THE HINDU

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## Centre liberalises FDI norms further

The Hindu A beekeeper with a beehive at his farm in Chitradurga. File photo

Moving further with liberalisation of the foreign direct investment (FDI) regime, the government on Friday allowed overseas investment in bee-keeping, share-pledging for raising external debt and notified the revised FDI limit on FM radio at 26 per cent against the earlier 20 per cent. Similarly, conditions for FDI in respect of construction of old-age homes and educational institutions have been eased. These will not be subject to minimum and built-up area, capitalisation and lock-in period norms as applicable for the construction activities, according to an official statement issued here.

The hike in FDI cap in FM radio from 20 to 26 per cent, as approved by the Cabinet in July, has been notified. For giving a boost to bio-technology, pharmaceutical and life sciences, research and development in these sectors would be covered under the ‘industrial parks' scheme, where 100 per cent FDI is permitted under the automatic route.

Widening options for raising overseas resources, the policy has been amended to provide for pledge of shares of an Indian company which has raised ECBs, the statement said. The policy provides for opening and maintaining, without RBI approval, non-interest bearing rupee escrow accounts by non-residents towards payment of share purchase consideration. This has been done to facilitate FDI, it said. Procedure for conversion of imported capital goods and machinery and pre-operative expenses into equity has also been made easier. About opening honey bee-keeping to FDI, it said the liberalisation will bring in international best practices to upgrade the product. The measure will help food firms, engaged in honey-processing.

India received FDI inflows of $14.54 billion during April-July this fiscal, showing a jump of 92 per cent despite global economic uncertainties.

Agriculture sector

PTI reports:

To attract foreign investment in the agriculture sector, the government today allowed 100 per cent FDI in beekeeping, also known as ‘apiculture'

“FDI has been allowed up to 100 per cent under the automatic route in apiculture under controlled conditions,” according to the revised Consolidated FDI Policy of 2011, released by the Department of Industrial Policy and Promotion (DIPP).

The DIPP has imposed certain conditions to companies keen on taking the 100 per cent FDI route in beekeeping.

Companies can undertake “production of honey by beekeeping, except in forest/wild, in designated spaces with control of temperatures and climatic factors like humidity and artificial feeding during lean seasons,” the policy paper said.

The government is bringing more farm areas under the 100 per cent FDI route to encourage investment in the sector.

It has already permitted 100 per cent FDI in agricultural areas such as plantation, horticulture, seeds and cultivation of vegetables and mushrooms.

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Shortage of cattle feed supply from Aavin may be a setback to milk production

Tamil Nadu Government's ambitious plan for triggering a White Revolution in the State might suffer a setback if it failed to attend to the shortage in supply of cattle feed by the Aavin (Tamil Nadu Milk Producers' Co-operative Federation).

K.A. Sengottuvelu, president of the Tamil Nadu Milk Producers' Welfare Association, told *The Hindu* that the feed supply of Aavin was far too low against the requirement. On an average, production of one litre of milk would require a concentrated feed of at least half a kg, he said. “As against the Aavin's current procurement of about 25 lakh litres a day, it would require a feed of 12.5 lakh kg (1250 tonnes) a day. Besides, the State Government has planned to distribute 12,000 milch animals during the current financial year, and they might require at least 300 more tonnes of feed.”

While the open market rate of concentrated feed was about Rs.12-14 a kg, Aavin had been selling the same at Rs.9, he conceded.

However, he alleged that the supply from Aavin had virtually vanished in many regions thus forcing most of the milk producers to resort to open market purchase. “This is a substantial burden as feed component alone costs anywhere between Rs.2.50 to Rs.3 a litre.”

He pointed out that the private sector had made considerable inroads into the dairy sector in Tamil Nadu because of higher procurement price.

Procurement price

“The procurement price of Aavin is Rs.18 per litre while the private dairies not only pay more than Rs.20-22 a litre but also undertake milking, which has become a very arduous task now even in rural areas.”

Mr. Sengottuvelu said that as procurement price in all the contiguous States was far higher than in Tamil Nadu “a lot of milk from border districts is flowing out of the State.”

Official sources, requesting anonymity, admitted that Aavin's Erode plant, the only one functional at present, had been producing 1,500 tonnes of feed a month. Aavin had estimated that the 4.25 lakh milk supplying members of the co-operative societies would require at least 6,000 tonnes of feed a month. The major reason for the inability of Aavin to produce higher quantity, according to them, is the low price at which feed is retailed – Rs.8.60 per kg, while the input cost has shot up. “The last revision in price of feed was in 2009 and unless it is increased, it would be unviable to go in for higher production.”

The sources said that Aavin had been trying even the tender process to procure feed at a low cost but in vain.

They said that unless the selling price of milk and also the cattle feed was revised upwards, it would be difficult to plan higher procurement and also supply adequate quantum of feed. “And this is a policy decision that could be taken only at the highest level,” they added.

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Published: October 1, 2011 00:00 IST | Updated: October 1, 2011 04:05 IST KULITHALAI, October 1, 2011

## Training on vegetable cultivation commences

success tips: A. Parthiban , AGM, NABARD, speaking at the training on vegetable cultivation at the KVK, Puzhutheri, in Karur district.

A fortnight-long training programme on protected vegetable cultivation kicked off at the Krishi Vigyan Kendra, Puzhutheri, near here on Thursday. The National Bank for Agriculture and Rural

Development (NABARD) is funding the workshop under its Skill Development Initiative Training Programme.

Lead District Manager K.Chandrasekaran stressed the importance of taking up vegetable cultivation, which is more profitable than many other crops. The farmers should become adept in marketing to ensure success in agriculture, he observed.

NABARD Assistant General Manager A.Parthiban pointed out that his organisation was supporting training and other field extension services of Krishi Vigyan Kendra for the benefit of farmers. Innovations would receive due aid and support they deserve, he added.

Urging farmers to emulate the success of several pioneering farmers in the region, Mr.Parthiban called upon them to ensure that agriculture was profitable and cited the example of successful entrepreneurs who had taken up shade net nursery.

Assistant Director of Horticulture S.Chinthamani briefed the participants on the various subsidies available to farmers and urged them to capitalise on precision farming. Programme Coordinator of KVK J.Diraviam explained the emerging entrepreneurial opportunities available under precision farming. A total of 30 farmers, rural youth and women SHG members from Thogamalai, Kadavur and Krishnarayapuram blocks participated in the training programme.

KVK subject matter specialist (Horticulture) D.Dhanasekar explained the topics to be covered in the training which includes setting up of shade net nursery, developing vegetable seedlings in portray, drip irrigation system designing, maintenance, fertigation scheduling and Integrated Pest and Diseases Management techniques. A two-day exposure visit to successful farmers' fields form part of the training programme. KVK's Tamilselvi and others spoke.

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Published: October 1, 2011 00:00 IST | Updated: October 1, 2011 04:04 IST BELLARY, October 1, 2011

## Farmers hit hard by poor rainfall in September

Most crops are withering because of moisture stress

Farmers' expectations of a good yield during the current kharif season appear to have diminished owing to the failure of rain in Bellary district even in September.

Maize, groundnut, toor and cotton, among other major crops cultivated in rain-fed areas, are facing moisture stress, which is likely to affect yield.

Sources in the Agriculture Department told *The Hindu* on Friday that some late-sown crops, including maize and groundnut, had started withering because of moisture stress caused by inadequate rainfall during September and the situation was likely to worsen if the follow-up rains also failed.

Crop conditions, according to sources, was good till August-end, as the district recorded excess rainfall during July (106.8 mm against the normal 85.5 mm) and August (98.3 mm against the normal 90.8 mm).

Crop loss

A preliminary estimate has put the likely loss in the yield of maize and groundnut in the rain-fed areas at 40 to 50 per cent this year.

The district recorded a paltry 23.2 mm of rainfall during September against the average normal of 141.4 mm. Moreover, the rainfall was scanty and mostly in the form of a drizzle, and untimely, leading to moisture stress and withering of standing crops that had attained the corn formation stage.

The taluk-wise average rainfall in September was as follows (figures in bracket indicate normal rainfall):

Bellary 46.7 mm (131.4); Hadagali 42.9 mm (123.3); Hagari Bommanahalli 11.8 mm (149.7); Hospet 10.6 mm (149.6); Kudligi 19.9 mm (132.7); Sandur 20.4 mm (143.4); and Siruguppa 10 mm (159.8).

During the current kharif season, sowing had been completed in about 96 per cent of the targeted 3.65 lakh hectares, including 2.2 lakh hectares rain-fed and 1.44 lakh hectares of irrigated areas. Paddy, jowar, millet, maize, bajra, toor, groundnut, sunflower and cotton are among the major crops of the district.

Of the seven taluks, only some portions of Bellary, Siruguppa and Hospet taluks have irrigation cover while the remaining four taluks of Kudligi, Hagari Bommanahalli, Sandur and Hadagali depend entirely on the monsoon.

Maize has been sown in 99,514 hectares against the targeted 97,770, most of which is rain-fed. Groundnut has been cultivated in 53,798 hectares against the targeted 59,467 hectares.

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Published: October 1, 2011 00:00 IST | Updated: October 1, 2011 04:19 IST Tumkur, October 1, 2011

Pension for small farmers sought

State president of the All India Kisan Sabha M.C. Venkataram has urged the Union Government to give pension to “small” and “very small” farmers who are aged 60 and above.

Addressing a press conference here on Friday, Mr. Venkataram said that farmers do not have financial security and they find it difficult to lead a decent life and also, give education to their children.

The Union Government should reserve Rs. one lakh crore to the agriculture sector in the budget.

As many as 305 agricultural products are being imported because of the free trade policy which is making the farmer's life even more difficult. Mr. Venkataram sought quality seeds and fertilizers for farmers and also pension of Rs. 2,000 a month for “small” and “very small” farmers and agricultural labourers.

The organisation is collecting signatures of farmers in the country demanding pension, he said and added that 10,000 signatures have been collected in the State.

President of the Rajya Thengu Belegarara Sangha N. Shivanna and district secretary of the sangha Girish were present.

- *‘Farmers do not have financial security’*
- *‘Trade policy making their life difficult’*

Published: October 1, 2011 00:00 IST | Updated: October 1, 2011 04:16 IST Udupi, October 1, 2011

Ban sought on catching cuttlefish illegally

The Malpe Fishermen's Deep Sea Trawl Boat Association has urged the State government to ban illegal fishing of cuttlefish in the coastal districts of the State.

Association president Gopal Kunder told presspersons here on Friday that some local agents hired fishermen from Tamil Nadu to undertake illegal fishing of cuttlefish during August and September.

Catching of cuttlefish during these two months was wrong as they breed during this time. If cuttlefish was caught in August and September, it would lead to a drastic reduction in its production.

The catch of cuttlefish had come down in four years because of illegal fishing during its breeding season. This illegal fishing had been affecting the livelihood of fishermen working in 2,000 deep sea trawlers in Mangalore and Malpe. Many of the deep sea trawlers had been purchased by taking loans. The fishermen working on the trawlers had invested Rs. 700 crore in deep sea fishing.

Although the district administrations in Udupi and Dakshina Kannada districts had banned the illegal fishing of cuttle fish, this ban should be extended to Uttara Kannada district as well.

The illegal fishing of cuttle fish in the Eastern Coast of the country had reduced its production drastically. The governments of Tamil Nadu and Kerala had banned such illegal fishing.

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Published: October 1, 2011 00:00 IST | Updated: October 1, 2011 04:16 IST KALPETTA, October 1, 2011

New centre to support dairy farming

Veterinary varsity's centre to be opened at Meenangadi today

The Kerala Veterinary and Animal Sciences University (KVASU), Pookode, is opening an Entrepreneurship and Clinical Centre at Meenangadi so as to extend its services to the dairy farmers of Wayanad district. M.V. Shreyamskumar, MLA, will inaugurate the centre at Ksheerabhavan Auditorium, Meenangadi, at 11a.m. on Saturday.

Addressing presspersons here on Friday, Leo Joseph, Dean, Veterinary College, Pookode, said the centre aimed at training the students of the university as well as updating dairy farmers on the latest technologies in the fields of animal husbandry and dairy farming, he said.

### Modern apparatus

The centre had been set up at a cost of Rs.40 lakh and modern apparatus, including ultrasound scanner and portable X-ray unit had been installed, he said.

Free services of veterinary experts would be available to farmers from 10 a.m. to 12 a.m. in the initial stage, he added. The service of a fulltime veterinary doctor would also be available.

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Thiruvananthapuram, October 1, 2011

### Malayalam names proposed for fish varieties

Shot in the arm for fish monitoring programme in the State's rivers

Going local: Two of the freshwater fish that were given Malayalam names at a workshop organised by the Kerala State Biodiversity Board and Department of Aquatic Biology and Fisheries, University of Kerala, in Thiruvananthapuram on Friday.

The Malayalam names of about 180 species of freshwater fish in Kerala were finalised at a workshop organised by the Kerala State Biodiversity Board (KSBB) and the Department of Aquatic Biology and Fisheries, University of Kerala, here on Friday.

Inaugurating the workshop, 'Meeninu Oru Peru,' Kerala University of Fisheries and Ocean Sciences Vice-Chancellor B. Madhusoodana Kurup said it would help the resurgence of taxonomy in Kerala. Observing that 12 species of freshwater fish were endemic to Kerala, Dr. Kurup said most of them were restricted to a narrow habitat. "Finalising the local names would help conserve fish diversity in the State," he added. R.V. Varma, Chairman, Kerala State Biodiversity Board (KSBB), presided.

Laladhas, Member Secretary, KSBB, said finalising the local names of fishes would strengthen the fish monitoring programme initiated by KSBB in all rivers.

At the workshop, new Malayalam names were proposed for about 50 species of fish, while a series of new names were proposed for existing ones to avoid confusion.

Though the folk nomenclature and local names are often created based on specific characters of fish, it is not true in all the cases, as the same name is given to different species in the same geographical area. The name 'Kallotti' or 'Kallu nakki' is given to fish belonging to the genera *Garra, Bhavania, Travancoria,* and *Homaploptera* , all inhabiting hill streams of Kerala and possess the habit of attaching themselves to the rocks.

The new Malayalam name proposed for *Garra* is 'Kallotti,' and for *Homaploptera is* 'Choriyan Kal nakki.' Barbs, represented by over 20 species in Kerala, were also given specific names at the workshop. The names will be kept in public domain for inputs and the finalised list of Malayalam names will be submitted to the State Institute of Languages and to the government departments concerned for approval, a press note issued by the organisers said.

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Sanction of loans to bulk milk centres ordered

Collector Soloman Arokiaraj has instructed the officers of various departments to sanction loans to the bulk milk centres to improve the production quantity of milk. The district consultative committee of banks was held here on Friday. He has instructed the officers of SC, ST Animal husbandry Departments and DRDA to work in coordination with each other to sanction loans to the eligible persons under Kamadenu Pathakam and also for improving the percentage of production of milk in the bulk milk centres. For this the bankers were asked to sanction loans liberally and speed up the programme.

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Published: October 1, 2011 00:00 IST | Updated: October 1, 2011 04:07 IST HYDERABAD, October 1, 2011

## TDP for control of fertilizer prices

Telugu Desam has demanded that the Centre re-introduce control of prices of fertilizer in view of their frequent rise that was adding to the woes of the farmers.

At a press conference here on Friday, senior TDP leader, Kala Venkata Rao said the latest hike was for the sixth time during the last nine months. Diammonium Phosphate (DAP) has gone up from Rs. 517 a bag to Rs. 955 while complex fertilizers from Rs. 252 to Rs. 594.

### ‘Last straw'

At a time when increasing number of farmers were going in for ‘crop holiday' as raising of crop has become un-remunerative and suffered from lack of godown space, the hike in prices of fertilizers was the last straw, he said. The farmers were made to suffer as none of the top decision makers like Prime Minister, Manmohan Singh, Finance Minister, Pranab Mukherji, Home Minister, P. Chidambaram and the deputy chairman of Planning Commission, Montek Singh Ahluwalia had agriculture background.

Besides opting for control of fertilizer price, the Government should ensure that provision of adequate godown space for the coming food crops, he added.



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THE HINDU Business Line

## Mahyco asked to repeat trials on new Bt cotton variety

Aurangabad, Sept. 30:

Mahyco (Maharashtra Hybrid Seeds Company) will have to wait for one more year to launch Bt cottonseeds with Roundup Ready Flex (RRF) technology as Genetic Engineering Approval Committee (GEAC) asked the firm to repeat trials.

RRF is a technology helps cotton plant withstand effects of herbicide. When herbicide is sprayed on the field, only the weed is killed, while cotton plants live on as the technology gives them biological strength to withstand the ill-effects of herbicide.

While considering Mahyco's plea for permission to conduct the crucial Biosafety Research Level (BRL-I) trials on RRF hybrids in July 2011, the GEAC asked the company to record data during pre and post-spray of Roundup herbicide.

The committee objected to use of non-Bt RRF in refuge area. The company, however, argued that it did not result in environmental release as it was planted in small area with adequate isolation,

Since kharif is midway, the company would have to wait till next kharif to take up field trials and submit findings to the committee after that, Ms Usha Barwale Zehr, Chief Technology Officer of Mahyco, told Business Line.

“We can only do this BRL studies in 2012 and the technology would be ready in the following year,” he said.

### Refuge in bags

With the mandatory refuge was given a go-by, the GEAC and industry are now discussing introduction of ‘refuge in bags'. This would mean that the farmers could not distinguish between Bt and non-Bt seeds, forcing them to use all of the packet when they sow.

“GEAC asked the industry to present a representation on what could be done to improve compliance to refuge norm. This (refuge in box) is one of them,” she said.

(This article was published in the Business Line print edition dated October 1, 2011)

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### TN farm varsity, Cadbury ink pact on cocoa cultivation

Coimbatore, Sept. 30:

The Tamil Nadu Agricultural University (TNAU) has signed a memorandum of agreement (MoA) with Cadbury India Ltd to carry out a collaborative research project on ‘Strategic Environmental Impact Assessment of Cocoa Cultivation in Tamil Nadu'. The Vice-Chancellor of the farm varsity, Dr P. Murugesa Boopathi, said cocoa cultivation would not only provide additional income to farmers but also have a positive impact on the environment as a carbon sink and help reduce the impact of global warming. The Special Officer at the Directorate of Natural Resource Management, TNAU, Dr S. Velu said cocoa cultivation in Tamil Nadu was expanding at a fast rate. It is mostly cultivated as an inter crop with coconut and arecanut in Coimbatore, Thanjavur, Dindigul, Salem and Theni districts of the State. The efforts of Cadbury's has brought nearly 30,000 acres under cocoa cultivation and around 1,000 acres have reached the bearing stage.
— Our Bureau

(This article was published in the Business Line print edition dated October 1, 2011)

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### Spot chana crashes

Indore, Sept. 30:

Spot chana tumbled for the second consecutive day as chana futures, down Rs 135 at Rs 3,254 a quintal, hit the lower circuit.

As a result, spot chana (kanta) crashed to Rs 3,300-3,350 a quintal against Rs 3,450-3,475 a quintal on Thursday. Chana dal also dropped steeply following the crash in spot chana. Chana dal (bold) declined to Rs 4,575-4,600 a quintal (Rs 4,725-4,750). Chana dal (medium) slid to Rs 4,475-4,500 and chana dal (average) to Rs 4,350-4,375 a quintal.

Tur prices tumbled on weak buying, with tur (Maharashtra) being quoted at Rs 3,300-3,350 (Rs 3,400-3,425). Tur (Nimari) declined to Rs 2,500-2,800 a quintal.

Tur dal ruled flat, with tur dal (marka) being quoted at Rs 6,400, tur dal (full) at Rs 5,750-5,800 and tur dal ( *sawa* no.) quoted at Rs 4,850-4,900 a quintal.

Moong (new) sold at Rs 4,000-4,200 while moong (medium) was quoted at Rs 3,300-3,500 a quintal.

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## India fails to muster support to head global coffee body

A SAMBA VICTORY

Short of allies: Mr G.V. Krishna Rau
Bangalore, Sept. 30:

Mr Robério Oliveira Silva of Brazil is the new Executive Director of the International Coffee Organisation. He has been elected for a five-year term at the 107th Session of the International Coffee Council.

India had fielded Mr G.V. Krishna Rau, a 1982 batch IAS officer, who is currently serving as Principal Secretary to Governor of Karnataka. Mr Rau had earlier served as Chairman, Coffee Board.

Mr Rau was one of the four shortlisted candidates for the Executive Director's post but could not make it due to lack of support from both producing and consuming countries.

“We did not get enough support for our candidature,” Mr G.V. Krishna Rau told *Business Line*.

The International Coffee Council, early this year, had set up a screening committee, composed of six exporting members and six importing members, and had shortlisted candidates for ICO post.Along with Mr Krishna Rau, the other candidates were: Mr Robério Oliveira Silva of Brazil, Mr Christian Ruffin Silvère Ngoua of Gabon, and Mr Rodolfo Trampe Taubert of Mexico.All the four shortlisted candidates made presentations before the International Coffee Council committee in London from September 26-30. Presentation by candidates revolved around as to how to address the present and future role of the ICO in the coffee sector and the candidate's ability to lead the organisation to achieve the objectives of the International Coffee Agreement.After the presentations and informal talks with producing and consuming countries, the Executive Director was elected.

(This article was published in the Business Line print edition dated October 1, 2011)

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India's shrimp harvest booms amidst lower global arrivals

Prices continue to rule firm on shrinking inflow


Kochi, Sept. 30:

There has been a spurt in Indian shrimp production though disease outbreaks, adverse weather and crop delays have hit global output.

Production in China, Thailand and Vietnam has been affected, said Mr Anwar Hashim, the former President of the Seafood Exporters Association of India (SEAI).

## HAPPY STORY

Disease outbreaks are reported to have affected Chinese and Vietnamese shrimp harvests, while floods have washed away the crop in Thailand.

Indian farmers, on the other hand, have a happier story to narrate. The farmed shrimp production has been substantially higher, Mr Hashim said. To add to that, the vannemei crop, which is being increasingly cultivated in India, is of a significantly bigger size, he said. However, the increased farmed production has been offset by lower catch from the sea.

Lower arrivals have ensured that shrimp prices continue to remain firm in global markets.

## DELAY IN HARVEST

As of mid-June, seasonal harvest throughout Asia remained below that of last year. In Thailand, the leading supplier to the international market, the seasonal harvest peak was only expected in July.

It has been delayed by flooding and the production is expected to decline by 10-15 per cent this year.

Thailand's domestic prices were expected to shoot up by 40 per cent.

In Vietnam, shrimp farms have been affected by the worst outbreak of diseases in the seven provinces of the Mekong delta, which is prime aquaculture country. With the resultant raw material shortage, processing plants in the region are operating only at 50-60 per cent of capacity.

The situation was the reverse in South India, where bumper crops of vannamei shrimp have been harvested in June and July. With heavy arrivals, processing plants have been forced to operate at 150-200 per cent of their capacity by using two shifts. The demand for the Indian shrimp continues to be strong in the US markets without any drop in prices. The large vannamei shrimp from India has been commanding higher prices.

## HIGHER PRODUCTIVITY

But the simultaneous arrivals of sea-caught and farmed shrimp in August resulted in the domestic prices ruling lower, Mr Hashim said.

As arrivals dwindled, domestic prices are now holding firm.

Farms have reported high productivity of 10 tonnes a hectare after shifting to vannamei, Mr Hashim said. The shift to vannamei cultivation has been reported more from South India, while East India continues to farm black tiger.

There has been a decline in black tiger output.

(This article was published in the Business Line print edition dated October 1, 2011)

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## Edible oils steady amid weak Malaysian cues

Mumbai, Sept. 30:

A cautious sentiment prevailed at the end of the day in the edible oil market, tracking a weak Malaysian market on Friday, despite demand from stockists for palmolein for October delivery directly from refiners.

Rapeseed oil increased by Re 1 for 10 kg while all other edible oils remained unchanged.

Crude palm oil (CPO) futures on Bursa Malaysian Derivates (BMD) closed lower on liquidation and limited buying. Stockists avoided buying as arrivals of indigenous oilseeds in producing areas increased. Resellers quoted palmolein at Rs 543. Liberty's rate for the edible oil was Rs 544 and Rs 626 for soya oil. Ruchi quoted palmolein at Rs 543 and soya refined oil at Rs 625. Allana's palmolein was ruling at Rs 542 for Delivery between October 5 and 15. In Rajkot and Saurashtra, groundnut oil declined to Rs 1,310 (Rs 1,330) for a *telia* tin and to Rs 845 (Rs 860) for loose (10 kg).

Malaysia's BMD CPO October contracts settled lower at 2,928 ringgits (2,950 ringgits), November at 2,904 ringgits (2,915 ringgits) and December 2,905 ringgits (2,898 ringgits) a tonne. Soya oil for October delivery closed at Rs 625.50 (Rs 628) and November delivery at Rs 606.20 (Rs 611.40) on National Board of Trade in Indore.

Mumbai commodity exchange spot rates (Rs/10 kg): groundnut oil 880 (880), soya-refined oil 628 (628), sunflower exp. ref. 665 (665), sunflower ref. 740 (740), rapeseed ref. oil 683 (682), rapeseed expeller ref. 653 (652), cotton ref. oil 648 (648) and palmolein 542 (542).

(This article was published in the Business Line print edition dated October 1, 2011)

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## Cotton wilts on poor buying

Rajkot, Sept. 30:

Poor buying pulled down cotton by Rs 200-500 a candy of 356 kg on Friday.

A-grade Sankar-6 variety sold at Rs 38,000-38,500 a candy, B-grade at Rs 36,000-37,000 a candy and C-grade at Rs 35,000-35,500 a candy. Kalyan variety sodl at Rs 25,000-27,000 a candy.Raw cotton or *kapas* declined to Rs 870-950 for a *maund* of 20 kg. It quoted at Rs 960-962 a *maund* for delivery to ginners. While 7,000-8,000 bales arrived in Gujarat, 15,000-16,000 bales arrived in the rest of the country.Demand from exporters and millers is likely to remain weak till mid-October as they are waiting for the new crop, brokers said.

Sowing in the State has increased by over 3 lakh hectares at 2.98 million hectares in the current kharif season. According to industry estimates, the State's production would rise by about 1-1.2 million bales of 170 kg each this year. Estimates released by the Cotton Association of India indicate production to rise by around 7 per cent to 11.3 million bales in 2011-12 as against 10.5 million bales in 2010-11. Gujarat produces about a third of the country's cotton.

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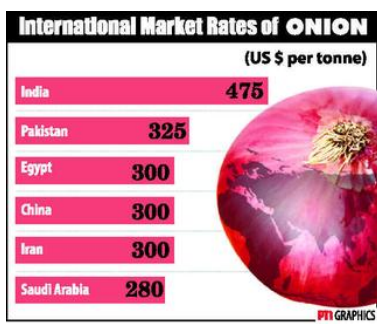
Onion plunges as higher floor price hits export




Chennai, Sept. 30:

Onion prices crashed in markets around growing areas in Maharashtra and Gujarat this week as a higher floor price of $475 a tonne for exports affected shipments and inventories built up at ports due to congestion.

“As the Government clamped a ban on onion exports earlier this months, buyers switched over to Pakistan and Chinese onions. It takes an additional three-four days for Pakistani onions to reach Malaysia or Singapore. By the time, the Centre could lift the ban, buyers had placed orders for those onions and our exports have got hit," said Mr Madan Prakash, Director of Chennai-based Rajathi Group of Companies.

"The minimum export price remains at a higher level, affecting exports. Pakistan and China have swarmed markets in Far East, especially Malaysia and Singapore," said Mr Rupesh Jaju, Director of Nashik-based United Pacific Agro Pvt Lt.

Both firms are engaged in exports of agricultural produce.

"Growers feel the shelf life of rabi onions they had stored is coming to an end. Therefore, those onions swamped the market. As a result, the average arrival in markets such as Pimpalgaon, Lasalgaon and Ahmednagar was 1,500 tonnes a day at each place," Mr Jaju said.

"In markets such as Bangalore, nearly 300 trucks are arriving with onion against the usual 150-200. As a result, small onions are now available at Rs 6-7 a kg against Rs 8-10 earlier," said Mr Prakash.

On Friday, onion ranged between Rs 500 ad Rs 1,200 a quintal at Pune Agricultural Produce Marketing Committee yard with the modal price, or the rate at which most trades took place, being Rs 850. Prices are down Rs 250 compared with last week.

"Domestic demand is keeping prices from falling. That's why quality onions are commanding Rs 900-1,100," Mr Jaju said.

"There is congestion of vessels at ports and not much movement of consignments is taking place. This has also contributed to price fall as most exporters have stopped buying," said Mr Prakash.

The situation is likely to improve in a fortnight with regular demand, including from exports, emerging.

Meanwhile, the Bombay Exporters Association has asked the National Agricultural Cooperative Marketing Federation to cut the floor price for onion export to $350.

"If that happens, exports may rise and in turn, prices could gain," said Mr Jaju.

(This article was published in the Business Line print edition dated October 1, 2011)

Ample stocks may keep sugar on leash

Mumbai, Sept. 30:

Sugar prices ruled unchanged on Friday due to month-end lifting pressure at the mill level and as demand matched suppliesin the physical market. Slight lifting pressure was witnessed at the mill level.

Mr Mukesh Kuwadia, Secretary of Bombay Sugar Merchants Association, told *Business Line*: "Despite start of the new month and higher demand for *Dussehra -Diwali*, sugar prices are not expected to rise too much because mills are carrying sufficient stocks which due to higher production will be offloaded in the market."

On Thursday evening, about 12-13 mills have offered tenders and sold about 45,000-50,000 bags to local traders in the range of Rs 2,640-2,705 (Rs 2,640-2,705) for S-grade and Rs 2,740-2,830 (Rs 2,740-2,830) for M-Grade.

Bombay Sugar Merchants Association spot rates : S-grade Rs 2,768-2,831 (Rs 2,771-2,825) and M-grade Rs 2,845-2,981 (Rs 2,846-2,981) a quintal.

*Naka* delivery rates: S-grade Rs 2,720- 2,775 (Rs 2,720-2,775) and M-grade Rs 2,810-2,940 (Rs 2,810 – 2,940).

(This article was published in the Business Line print edition dated October 1, 2011)

Trickling inflows add gloss to turmeric

Erode, Sept. 30:

Spot turmeric prices increased by Rs 100-500 a quintal and the hybrid variety by Rs 1,000 as low arrivals acted as a booster.

Mr R.K.V. Ravishankar, President of Erode Turmeric Merchants Association, said that for the past three days prices were seeing an upward trend since a lower quantity was being brought for sale.

Futures remained unchanged as there were no bulk orders from North India and rates in Nizamabad and Sangli were lower than those on Erode, he said. On Friday, about 6,500 bags of turmeric arrived for sale; 70 per cent stocks were sold.

Traders stocked up the hybrid variety for future sales, he said.Aiming at higher prices, farmers put up limited stocks for sale and in view of the quality, traders also bought for higher rates. Arrivals are not expected to rise before the middle of October as local body elections may keep the farmers busy.

The price at the Erode Turmeric Merchants Association increased by Rs 100 a quintal, while prices at the Gobichettipalayam Cooperative Marketing Society increased by Rs 500 a quintal. Similarly, at the Regulated Marketing Committee also prices increased by Rs 140 a quintal.

At the Erode Turmeric Merchants Association sales yard, the finger variety sold at Rs 3,566-5,034 a quintal; the root variety at Rs 3,469-4,406.

Salem Crop: The finger variety was sold at Rs 4,611-6,109, the root variety at Rs 4,170-4,800. Totally 1,762 bags arrived for sale, 700 bags were sold.

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