time, some of buyers may have to cover for the winter season and Christmas and New Year, and many might not have been maintaining huge inventories because of the heavy investment involved.

Therefore, demand could be expected in the coming days and since India is the only competitive source at present orders might come for MG 1, the trade said.

### **Global market**

Indian parity continued to remain competitive in the international market at \$8,050-8,100 a tonne C&F.

However, many of the small and medium exporters alleged that they were leaving overseas orders for want of matching credits for financing their export orders.

The unprecedented rise in the price of pepper which has shot up from Rs 150 a kg to Rs 358 a kg has made "it difficult for these exporters to finance their export orders in the absence of matching credit facilities and what is available at present is costly. Besides, pre and post shipment finances are also hampering," they said.

Mixed trend

Last week Oct, Nov and Dec contracts on the NCDEX showed a mixed trend. Oct and Nov moved up marginally by Rs 245 and Rs 5 respectively during the week to close at Rs 36,345 and Rs 36,845 a quintal, while Dec declined by Rs 105 to Rs 37,380 a quintal.

Total turnover moved up by 10,631 tonnes to 37,282 tonnes. Total open interest moved up by just 47 tonnes to 11,995 tonnes.

Spot prices shot up by Rs 800 during last week to close at Rs 34,200 (ungarbled) and Rs 35,700 (MG 1) a quintal on strong demand amid tight availability.

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