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## Improved cotton yield raises farmers' hopes of good returns

S. Harpal Singh



Labourers picking cotton in a field near Kajjerla in Adilabad district. — PHOTO: BY ARRANGEMENT

The initial uncertainty has made way for tremendous hope among cotton farmers in Adilabad district who expect yields to improve markedly when compared to last year. They have another reason to cheer as the price of the 'white gold' is anticipated to be in the vicinity of a reasonable Rs. 4,000 per quintal when markets open for the season.

"The yield will be in the range of 15 quintals per hectare. The total production therefore will cross 55 lakh quintals from the 3.7 lakh hectares under cotton cultivation in the district," says Adilabad Assistant Director of Agriculture C. Narsingu.

The dry spell at the start of the season has delayed trading in the produce too. Normally, trading begins a couple of days before Dasara which is of great help to the farmers.

## Low-key affair

“Dasara may well be a low key affair, but we will celebrate Deepawali in a grand manner,” vows Chintapalli Pramod Reddy of Kajjerla village in Talamadugu mandal who is among the few farmers to have begun harvesting the crop. The farmer, and others like him, will certainly be in a position to celebrate Deepawali with gusto as the markets are slated to open about a week ahead of the festival of lights.

The hope of getting a good price has helped farmers forget the difficulties caused by increase in investment by about 50 per cent this season. The hike in investment was due to increase in cost of seed and fertilizers besides sowing for a second time due to loss of seeds in June.

The one problem that farmers do not seem to have reckoned with is the ‘sakala janula samme’. As employees of Adilabad Agriculture Markets are also participating in the general strike, its prolongation could adversely affect operations.

Cotton farmer and commission agent says unscrupulous traders may exploit such a situation. “They will purchase the produce at lesser rates from helpless farmers,” he cautions.

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- *Dry spell at the start of the season delays trading*
  - *‘Sakala janula samme’ may also affect operations*
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## Seminar on Biotechnology

Special Correspondent

Biotechnology provided ample scope for evolving farmer-friendly varieties in crops and students should take up research in this direction, said S. Ganga, associate professor of biotechnology, Periyar EVR College, Tiruchi.

Delivering a lecture on ‘new vistas for biotechnology’ at a function organised by the Chakrabarthi club of gene technology at J.J. College of Arts and Science here recently, she said biotechnology had a wide range of applications, including bio-pesticide, bio-energy, bio-fertiliser and bio-sensor besides self diagnosis of ailments.

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## **Rise in domestic demand for tea**

Special Correspondent

*It has resulted in prices too going up, says a study*

A study carried out by the United Planters Association of Southern India (UPASI) has revealed that the domestic demand for tea had increased during the first seven months of the year and the trend was continuing.

### **Product mix**

Pointing out that the increased domestic demand has resulted in the higher domestic prices in spite of higher domestic crop and lower exports this year, the chairman, UPASI Tea Committee, Peter Mathias said in a pressnote at Coonoor on Wednesday that in order to satisfy the increased domestic demand, some of the corporates have changed their product mix and produced more of CTC teas and reduced the production of orthodox tea which are primarily exported. So far CTC tea have been fetching relatively better prices than the orthodox tea in the auctions.

### **Export**

The quantum of exports during January-August 2011 was lower by 14.9 million kg.

Tea prices were higher at Rs. 144.77 a kg with an increase of Rs. 14.19 a kg over the previous year.

Both North India and South India reported lower export quantity by 3.1 million kg and 11.8 million kg respectively.

Lower exports was on account of the disturbance in the West Asia and North Africa (WANA) region during the first half and also due to lower exports to Pakistan and Iran.

However, it is anticipated that the exports to these regions might pick up in the coming months. The payment problems relating to Iran are in the process of being sorted out.

The trends in production during the first seven or eight months of 2011 suggest that most of tea growing regions in the world are experiencing adverse weather pattern resulting in lesser crop. The domestic tea production during the first eight months of 2011 was higher by 33.7 million kg despite the production in South India being lower by 4.3 million kg.

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## 2,000 saplings planted

Special Correspondent

Two thousand tree saplings were planted at De Valois Boys' Home in Kasam near Katpadi on Sunday.

B. Ravichandran, local pastor, presided. R. Jayakaran Isaac, former Principal of Voorhees College, S. Thiagu Kumar of the Department of English, Voorhees College, A. Arulappan, Bursar, Voorhees College, D. Paulraj of the Department of Commerce, Voorhees College, and B.G. Inba Ezhilan of the Department of Tamil, Voorhees College, spoke. Hema Isaac, former headmistress, and Beulah Rose Mary, teacher, lit the lamp. D. Devaraj, manager/project-in-charge, De Valois Boys' Home, welcomed the gathering.

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**hindustantimes**



**Reuters**

New Delhi, October 07, 2011

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### **India's food inflation at 9.41%**

India's food price index rose 9.41% and the fuel price index climbed 14.69% in the year to Sept 24, government data on Friday showed.

In the previous week, the fuel price index had risen by the same margin, while annual food inflation had stood at 9.13%.

The primary articles index was up 10.84%, compared with an annual rise of 11.43% a week earlier.

India's central bank has raised interest rates a dozen times in the past 18 months, but headline inflation remains at more than twice the bank's comfort level, confounding expectations that it was coming to the end of its tightening cycle.

The Reserve Bank of India lifted its policy lending rate, the repo rate, by 25 basis points to 8.25% last month, in line with expectations, in a campaign that has done more to slow growth than contain near double-digit inflation.

Headline inflation in August accelerated to 9.78%, its highest in more than a year, from 9.22% in July.

<http://www.hindustantimes.com/StoryPage/Print/754509.aspx>

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New Delhi, October 07, 2011

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### **Food inflation rises to 9.41%; Pranab expresses concern**

Finance minister Pranab Mukherjee on Friday expressed concern over costlier vegetables, fruits and milk pushing up food inflation to 9.41% for the week ended September 24, and said he has been in constant touch with the RBI on how to rein in the rate of price rise.

Food inflation, as measured by Wholesale Price Index (WPI), stood at 9.13% in the previous week. It was 16.88% in the corresponding week of 2010.

"Inflation is definitely a matter of concern. We shall have to see how to bring it down to moderate level," Mukherjee told reporters in New Delhi.

"I am constantly in touch with the Reserve Bank of India (RBI)," he added.

As per data from the ministry of commerce, vegetables became dearer by 14.88% year-on-year during the week under review, while potatoes and onions became more expensive by 9.34% and 10.58%, respectively.

Fruit prices went up by 11.72%, milk by 10.35% and eggs, meat and fish by 10.33%.

Cereals became dearer by 4.57% and pulses were up 7.54% on an annual basis during the seven-day period.

Headline inflation, which factors in manufactured items, fuel and non-food primary items, in addition to food commodities, stood at a 13-month high of 9.78% in August.

The Reserve Bank has already hiked policy rates 12 times since March, 2010, to tame demand and curb inflation.

The monsoon was normal this year and the government had earlier exuded hope this would bring down food prices.

Overall, inflation in primary articles stood at 10.84% during the week under review, compared to 11.43% in the previous week. Inflation in non-food articles, which comprise fibres, oil seeds and minerals, stood at 10.77% for the week ended September 24, as against 12.89% in the previous week.

Fuel and power inflation remained flat at 14.69%, the same as in the previous week.

"Given the good monsoon, we were expecting some moderation in the rate of price rise. But it seems not to be happening and there is particular pressure on vegetables and fruits," Crisil Chief Economist D K Joshi said. He said the government should address issues related to storage and cold chain facilities to reduce supply constraints.

Joshi said the pressure on RBI continues to remain.

"We are definitely moving toward the end of rate hike cycle. However, there might be one last round of increase in interest rates later this month, as headline inflation remains stubbornly high," he said.

<http://www.hindustantimes.com/StoryPage/Print/754584.aspx>

# THE HINDU Business Line

## **Buying by firms keeps soya oil steady**

Our Correspondent

Indore, Oct. 6:

Soya oil ruled flat in scattered private trading in the local market. Though local mandis remained closed on Thursday because of Dasara, in private trading soya refined ruled steady at Rs 595-600 for 10 kg. Primarily soya oil firms, like Keshav Industries and Premium Industries, bought soya refined at Rs 595-596 for 10 kg. In the past 10 days, soya refined prices in the physical market have dropped by Rs 25 for 10 kg. Soya solvent ruled at Rs 555-560 for 10 kg, though average spot price was Rs 558. Soyabean also ruled steady at Rs 1,900-2,060 in private trading as mandis remained closed, while plant deliveries ruled at Rs 2,044-2,055 a quintal. According to trade sources, soyabean will remain sluggish because of the financial crises in the western countries which have forced fund houses to go for panic selling. Beside weak global cues, pressure of record production in soyabean this year will bear on soya oil and soya seeds, and in the coming days both will likely crash further, said Mr Mukesh Purohit, a soya-oil trader. According to the Soybean Processors Association Of India, production of soyabean in the country this year is expected to touch 116.50 lakh tonnes.

(This article was published in the Business Line print edition dated October 7, 2011)

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## **Palm oil imports in small packs may pose health risks**

G. Chandrashekar

Mumbai, Oct. 6:

Even as New Delhi gropes for effective measures to protect the domestic vegetable oil refining industry from the adverse effects of low-priced refined palm oils from Indonesia flooding the market following a sharp reduction in export duty with effect from October 1, a lesser known and lesser understood issue is the threat of refined palmolein in consumer packs entering the country in a big way.

Currently, Indian importers are receiving offers for refined palmolein in consumer packs at prices of around \$1,250-1,300 a tonne. However, at this rate there is no price parity for the imported oil considering domestic market conditions.

### **Consequences**

However, offers for refined palmolein in consumer packs are unlikely to stay at the same price level. There is a possibility that offer prices may drop to levels that may find parity in the Indian markets. In the event, one can expect large parcels of refined palmolein in consumer packs to swamp the local market. The consequences of such a development on the domestic refiners and packers can well be imagined. There are a large number of small and medium size packing units that depend on local refineries for their packing business. Many of them run the risk of being wiped out of business.

### **Quality issue**

Another issue relates to inspection of quality. Even when vegetable oils are imported in bulk, there always are issues relating to quality of the imported oil. Samples have to be drawn, analysed and cleared by the Port Health Organisation. Customs authorities too, occasionally draw samples and analyse for quality. When oil is packed in small-size consumer packs of say one litre, sampling and testing for quality is going to become rather tedious. There is risk sub-standard oil could find its way into the local market if sampling and analysis is not done strictly as per standard statistically acceptable procedure. In any case, oil stored for a long time (say four-six weeks), begins to deteriorate in quality. Due to oxidation, the peroxide value tends to rise resulting in rancidity of oil. So, flow of refined palmolein in consumer packs from Indonesia may not only hurt the business interests and prospects of edible oil packers here, but also raise the risk of quality for consumers.

### **Customs duty**

India seldom imported edible oil in consumer packs simply because the rate of customs duty as notified by the Finance Ministry was always applicable to 'edible oil when imported in bulk'. A couple of years ago, for mysterious reasons, the words 'when imported in bulk' were deleted.

As a result, today if refined oils are imported in consumer packs, the same rate of customs duty as applicable to bulk, namely 7.5 per cent will be levied on consumer packs also.



This anomalous situation deserves to be corrected immediately. Imported oil in consumer packs should attract a higher rate of customs duty than oil in bulk to protect domestic small-scale packers.

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### **Bulk buyers keep off rice market; expect price to drop**

Our Correspondent

Karnal, Oct. 6:

The paddy procurement season is in full swing with over 1.25 lakh bags of different varieties of paddy arriving in the Karnal Grain Market Terminal on Thursday.

Around 82,000 tonnes of paddy varieties were received at the various grain markets in Karnal district till October 5. The rice market is range-bound in negative territory, said Mr Amit Chandna, proprietor of Hanuman Rice Trading Company.

This situation was anticipated as bulk buyers are keeping away from the market expecting a drop in prices in the near future, he added. Traders expect that prices of Pusa-1121 (steam) and Pusa-1121 (sela) may open around Rs 4,500 and 3,700 a quintal respectively when arrivals of new rice commence.

Prices of all aromatic and non-basmati varieties continued to rule around the previous levels. Pusa-1121 (steam) ruled at Rs 4,900-4,940 a quintal, while Pusa-1121 (sela) was around Rs 3,950. Basmati (raw) was at Rs 5,670 a quintal, while Basmati (sela) sold between Rs 3,850-3,900 a quintal.

Sharbati (steam) ruled at Rs 2,900-3,050, while Sharbati (sela) was at Rs 2,870 a quintal. PR11 (sela) sold at Rs 2,150-2,410 a quintal, while PR-11(raw) quoted at Rs 2,000-2,300 a quintal. Permal (sela) sold at Rs 1,850-2,050 a quintal, while Permal (raw) was at Rs 1,900-2,100 a quintal.

**Paddy arrivals:** Of the more than 1.25 lakh bags of different paddy varieties received at Karnal, around 80,000 bags of PR sold at Rs 900-1,180. Around 20,000 bags of Sugandha-999 was lifted at around Rs 1,500 a quintal and about 25,000 bags of Sharbati variety were received and quoted at Rs 1,550-1,600.

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## Spot rubber rules steady

Aravindan

Kottayam, Oct. 6:

Physical rubber prices finished unchanged on Thursday. The market appeared to be in a holiday mood owing to *Vijayadasami* and trading activities were at an extremely low key. The National Multi Commodity Exchange remained closed on account of Dasara. Sheet rubber closed steady at Rs 209 a kg, according to traders. The grade improved to Rs 209 (208.50) a kg both at Kottayam and Kochi, as quoted by the Rubber Board. RSS 3 (spot) bounced back to Rs 201.37 (199.72) a kg at Bangkok. The October futures for the grade recovered to ¥300.1 (Rs 191.82) from ¥296.4 a kg during the day session and then to ¥304 (Rs 194.31) a kg in the night session on the Tokyo Commodity Exchange. Spot rates were (Rs/kg): RSS-4: 209 (209); RSS-5: 206 (206); ungraded: 197 (197); ISNR 20: 201 (201) and latex 60 per cent: 130.50 (130.50).

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## Malaysian cues keep edible oils steady despite holiday



Mumbai, Oct. 6:

Most edible oils remained unchanged on Thursday on a stronger Malaysian palm oil even as markets were closed for Dasara.

Arrivals of groundnut, soybeans, cotton and sunflower have started and they will increase sharply in days to come. This is likely to add pressure on physical market. On the other hand, palm oil stocks in Malaysia are expected to have topped 20 lakh tonnes by September-end and

the aggressive selling policy adopted by Indonesia by lowering export duty will make palm oil export market more competitive.

The narrowing gap between prices of soyabean and sunflower oils will give buyers more alternatives, said a market analyst. Higher local oilseeds production and seasonal arrivals will increase supplies of indigenous oils, which will likely lead to a bearish trend in one or two months, the analyst said.

Higher sales of palmolein at concessional prices through the public distribution system has hit demand in the open market, a wholesaler said. Local refiners have started offering imported oils at reduced prices on a par with resellers to avoid building stocks.

Groundnut oil rebounded in Saurashtra as brand-markers started covering for the forthcoming season. In Rajkot and Saurashtra, groundnut oil quoted at Rs 1,320 (Rs 1,325) for a *telia* tin and at Rs 840 (Rs 830) for loose (10 kg).

Crude palm oil (CPO) futures on Bursa Malaysia Derivatives (BMD) rebounded after touching a new low in the year on technical buying.

**Malaysia's BMD CPO** November contracts settled at MYR2,817 (MYR2,800), December at MYR2,808 (MYR2,785) and January at MYR2,808 (MYR2,790) a tonne.

**Spot rates (Rs/10 kg):** groundnut oil 870 (870), soya refined oil 616 (615), sunflower exp. ref. 665 (665), sunflower ref. 740 (740), rapeseed ref. oil 675 (675), rapeseed expeller ref. 645 (645), cotton ref. oil 633 (635) and palmolein 527 (525).

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**After Dasara break, sugar may open higher by Rs 10-15 a quintal**



Mumbai, Oct. 6:

A firm undertone prevailed in sugar on the wholesale Vashi market, tracking the previous day's late evening gain of Rs 10-15 at the upper-mill level.

Mill tender rates improved on fresh local and buying by neighbouring States on Wednesday.

The Vashi wholesale market remained closed on Thursday on account of Dasara festival. There was neither volume nor dispatches from the market. Only few arrivals were unloaded in the warehouse which were on the mid-way on Wednesday.

Prices are expected to be higher by Rs 5-10 a quintal on Friday, said market sources.

Sources further said that on Wednesday late evening, a sudden spurt in buying from eastern States along with improved State level local demand pushed up mill tender rates by Rs 10-12.

Market holidays on Thursday and Sunday encouraged stockists to cover requirement before the week-end. Those trucks are on the mid-way offloaded in the market but there were no dispatch to local traders due to holiday. Naka and spot rates increased by Rs 8-10 in line with firm mill tender rates. Sources said that about 3-4 rail rakes (each of 27,000 kg) were bought by buyers from the East from Maharashtra's mills and about 60,000-65,000 bags (each of 100 kg) were sold to local traders by mills. By Wednesday evening overall about 23-24 mills sold nearly 1.50-1.60 lakh bags in the range of Rs 2,650-2,730 (Rs 2,640-2,720) for S-grade and Rs 2,750-2,850 (Rs 2,740-2,840) for M-Grade. Mill tender rates were expected to be higher by Rs 5-10 on Friday. At the local level bulk consumers like confectionery and sweets maker were active buyers for good quality white sugar. The Government has declared free sale quota of 17.50 lakh tonnes for the current month which, according to market players, sufficient to feed the Diwali demand. Freight rates were steady. Spot rates: S-grade Rs 2,775-2,850 (Rs 2,768-2,841) and M-grade Rs 2,855-2,995 (Rs 2,846- 2,986). Naka delivery rates: S-grade Rs 2,725-2,770 (Rs 2,720-2,760) and M grade Rs 2,810-2,960 (Rs 2,800-2,950).

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