

Food inflation surges yet again to 9.41 per cent

Special Correspondent

Food inflation surged yet again to 9.41 per cent for the week ended September 24 from 9.13 per cent in the previous week as prices of almost all edibles continued to soar on an annual basis despite a good monsoon this year.

As per the WPI (Wholesale Price Index) data released here on Friday, vegetables turned 14.88 per cent dearer on a year-on-year basis, mainly driven by higher prices of potatoes and onions which went up by 9.34 per cent and 10.58 per cent, respectively.

Alongside, fruits were costlier by 11.72 per cent, milk by 10.35 per cent and prices of eggs, meat and fish rose by 10.33 per cent. Even staples such as cereals and pulses, which had witnessed a decline in prices in recent times, also turned dearer by 4.57 per cent and 7.54 per cent, respectively, on a year-on-year basis during the week.

Commenting on the relentless rise in food prices with no signs of its cooling down, Finance Minister Pranab Mukherjee said: "Inflation is definitely a matter of concern. We shall have to see how to bring it down to [a] moderate level...I am constantly in touch with the Reserve Bank of India (RBI)."

An additional worry is that headline inflation, which includes manufactured items, fuel and non-food primary articles in addition to food commodities, also stands stubbornly high at 9.78 per cent in August. The apex bank, on its part, has already raised its key policies rates a dozen times since March, 2010, in its effort to shrink demand by making funds costlier and thereby rein in inflation. However, the net result has not been in keeping with expectations.

With a reasonable good monsoon this year, the authorities, as also economic analysts, were expecting a cool-down in food prices and a consequent slide in headline inflation. A decline in both counts has been elusive and the only consolation is that food inflation during the like week in September, 2010, was at a high of 16.88 per cent.

“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's chief economist D. K. Joshi said. He felt that the government needed to improve the storage and cold chain facilities to help ease supply constraints.

According to the WPI data, overall inflation in primary articles stood at 10.84 per cent during the week ended September 24 as compared to 11.43 per cent in the previous week. Inflation in non-food articles, including fibres, oil seeds and minerals, stood lower at 10.77 per cent for the week as compared to 12.89 per cent while inflation in fuel and power inflation remained unchanged at 14.69 per cent.

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Imports of edible oil, fruits and vegetables soar

As the Indian economy grapples with near double-digit food inflation, annual imports of sensitive items went up by 37.6 per cent during April-July in the current fiscal.

In particular, edible oil, fruits and vegetables registered a huge jump in imports from countries like Indonesia and Malaysia.

Total imports of sensitive items increased to Rs.31,692 crore in the first four months of 2011-12, from Rs.23,039 crore in the same period last year, as per the official data released on Friday.

Import of edible oils rose to Rs.14,274 crore during the period from Rs.8,763.70 crore, showing the highest growth of 62.9 per cent.]

As one of the largest consumers, India is the world's largest importer of edible oil. Imports of fruits and vegetables went up by 44.7 per cent to Rs.3,152.61 crore and spices by 57.7 per cent to Rs.477.51 crore.

Vegetables have shown an annual inflation of 14.88 per cent and fruits 11.72 per cent during the week-ended September 24, for which the overall food inflation was measured at 9.41 per cent.

The sensitive items are those which are of interest to the farmers and the small-scale industry and increase in their imports can hurt these sectors. Import of products of small-scale industries such as umbrellas, locks, toys and glassware went up by 50.4 per cent to Rs.659.83 crore for the April-July period.

However, import of milk, tea and coffee witnessed a decline 41.8 per cent and 5.8 per cent, respectively. Thanks to a bumper crop, foodgrains imports dropped by 92.1 per cent.

Sensitive items

Imports of sensitive items from Indonesia, China, Malaysia, Argentina, Germany, South Korea, the U.S., Canada, Japan, Thailand and the U.K. have gone up, while those from Myanmar and Australia have gone down.

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Global meet on climate change from Oct. 12

Special Correspondent

A three-day International Conclave & Exhibition on Climate Change (ICCC) to be held here between October 12 and 14 will focus on challenges, combat strategies and adaptation measures to contain the menacing effect.

A.K. Poochia, Director-General, Engineering Staff College of India (ESCI), that is conducting it, said the event was designed as a platform to bring together administrative personnel, policy makers and industry representatives to chalk out an action plan aimed at encouraging alternate sources of power that would be less harmful to nature. Commander Poothia said the meet was supported by the Government of India and the National Disaster Management Agency, apart from the UNESCO, UNIDO, and UN Women.

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More grain for 174 backward districts

Gargi Parsai

The Centre will provide an additional 19.80 lakh tonnes of subsidised foodgrains to 174 backward districts in 27 States and Union Territories.

Of this, 12.21 lakh tonnes will be made available for the Below the Poverty Line (BPL) population and 7.59 lakh tonnes, for Antyodaya Anna Yojna (AAY) beneficiaries under the Targeted Public Distribution System.

The allocation, being made as per the orders of the Supreme Court, which is hearing a Public Interest Litigation petition on the PDS, will be for a year. The decision has been approved by Chairman of the Empowered Group of Ministers on Food Pranab Mukherjee.

BPL wheat will be sold at Rs.4.15 a kg and rice at Rs.5.65. AAY beneficiaries will get them at Rs.2 and 3. The outgo of subsidy on this count will be about Rs.2,500 crore. The food subsidy for the fiscal is estimated at about Rs.70,000 crore.

The additional outgo of 19.80 lakh tonnes will bring down the food stocks, which hover around 560 lakh tonnes. The buffer norm for October 1 is 212 lakh tonnes. This includes a strategy food security reserve of 30 lakh tonnes of wheat and 20 lakh tonnes of rice.

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Students told to take up research in biotechnology

Special Correspondent

Lecture on 'new vistas for biotechnology'



NEW AVENUES: S. Ganga, associate professor, Periyar EVR College, Tiruchi, addressing students of J.J. College of Arts and Science in Pudukottai

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.

She underlined the importance of developing new strains towards evolving 'super rice' and 'super corn'. She said these crops would require less chemical fertiliser and would grow in arid and hostile environment, and produce high yield.

P. Manikili, head of department of gene technology, spoke.

"It is important to develop strains that require less fertiliser and produce more yield"

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Two training programmes on food processing at PMU

Special Correspondent

Periyar Technology Business Incubator (TBI) of Periyar Maniammai University here would conduct two training programmes in food processing under technology based entrepreneurship development programme (TEDP) which focuses on training and development need of entrepreneurs in food processing. A release issued by the TBI said the participants would be trained in motivational management areas and in the specific technology areas by technology providers in the food processing industry.

In each of the two programmes, 25 candidates having a degree/diploma in science and technology would be trained through a structured programme of about six weeks. Through this training the entrepreneurs would be exposed to technical knowledge about the products and would be enabled to develop their skills.

The participants would be selected through personal interviews. During the course of training, the participants would get to know the intricacies of starting and managing an enterprise.

At the end they would be assisted in preparing bankable project reports and would be enrolled with Rajiv Gandhi Udyami Mitra Yojana scheme of the Ministry of Small and Medium Enterprises for availing of hand holding services for two years. From last year's batch of 25 women, 12 have started micro units and are scaling up their operations.

Interested persons could contact through 04362-264520 or send e-mail at info@periyartbi.org or in person. After enrolment, they would be called for a personal interview at the incubator office on October 8 at 11 a.m. at Periyar Maniammai University at Vallam.

Pranab gives loans to farmers, needy women during Puja festivities

Special Correspondent

Union Finance Minister Pranab Mukherjee has disbursed loans worth Rs. 18 crore to small and marginal farmers and needy women at a special camp in Mirati in his home district in Birbhum.

The camp, on the second day of Durga Puja on this Wednesday, was organised by the city-based United Bank of India. The beneficiaries included small and marginal farmers, minority communities, women and people from the Scheduled Tribes and Castes. In the camp, the UBI disbursed priority sector loans for Rs. 18 crore to 107 beneficiaries.

Mr Mukherjee hoped that the UBI would maintain its pace on opening branches in unbanked areas as well as adopt villages as part of the Centre's financial inclusion plan.

Pointing out that agriculture is the mainstay of rural economy, he said that more bank finance should flow to the sector. Mr Mukherjee also appealed to the borrowers for timely repayment of loans so that banks can recycle the funds.

He appreciated the lead role taken by UBI for identifying 7,486 villages with population of 2,000 and above in the State for extending banking facilities till March 2012. He also appreciated the Bank for issuance of Kisan Credit Cards to all the eligible farmers in the State.

UBI chairman and managing director Bhaskar Sen said that the Bank will open 35 branches in unbanked villages during 2011-12 under financial inclusion plan. The Bank is targeting to extend banking facilities to 1,891 unbanked villages in 83 districts in 11 States by March 2012. Of these, physical branches will be opened in 62 villages and the remaining 1,829 villages will be covered by Information & Communication Technology-based services.

Business Standard

Monday, Oct 8, 2011

MP farmers hit by soy crop damage

Shashikant Trivedi / Nemawar (Harda) Oct 08, 2011, 00:26

For Santosh Verma from Nemawar (Harda district) and Mukund Parashar from Bari (Raisen), this kharif season was the worst. Both have lost their soy crops to the monsoon rains.

Many farmers from the villages in Harda, Hoshangabad, Sehore, Vidisha and Raisen districts in Madhya Pradesh have suffered. Mukund said he has even lost his input cost on his 10-acre farm. Interestingly, Indore-based Soyabean Processors Association of India (Sopa), the only agency that estimates crop, had expected a bumper crop this season.

While harvesting of the early varieties of soy has started in some parts, high-yield varieties like JS 335, which covers a larger area, will be harvested next week.

The crop was severely damaged by fungal infections, including the Rhizoctonia Solani and soybean mosaic virus, due to stress conditions and soil compaction. "Hoshangabad has been the worst affected. A survey is being conducted in various blocks of the district. A rough estimate suggests 10-40 per cent damage in various pockets. We are awaiting the survey results," said a senior agriculture department official.

Soy acreage in Hoshangabad was recorded at 205,750 hectares this year, but frequent change in weather, did the damage. Sopa had estimated that the state would produce a record 6.16 million tonnes this year.

"Despite crop damage due to continuous rainfall in some district till September this year, we are expecting soya crop to touch 62 lakh hectare this year," Rajesh Agrawal, spokesperson Sopa told Business Standard.

Coffee exports rise 41% in 2010-11

Mahesh Kulkarni / Bangalore Oct 08, 2011, 00:25

Aided by good domestic crop, favourable prices and robust demand from the international markets, India's coffee exports jumped 41 per cent to 358,278 tonnes in the just-concluded coffee year, ended September. This is an all-time high for Indian coffee. The previous crop year saw export of 253,715 tonnes.



In value terms, exporters earned 87 per cent more at Rs 4,794 crore, compared to Rs 2,564 crore during the crop year-ended September 2010. The average price realisation rose 32 per cent to Rs 1,33,804 a tonne in the October 2010 to September 2011 period, as against Rs 1,01,058 during the corresponding period.

"We have seen the coffee sector reporting an all-time high in exports, mainly on account of a good domestic crop for the last two consecutive years, owing to good management practices and lesser occurrence of pest attacks. The exporters had more coffee in their hands for exports. The year, too, witnessed favourable prices in international markets, especially during January-September" a Coffee Board official said.

STEAMING UP		
Total coffee exports in 2010-11*		
Country exported to	Exports (in tonnes)	% Change (over prev yr)
Italy	83,871	78
Russia	33,695	23
Germany	13,171	163
Total	358,278	41

Source: Coffee Board of India *Oct-Sept

India largely exports coffee to Italy, Germany, Russia, Belgium and Spain. A significant trend witnessed in the last crop year was the emergence of Germany as the second-largest importer of Indian coffee, overtaking the Russian Federation. Exports to Germany went up 2.6 times to 34,664 tonnes, as against 13,171 tonnes last year.

Exports to Russia increased by 23 per cent to 33,695 tonnes as against 27,482 tonnes during the previous year. Italy continued to be the largest market for Indian coffee. Exports recorded an increase of 78 per cent to 83,811 tonnes, as against 47,094 tonnes exported in the previous year. "Germany was a very active player in the international coffee market last year, as exports to Greece and Portugal dipped due to the worrisome economic scene in Greece, although it's not a big market for Indian coffee. Germany gained at the cost of the Russian Federation, which may further pick up from Germany later this year. Italy has continued to be our top market and contributed significantly to overall exports from India," said Ramesh Raja, president, Coffee Exporters' Association.

During the first nine months of the present calendar year, India's coffee exports stood at 295,269 tonnes as against 228,399 tonnes exported during the corresponding year, growth of 29 per cent.

THE HINDU Business Line

Clove set to soar on fears of low output

G.K. Nair



Kochi, Oct. 7:

The coming cloves crop, contrary to expectations, is expected to be medium due to multiple factors such as high night temperature and heavy winds in the country's major growing area in Tamil Nadu's Kanyakumari district.

“Every alternate year we used to get bumper cloves crop but the current one is going to be medium due multiple factors,” Mr M. Subramanian, Joint Secretary, Cloves Growers Association of India (CGAI) told *Business Line*.

He said it is grown in Karumparai, Maramalai, Balmore and Belmalai region and the bumper crop normally ranges 1,000-1,500 tonnes. Contrary to expectations, the crop is estimated to be somewhere between 600 and 800 tonnes, he said.

Consequently, the total availability in 2012 of indigenous produce is likely to be below 2,000 tonnes, he said.

He said nutmeg and pepper are grown as inter-crop in the plantatio

ns. “This year nutmeg prices are also ruling high. Mace fetches Rs 1,500 a kg, while nutmeg without shell Rs 700 and with shell Rs 400 a kg. Pepper also fetches a good price, but “our pepper crop is bad because the supporting trees are falling,” he said.

Nagercoil market

In the Nagercoil market, he said, cloves prices are stable at Rs 1,050 a kg. But not much trading takes place as dealers are not enthusiastic to sell at this rate.

They anticipate that the prices would move up further.

The growers, in fact, release small quantities at every hike in the prices, he said.

“They are doing so to meet their expenses in the estates on the current crop,” he said.

“Enquiries from upcountry buyers are expected when the buying for the winter/wedding and the festival season begins there later this month,” Mr Subramanian, also a major grower, said.

Global scenario

Meanwhile, according to upcountry dealers, harvesting of cloves crops is underway in Zanzibar, Comoros and Madagascar.

Zanzibar and Comoros crop is estimated at 2,000 tonnes each, while Madagascar will be around 8,000 tonnes, they said.

Good quantity of Zanzibar and Comoros cloves were reportedly traded at \$15,000-18,000 at tonne as Europe was covering lot of cargoes, they claimed.

However, Madagascar cloves are reportedly being bought by Indonesian cigar companies at \$15,000-16,000 a tonne.

The landing cost of it in India will be at Rs 900-1,000 a kg, and the payment has to be made in advance, Bangalore-based importers told *Business Line*.

Domestic market

The domestic market, they said, is stable at Rs 900-1,100 a kg as there is a slackness in demand at present, and this is expected to get activated by October 15 and “we expect cloves prices this year to touch Rs 1,400 a kg soon, as there are no imports.”

At the same time, “in India there is hardly two months' cargo is left, huge buying is expected anytime now as the winter is already at the doorsteps and consequently the demand will go up by five-fold,” they said.

India's main importer is Sri Lanka where the next crop is going to be hardly 1,000 tonnes, as against its normal crop of 6,000 tonnes, the trade claimed.

Prices quoted for cloves (in \$/tonne c&f) : Zanzibar-19,000; Comoros-17,000; Madagascar-16,000-20,000 and Colombo-20,000.

“We expect cloves prices to touch Rs 1,400 a kg soon, as there are no imports.”

(This article was published in the Business Line print edition dated October 8, 2011)

Pulses ease on poor demand

Our Correspondent

Indore, Oct. 7:

Downtrend continued in chana, masoor, tur and urad on poor demand, while moong gained on fresh queries from the millers.

With lower circuit in chana futures, chana (kanta) in local *mandis* plummeted to Rs 3,150-3,200 a quintal as chana futures on the NCDEX continued to be in the red zone.

Similarly, chana (desi) declined to Rs 3,050-3,100 a quintal on weak demand.

Local *mandis* witnessed arrival of about 1,000-1,200 bags.

Decline in spot chana also dragged down its dal with chana dal (bold) being quoted at Rs 4,250-75 a quintal, chana dal (medium) at Rs 4,150-75 and chana dal (average) ruled at Rs 4,025-50 a quintal.

Absence of demand also dragged masoor with prices of masoor (bold) in the spot being quoted Rs 50 down at Rs 2,950 a quintal, while masoor (medium) ruled at Rs 2,600-2,650.

Similarly masoor dal declined on weak demand with masoor dal (bold) ruling at Rs 3,550-75 a quintal, masoor dal (medium) at Rs 3,400-3,425 and masoor dal (average) ruled at Rs 3,300-3,325 a quintal.

Tur continued to trade low on sluggish demand with tur (Maharashtra) in the physical market ruling at Rs 3,300 a quintal, while tur (Nimari) ruled at Rs 2,600-2,800.

Tur dal, on the other hand, ruled steady with tur marka remaining stable at Rs 6,300, tur dal (full) at Rs 5,650-5,700 and tur dal (sawa no.) ruled at Rs 4,750-4,800 a quintal.

Urad also declined on sluggish demand with urad (best) being quoted at Rs 3,700 a quintal, while urad (medium) ruled at Rs 3,000-3,300 a quintal.

Arrival of urad in local *mandis* was recorded at around 800 bags.

Weak buying support to urad also dragged its dal with urad dal (bold) declining to Rs 5,500 a quintal, down Rs 100 and urad dal (average) to Rs 4,450-4,500 a quintal. Urad monger ruled firm at Rs 6,300-6,500 a quintal.

Moong perked up on improved demand. Moong (best quality) in the local *mandis* perked up to Rs 4,000-4,300 a quintal, while moong (medium) ruled at Rs 3,500-3,800. Local *mandis* witnessed arrival of about 500 bags.

(This article was published in the Business Line print edition dated October 8, 2011)

Spot rubber improves on covering buys

Kottayam, Oct. 7:

Rubber market improved on Friday. In spot, prices strengthened following the moderate gains on the National Multi Commodity Exchange(NMCE). The market opened better and firmed up

further on covering purchases at lower levels. Sheet rubber increased to Rs 211 from Rs 209 a kg both at Kottayam and Kochi respectively, according to traders and the Rubber Board.

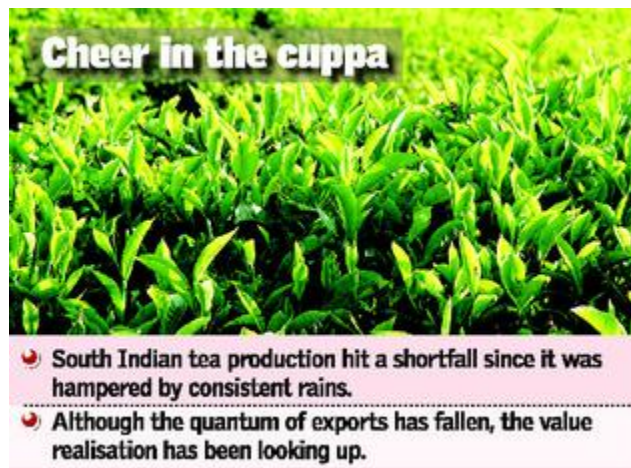
Developments in the global economy particularly the sovereign debt issues in US and Europe will be crucial in building market confidence, attracting speculative investments in emerging markets and making the currencies of Thailand, Indonesia and Malaysia stronger. Therefore, any improvement in NR could be expected only after the global economy returns to a recovery path. While natural rubber market may continue to stay fragile in the short-term due to exogenous factors, the demand-supply situation can hold the price according to Mr Jom Jacob, Senior Economist, Association of Natural Rubber Producing Countries (ANRPC). In futures, the October series improved to Rs 214.99 (210.71), November to Rs 210.69 (206.25), December to Rs 211.35 (207.09), January to Rs 212.75 (208), February to Rs 215.44 (210.15) and March to Rs 215.51 (212.81) a kg for RSS 4 on the NMCE. RSS 3 (spot) firmed up to Rs 203.91 (201.37) a kg at Bangkok. The October futures for the grade flared up to ¥308.2 (Rs 197.50) from ¥300.1 a kg during the day session but then dropped to ¥305 (Rs 195.45) a kg in the night session on the Tokyo Commodity Exchange. Spot rates were (Rs/kg): RSS-4: 211 (209); RSS-5: 208 (206); ungraded: 200 (197); ISNR 20: 202 (201) and latex 60 per cent: 129 (130.50).

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Tea prices on the boil as domestic demand heats up

C.J. Punnathara

No cooling effect of higher production, lower exports



Kochi, Oct. 7:

Despite a higher crop and lower exports this year, domestic tea prices have continued to hold firm.

One of the prime reasons for firm price trends was a spurt in domestic demand, Mr Peter Mathias, Chairman of the UPASI Tea Committee, said.

The poorer global tea production, catalysed by adverse weather patterns, has not helped prop up domestic prices as exports continue to reign low.

Latest reports indicate that Kenyan crop continues to be lower by 31.3 million kg, Indonesia by 8.5 million kg, Uganda by 5.3 million kg and South India by 4.3 million kg.

In contrast, North India was one of the few regions which registered an increase in tea production during the current year.

While South India recorded a shortfall in tea production, North India recorded a growth of 38 million kg over last year.

This has enabled the country's production to grow by 33.7 million kg during January-August.

South Indian tea production till September is also likely to be lower since it was hampered by continuous rain and fewer days of sunshine, Mr N. Sanjith, Head of Commodities at the United Planters Association of Southern India (UPASI), said.

Heavy rain in the first three weeks of last month hampered plucking operations.

Value realisation

Although the quantum of exports has fallen, the value realisation has been looking up.

During January-August, tea exports fell by 14.9 million kg, of which North India contributed 11.8 million kg even as South Indian exports fell by 3.1 million kg.

Tea export prices have recovered the most. Average tea export prices were up by Rs 14.19 a kg over last year's Rs 144.77 a kg.

The prime reason for lower exports was disturbances in some of India's principal export destinations.

Lower exports to Pakistan and Iran during the first half of the year also contributed to the fall.

However, sources in UPASI said the association expected the export momentum to pick up in the coming months.

In the domestic market, average price realisation of South Indian tea till the middle of September this year was higher by Rs 2.53 a kg over last year's Rs 69.27 a kg.

Orthodox teas continued to fetch a handsome premium over CTC grades at South Indian auctions.

(This article was published in the Business Line print edition dated October 8, 2011)

Rain spread signals good kharif harvest, says IMD

Vinson Kurian

Thiruvananthapuram, Oct. 7:

A reasonably well-distributed rainfall during the just-concluded kharif season may favour good crop production in most parts of the country.

This is as per projections in the latest Agromet Advisory service bulletin of India Meteorological Department (IMD).

ONLY EXCEPTIONS

The only exceptions to this outlook are the drought and flood-affected areas which found themselves at the receiving end of a varyingly truant monsoon during a crucial mid-phase, the bulletin said.

Recent showers reported from parts of the country are favourable for sowing of Rabi crops. Farmers have been advised to undertake land preparation and sowing of crops once the kharif harvest is over.

Meanwhile, the southwest monsoon has withdrawn from most parts of northwest India, Gujarat and Madhya Pradesh.

Mainly dry weather is likely to prevail except in Jammu and Kashmir, Himachal Pradesh and Uttarakhand.

KHARIF HARVEST

Farmers in these regions have been advised to undertake harvesting of kharif rice, maize, bajra and jowar and prepare field for sowing of Rabi crops with residual soil moisture.

Good rainfall received during last week of September in Bihar, Jharkhand and West Bengal may favour grain filling of kharif rice in these regions.

This rain will also be helpful for sowing of Rabi crops.

Due to poor rainfall conditions prevailing in Rayalaseema, many of the late sown crops at the pod formation/pod development stage seem to suffer from moisture stress.

Farmers have been advised to arrange for supplementary irrigation as the crops are now at critical stage.

LA NINA

Meanwhile, La Nina conditions in the east equatorial Pacific are expected to gradually strengthen and continue through the winter, an update from the Climate Prediction Centre (CPC) of the US National Weather Services said. During September, La Nina conditions have strengthened, the CPC said. The event is not as strong as it was a year ago but roughly one-half of the models predict it to strengthen during the winter. At this point of time, it is safe to expect a weak or moderate strength La Nina as the most likely outcome ahead, the CPC added.

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Onion down a tad on lower export offtake

M.R. Subramani

GAINING FURTHER*				
Date	Arrival	Price		
		Min	Max	Modal
Oct 3	18,279	625	1,100	975
Oct 4	10,650	600	1,016	911
Oct 5	16,356	551	1,111	951
Oct 6	12,492	700	1,172	911
Oct 7	13,800	700	1,067	875

*arrivals in quintals; price in Rs/quintal at Pimpalgaon APMC in Maharashtra
Source: APMC

Chennai, Oct. 7:

Onion prices dropped a little this week as exports demand continued to be lacklustre. Higher arrivals also compounded the price situation.

“Export demand is low. Moreover, people were expecting the Government to lower the minimum export price from \$475 a tonne. That did not happen and it also led to poor export buying,” said Mr Rupesh Jaju, Director of Nashik-based United Pacific Agro Pvt Ltd.

“Exports have been affected also because vessels in Mumbai have not been fully cleared. Congestion at ports continue,” said Mr Madan Prakash, Director of Rajathi Group of companies that exports agricultural produce said.

On Friday, the modal price or the rate at which most trades took place was Rs 870 a quintal. Last week, prices ruled above Rs 900 a quintal.

“On an average, onions are quoted between Rs 600 and Rs 950 a quintal. Quality ones are sold at Rs 1,100,” said Mr Jaju.

“Arrivals too have been higher despite some markets being closed for festivals.

In the last three days, at least 50,000 tonnes onion have been brought to markets such as Lasalgaon, Pimpalgaon and other markets in Ahmednagar district,” he said.

“In Bangalore, daily arrivals are about 200 truckloads compared with the normal 100,” said Mr Prakash.

Arrivals of kharif onion that cannot be stored for long since they have a lower shelf life are expected to begin from the middle of next November. The crop is seen lower compared with last year.

Onion prices could rise if export picks up.

“Prices could have increased to Rs 1,200-1,400 had exports picked up,” said Mr Jaju.

Domestic demand, however, has ensured that the fall in prices is capped.

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Spot jeera gains with futures



Rajkot, Oct. 7:

Jeera futures gained 3.43 per cent as speculators added new positions following a pick-up in spot demand, traders said.

October contracts of jeera on the National Commodity and Derivatives Exchange (NCDEX) increased by 3.43 per cent or Rs 488 to Rs 14,725 a quintal, with an open interest of 11,979 lots.

Jeera for November delivery was up Rs 382 to Rs 14,985 a quintal on the exchange, with an open interest of 16,038 lots.

Stocks in NCDEX-accredited warehouses rose by 4 tonnes to 11,654 tonnes.

Spot jeera traded at Rs 1,950-3,040 for 20 kg, up Rs 40-50, in Unjha, where 6,000-6,500 bags were traded against arrivals of about 4,000-5,000 bags.

weak exports

Exports are still low. Traders expect market sentiment to be weak till exports rise.

Latest estimates from the Spice Board of India indicate spices exports in April-June have fallen by 26 per cent to 1,16,900 tonnes from 1,57,850 tonnes in 2010.

Jeera exports fell by 46 per cent to 5,750 tonnes from 10,600 tonnes during the same period.

(This article was published in the Business Line print edition dated October 8, 2011)

Thin supplies sweeten spot sugar



Mumbai, Oct. 7:

Sugar prices on the Vashi wholesale market on Friday gained Rs 2-5 a quintal in the spot market.

Naka price increased by Rs 10 for S-grade while for M- grade remained unchanged. New local demand and demand from other States and thin supplies from mills because of holidays kept the market sentiment positive.

Mill tenders were expected Rs 5-8 a quintal higher on increased buying. Arrivals were lower than dispatches as on Thursday there were no dispatches from mills because of Dasara.

Market sources said a sudden spurt in buying from eastern States along with improved State-level demand for Diwali encouraged stockists to cover more.

Supplies were short as there was no offloading at producing centres on Thursday.

Bulk consumers were active buyers at higher prices and mills sold at market rates. On Friday, arrivals in the Vashi market were at 40-42 truckloads, while local dispatches were at about 48-50 truckloads.

On Wednesday, 23-24 mills sold nearly 1.5 lakh bags at Rs 2,650-2,730 (Rs 2,640-2,720) for S-grade and at Rs 2,750-2,850 (Rs 2,740-2,840) for M-grade to local and neighbouring-states' buyers, including 3-4 rail rakes of 27,000 bags each to buyers from the East.

Demand from West Bengal, Orissa, Gujarat, Rajasthan and Madhya Pradesh is expected to rise. Freight rates were steady and exports were as usual, sources added.

Bombay Sugar Merchants Association's spot rates: S-grade Rs 2,771-2,845 (Rs 2,768-2,841) and M-grade Rs 2,848-2,991 (Rs 2,846-2,991).

Naka delivery rates: S-grade Rs 2,730-2,770 (Rs 2,720-2,760) and M-grade Rs 2,800-2,950 (Rs 2,800-2,950).

(This article was published in the Business Line print edition dated October 8, 2011)

Poor arrivals push up spot turmeric prices



Erode, Oct. 7:

Spot turmeric prices increased by Rs 100 to Rs 250 a quintal due to poor arrivals on Friday.

“Traders have offered increased price for the hybrid variety as good quality stocks arrived for sales. Traders, having good orders for the hybrid variety, bought at higher prices. Similarly, the price of other varieties too fetched higher price,” said the bulk buyers.

They also said for the past three-four days, farmers brought limited stocks for sales. On Friday, 5,900 bags of turmeric arrived for sales, of which 65 per cent was sold. They said some farmers sold their stocks directly to masala firms without bringing their turmeric to the market, as they benefited by the two per cent sales commission and weighing charges. Totally, they are getting benefit of at least Rs 150 a quintal.

Prices are expected to stay high for another week, after which they are likely to come down, said traders. They said due to problems such as the Telangana stir, rain, etc , the north Indian orders for Erode turmeric had reduced.

Only exporters were buying the hybrid variety for the past few days, increasing its price.

At the Erode Cooperative Marketing Society, the finger variety price rose by Rs 240 a quintal, while in Regulated marketing Committee by Rs 150.

At the Erode Turmeric Merchants Association Sales yard, the finger variety sold at Rs 3,996-5,349, the root variety at Rs 3,611-4,681.

Salem Crop: The finger variety sold at Rs 4,429-6,029, the root variety at Rs 4,196-5,266. Totally, 1,333 bags arrived for sales, and 510 were sold.

At the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety sold at Rs 4,105-5,472, the root variety at Rs 3,800-4,869. All the 21 bags arrived for sales were sold.

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Higher inflows pound wheat



Karnal, Oct. 7:

Wheat prices drifted by Rs 20-80 a quintal on Friday on increased supplies following high arrivals in the market, amid reduced offtake.

After witnessing a price rise earlier this week, dara eased by Rs 20 and settled at Rs 1,100 a quintal.

Increased competition among flour mills has affected the market: targeting an increase in sales during the festival season, mills have decreased their prices but the demand is not picking up, said Mr Puneet Jain, a flour miller.

Around 80 tonnes of dara variety arrived from the Uttar Pradesh and the stocks were directly offloaded at the mills. Mill delivery was at Rs 1,100 a quintal.

Similarly, except Tohfa variety almost all desi wheat varieties went down after ruling firm earlier this week. Tohfa variety remained unchanged at Rs 2,150 a quintal and Lal Quila decreased by Rs 35 at Rs 1,870.

On the National Commodity and Derivatives Exchange wheat for October delivery increased by Rs 2.8 to Rs 1,104 a quintal.

Following a drop in wheat prices and in demand for flour, prices decreased by Rs 15 at Rs 1,130 for a 90-kg bag. On the other hand, low availability pushed chokar prices up by Rs 20 at Rs 580 for a 49-kg bag.

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