THE HINDU

Published: September 20, 2011 00:00 IST | Updated: September 20, 2011 04:17 IST PANAJI, September 20, 2011

Workshop on climate change begins today

Vinod K. Gaur, Honorary Emeritus Scientist, CSIR Centre for Mathematical Modelling and Computer Simulation (C-MMACS), Bangalore, and former Secretary, Department of Ocean Development, Government of India, will inaugurate a three-day workshop on climate change at the National Centre for Antarctic and Ocean Research (NCAOR), Vasco, south Goa, on September 20. U.R. Rao, former chairman of Indian Space Research Organisation, will be the guest of honour.

The workshop will be inaugurated at 4 p.m. Shailesh Nayak, Secretary, Ministry of Earth Sciences, will preside.

The theme of the workshop is “Climate change: polar climate, oceans and monsoon”. It is jointly organised by NCAOR with Indian Institute of Tropical Meteorology (IITM), Pune.

The objective of the workshop was to acquire an overview of the current status of climate change research, identify outstanding scientific problems and gap areas and propose directions for future research. Polar regions were attracting a lot of attention due to their impact on the climate on global scale.

This was the third in a series of workshops being organised by the Ministry of Earth Sciences (MoES). First two workshops were organized at IITM, Pune. The workshop will be attended by eminent scientists from several institutions in the country such as IISc, IIT, IMD, ISRO, NIO, INCOIS, PRL, NIOT, IITM, NCAOR and Pune University.

Published: September 20, 2011 00:00 IST | Updated: September 20, 2011 04:17 IST Raichur, September 20, 2011

Announce sustainable agricultural policy, governments urged

Need to bring in reforms to protect interests of farmers: VC

Calling for change: J.R. Bangera, president of the FKCCI, speaking at the Investors' Conference in Raichur on Monday.

B.V. Patil, Vice-Chancellor, University of Agricultural Sciences, Raichur, has urged the State and Union governments to announce a sustainable agricultural policy which will help farmers get a fair price for their produce.

Speaking after inaugurating the Investors' Conference here on Monday, Mr. Patil said that the country had undergone a revolution in agricultural development, but farmers were still unhappy with the prices they were getting for their produce. The Union Government had been trying to safeguard the interests of farmers by announcing minimum support price as and when required. But the fluctuation in prices had affected farmers. There was a need to bring in reforms in agricultural policy to protect the interests of farmers.

The conference was organised by the Federation of Karnataka Chamber of Commerce and Industry in cooperation with UAS, Raichur, and the Raichur Chamber of Commerce and Industry.

Mr. Patil said that last year, the country had produced 241 million tonnes of foodgrains. Agricultural universities across the country had been making sincere efforts for sustainable agricultural development. It was hoped that the universities' efforts would pay off soon.

'Abundant resources'

J.R. Bangera, president of the FKCCI, said that there was a need to bring in a change in industrial and agricultural activities based on present needs. He said that there were abundant resources such as land and water, but there was a need to encourage the development of medium and small industries in order to improve production and create employment opportunities. In this regard, the FKCCI had plans to hold entrepreneurship training programmes for rural youth.

H. Nagangouda, former president of the Raichur Chamber of Commerce and Industry, said that the entrepreneurship training programme organised here in cooperation with the FKCCI would help encourage the development of agriculture and setting up of agro-based industries in the region.

Vasanthkumar, Additional Secretary, Agriculture, Jawahar Jain, president of the Raichur Chamber of Commerce and Industry, and other officials were present.

- *'There is a need to encourage development of medium and small industries'*
- *FKCCI to hold entrepreneurship training programmes for rural youth*

Published: September 20, 2011 00:00 IST | Updated: September 20, 2011 04:18 IST GUNTUR, September 20, 2011

Modern farming practices fetching rich dividends

Progressive horticultural farmers are reaping rich harvest by adapting modern farming practices with focus on integrated nutrient management.

Shaded net nurseries and poly-houses in which chillies are cultivated in simulated conditions are some of the innovations that have been adapted by progressive farmers in Sattenapalli, Dachepalli, and Macherla mandals. Farmers are also cultivating other horticultural crops like tomato, brinjal, and capsicum etc in shaded net nurseries.

With unseasonal rains too playing havoc with the crop during its harvest, many farmers are being drawn to these modern farming practices.

Buoyed by record prices good varieties of chilli fetched last year with average prices peaking to Rs.7,500 per quintal, farmers are keen to maximise the yield and protect the crop from vagaries of nature.

Studies revealed that chilli saplings raised in closed nurseries have several advantages over those raised in open fields.

They have an independent root system, are secure from pest attack, have a sturdy stem growth, better transplantation prospects and zero per cent mortality. Moreover, the soil medium in the germination trays can be used to raise three crops in a year. The insect net protests the crop against Sucking Beat, Trips, Lady Minor etc.

‘Poly-house'

“We are processing 11 applications for shaded net nurseries this year. Each beneficiary gets Rs. 60,000 as subsidy,'' Assistant Director of the Department of Horticulture N.V Ramana said here on Monday. Each nursery comes on a 1,000 square yard plot and farmers are required to set up a net. The nurseries are grown in trays with the right mix of fertilizer and nutrients. On the other hand, the concept of ‘poly-house', an upgraded model of poly-drier which could be used for cultivation as well as drying of chillies, has not found favour with farmers due to its prohibitive cost.

Each unit costs about Rs.10 lakh with 50 per cent subsidy but still farmers have shied away from poly house. Progressive farmers like Mekala Lakshminarayana have suggested use of indigenously built poly-houses to minimise the costs but their proposals have few takers in the Horticultural Department.

- *Chilli raised in closed nurseries has more advantages, studies reveal*
- *‘We are processing 11 applications for shaded net nurseries this year'*

Published: September 20, 2011 00:00 IST | Updated: September 20, 2011 04:19 IST
HYDERABAD, September 20, 2011

AP Dairy hikes procurement price

The Andhra Pradesh Dairy Development Cooperative Federation Limited (APDDCF-AP Dairy) has increased milk procurement price to benefit dairy farmers supplying milk to the federation.

MD of AP Dairy Praveen Prakash said on Monday that APDDCF had been paying lesser procurement price to dairy farmers for the last 3 years compared to other cooperative unions. The new procurement price fixed for buffalo milk and cow milk, respectively, in different districts with effect from Sept. 16 is as follows: Medak, Anantapur and Mahabubnagar Rs. 404 per kg (Rs. 384 existing price) and Rs. 152 per kg (Rs. 136); Warangal - Rs. 434 (Rs. 394) and Rs. 165 (Rs. 136), Khammam - Rs. 424 (Rs. 394) and Rs. 152 (Rs. 136). West Godavari - Rs. 435 (Rs. 415) and Rs. 146 (Rs. 136); Chittoor - Rs. 404 (Rs. 384) and Rs. 152 (Rs. 136); East Godavari and Visakhapatnam - Rs. 424 (Rs. 394) and Rs. 146 (Rs. 136); Kadapa - Rs. 404 (Rs. 404) and Rs. 152 (Rs. 136); Ranga Reddy - Rs. 434 (Rs. 398) and Rs. 165 (Rs. 149); Nizamabad - Rs. 404 (Rs. 384) and Rs. 152 (Rs. 136); Prakasam - Rs. 404 (Rs. 404) and Rs. 152 (Rs. 136); Adilabad and Karimnagar - Rs. 404 (Rs. 384) and Rs. 152 (Rs. 136).

Published: September 20, 2011 00:00 IST | Updated: September 20, 2011 04:19 IST HYDERABAD, September 20, 2011

2-day NAARM workshop begins

"Utmost care should be taken while entering agreements in public-private partnership in agriculture while protecting interests of the public sector," said Mr. V. Nagi Reddy, Principal Secretary, Agriculture.

Inaugurating a two-day national workshop at the National Academy of Agricultural Research Management (NAARM) here on Monday, Mr. Reddy said public private partnership agreements should be mutually beneficial to bring balance between private sector's capital risk and also the public good. Dr N. H. Rao, Director, NAARM, was also present.

Published: September 20, 2011 00:00 IST | Updated: September 20, 2011 04:16 IST NEW DELHI, September 20, 2011

PMO for a new approach to boost pulses output

"Time for a second green revolution, with focus on North-East"

Amid concerns over low production of pulses and oilseeds, the Prime Minister's Office (PMO) has asked the Union Agriculture Ministry to go in for technology-driven farming in these commodities in clusters of 60,000 villages each and directed scientists to develop high-yielding varieties that can withstand the effects of climate change.

At a meeting to review the functioning of the Union Agriculture and Food Ministries here, Prime Minister's Principal Secretary T.K.A. Nair asked the departments concerned to take steps to usher in a “second green revolution” with particular attention to the North-Eastern States.While lauding the increase of 20 million tonnes in foodgrain production during the current Plan period, the official directed the Food Corporation of India to fast-track the creation of storage facilities in 19 States to enhance the capacity by more then 150 lakh tonnes of which 40 lakh tonnes must be created by March 2012. Noting that growth in agriculture and foodgrain production was the highest ever, the meeting also appreciated the Agriculture Ministry's approach of “decentralising” Central government schemes to provide flexibility to States to come up with need-based programmes under its Rashtriya Krishi Vikas Yojna.

With State Chief Secretaries as the sanctioning authority for the funds and the schemes, the States have started taking “keen interest” in the programme. “The PMO will encourage other Departments to follow this method for better results,” sources said.The meeting also noted with concern “misleading advertisements” with regard to food supplements for children, fairness cosmetics and nutrition-based drinks and felt that there should be a mechanism to regulate such claims. Consequently the Principal Secretary directed the Department of Consumer Affairs to come up with a draft mechanism to regulate such advertisements in the interest of consumers.

---

hindustantimes
Tue,20 Sep 2011

Weather

Chennai - INDIA

Today's Weather

Cloudy

Tuesday, Sep 20

Max Min

35.5° | 25.5°

Tomorrow's Forecast

Rainy

Wednesday, Sep 21

Max Min

36° | 26°

Rain: 00 mm in 24hrs	Sunrise: 5:58
Humidity: 89%	Sunset: 18:07
Wind: Normal	Barometer: 1009

Extended Forecast for a week

Thursday	Friday	Saturday	Sunday	Monday
Sep 22	**Sep 23**	**Sep 24**	**Sep 25**	**Sep 26**
31º | 26º	33º | 26º	33º | 25º	32º | 26º	33º | 25º

DECCAN Chronicle

Farmers allege encroachment of tank

September 20, 2011

Farmers led by the Chittoor district Rytu Seva Samstha stormed the mandal tahsildar’s office at Chandragiri fort town, 15 km from here on Monday, protesting the unauthorised allotment of land in the bed of the irrigation tank at Agarala village to influential persons by the revenue department.

Farmers led by the Chittoor district Rytu Seva Samstha stormed the mandal tahsildar’s office at Chandragiri fort town, 15 km from here on Monday, protesting the unauthorised allotment of land in the bed of the irrigation tank at Agarala village to influential persons by the revenue department.

The Rytu Seva Samstha general secretary, Mr T. Adikesavulu Reddy, deplored that without the knowledge of the irrigation department, revenue officials, hand in glove with political leaders, had illegally allotted 40 acres of tank bed land to activists of the ruling party.

When irrigation department officials came to know about this, they were reluctant to take action and remove the unauthorised occupation.

Developed during the time of Vijayanagara king Immadi Narasimha Rayalu of the 16th century, the tank has an ayacut of over 250 acres. It plays a major role in the recharge of groundwater in bore wells in and around the village. Later, the farmers protested at the office of the Deputy Executive Engineer (Minor irrigation), Chandragiri mandal, demanding repairs to the Agarala tank.

As the official was not available, the protesting farmers spiked a memorandum to the office board. Farmers said that it was unfortunate that the official was not available for farmers though Monday is grievance day.

Tobacco growers asked to go for alternative crops

September 20, 2011

The tobacco board chairman, Mr G. Kamala Vardhana Rao, felt the need to bring down the production of tobacco and also urged the tobacco growers to find out alternative crops.

The tobacco board chairman, Mr G. Kamala Vardhana Rao, felt the need to bring down the production of tobacco and also urged the tobacco growers to find out alternative crops.

Addressing the gathering at the seminar on ‘Alternative Crops to FCV Tobacco in Andhra Pradesh’ held at Central Tobacco Research Institute here on Monday, the chairman, Mr Rao stated that experts predicted tough time for tobacco sector in the next year given the fact that they were going to face tough competition from Zimbabwe and Brazil in the international market in tobacco trade.The chairman added that they were having nearly 300 million stocks of tobacco.He also said that India is one of the 173 countries which signed to impose ban on tobacco with World Health Organisa-tion.

The chairman said that nearly 1.5 lakh families were depending upon cultivation of Virginia tobacco to support their families and added that the tobacco exports were earning about Rs.25,000 crores foreign currency in India.

Farmers for direct paddy purchase by government

September 20, 2011

Various farmers' bodies under the Konaseema Rytu Parirakshana Samiti demanded direct purchase of paddy by government as in the states of Punjab, Haryana and Chhattisgarh. They felt that in the present system of purchase throu-gh millers, it benefited only these sections and not far-mers who toil hard. They also demanded immediate implementation of the Dr Swaminathan Commission recommendations on paddy price.

Farmers' representatives demanded Rs.300 as immediate bonus over the present MSP of Rs.1,030 per quintal.

In addition, they also demanded Rs.10,000 to farmers in the crop holiday mandals as they had become bankrupt due to the polices adopted by government at both state and Centre.

Farmers' leaders made these observations while addressing the dharna at the East Godavari collectorate on Monday.

The samiti leaders, Mr V. Suryanaraya Raju, Mr N. Lakshmipati Raju and Mr V. Bujji Raju from Yedurulanka in Mummidi-varam mandal welcomed government's decision to export rice, but felt that had this been permitted in the first quarter of the year by March 2011, farmers would have benefited.

"Now we have no stocks of paddy with us and it is millers who will benefit from export," they said.

Earlier, millers who were reluctant to pay even Rs.650 per a bag of 75 kilos of paddy, were now offering Rs.950 to Rs.1,000 for the same quantity. They demanded direct purchase by government instead of by millers as farmers should get maximum benefit from their produce.

Speakers at the dharna also observed that government's offer after the Mohan Kanda's committee report was not encouraging to farmers. The extension of subsidy on seeds and fertilisers will be of little benefit, they felt.

Farmers also demanded a better price and godown facility for coconut which is a major crop in both the districts of East and West Godavari.

Farmers who turned up from various parts of the district squatted in front of the main gate of the East Godavari collectorate and raised slogans.

When they tried to gatecrash in to the collectorate, police stopped them.

Later, a delegation from the Samiti submitted a memorandum to the collector, Mr M. Ravi Chandra.

THE ECONOMIC TIMES

Tue, Sep 20, 2011 | Updated 10.04AM IST

20 Sep, 2011, 02.00AM IST, Nidhi Nath Srinivas,ET Bureau

Cotton industry sees record disputes this year, reveals Cotton Association of India data

NEW DELHI: India's cotton industry is locked in a record number of disputes this year as unexpected price volatility leads to widespread contract defaults between cotton ginners, mills and merchants. The contagion is global, with 10% of all international cotton trading contracts in dispute this year, five times more than normal.

Industry body Cotton Association of India has received requests for arbitration from large multinational trading houses, exporters, and textile mills against ginners who signed contracts but did not deliver cotton when prices moved up. The total number of cases is learnt to be more than 400 and are worth several hundred crores.

"Though I can't disclose the exact number, there has been a record pile-up of arbitration cases this year and large sums are involved. High price volatility has caused these feuds," said CAI president Dhiren Sheth.

The number of disputes is so large that it could take one year for all cases to be settled, said Bhadresh Mehta of leading export house Bhadresh Trading Corporation. "Nothing can be done about the money that is tied up in them until then," he added.

Wary Indian textile mills and cotton exporters have now decided to stop signing forward contracts with ginners that supply cotton and buy on the basis of daily spot prices.

"No one is prepared to trust ginners because if the prices are not favourable, they won't perform. All purchases are being made on spot prices. There will be no problem as there is ample cotton in the market now," Mehta said.

The disputes arose because cotton prices rose extraordinarily fast between October and December last year and then crashed in March this year. The closely watched Cotlook A Index fluctuated between 83 cents/lb and $2.44/lb.

Forward sales locked the buyer and seller into a pre-fixed price. When prices rose, they protected millers/traders but ginners lost out on potential profit and defaulted. When prices fell, ginners wanted to give delivery but mills refused to open letters of credit on contracts signed at higher prices.

"The ginning sector is unorganised and ginners don't understand the sanctity of contracts. Each ginner saved Rs 1 crore by defaulting. But leading traders, some of whom are more than 100 years old, have their name to protect in the overseas market. By not receiving cotton on time, they faced huge embarrassment with their foreign customers. All the MNCs and big players are shaken up," Sheth said.

A three-member tribunal of arbitrators is created for each case worth more than Rs 1 crore. A single arbitrator has been appointed by CAI for disputes with smaller sums. Usually both parties are expected to honour the settlement. But mills can do little if a ginner decides not to pay up.

Ginners, on the other hand, say the disputes have arisen because mills were not willing to take up their offer to settle.

"We told our members last year to offer Rs 4,000 per candy as penalty for non-delivery or perform on the contract. But buyers didn't agree. Later the ginners refused to offer more," said Bharat Wala, president of the Saurashtra Cotton Ginners Association.

Peeved at the mistrust being shown by millers and exporters, ginners too have now resolved not to sign forward contracts. "Ginners will always be the losers in a forward contract. We can't hedge because there is no exit available. So last month, the association decided to do 100% spot sales," he added.

The malaise has been global. "The potential for defaults contributed to uncertainty, and thus volatility. The reality of defaults forced textile mills and merchants who thought they had secured adequate supplies to buy additional cotton as prices rose, effectively doubling the realized demand in the market for cotton on which defaults occurred," said Terry P Townsend, executive director of the International Cotton Advisory Committee, at its 70th Plenary meeting in Argentina early September.

Since prices peaked in March 2011, there are additional reports of textile mills refusing to take delivery, forcing sellers to seek alternative buyers and effectively doubling the supply of cotton on which defaults occurred, he added.

The ICAC now wants governments of member nations, including India, to formulate model contract laws for cotton and ensure that there is market transparency and rule of law.

Business Standard

Tuesday, Sep 20, 2011

Onion prices forecast in range of Rs 800-850 a quintal

BS Reporter / Chennai/ Dharwad September 20, 2011, 0:45 IST

The University of Agricultural Sciences (UAS) in Dharwad has come up with plans to help farmers take proper decisions while sowing the seeds for crops the price of which is highly volatile. The 'Domestic and Export Market Intelligence Cell, Department of Agri-business Management' in the UAS in a study has predicted that the price of onion in Belgaum may fluctuate in the range of Rs 800-850 per quintal.

"Onion is an important vegetable crop which is often and extensively used in many Indian dishes. At the same time it is the crop which experiences the high volatile prices because of market forces and gambling of traders in marketing of this crop. In this regard, in order to help the farmers to take better sowing decision and to save them from distress sale of the commodity, prices of onion in Belgaum regulated market have been analyzed and prices at harvest have been forecast for Belgaum region by the Domestic and Export Market Intelligence Cell (DEMIC), Department of Agribusiness Management," said a release from the department of agri business, UAS, Dharwad.

In this study, during the last 20 years, the monthly modal price data of onion from Belgaum regulated market has been collected and analysed using reliable statistical data.

"Other than this, in order to cross-check the forecast prices and also to fine-tune them further, the valuable opinions and suggestions collected from onion traders, agricultural scientists and progressive farmers and were kept in mind while coming to the final conclusive forecast prices. The prices in other major markets for this crop and government policies towards this crop were also taken into consideration which influence the prices in this market. The yield of the crop in Belgaum region is expected to be 200 quintals per hectare.”

The price of onion in August, 2011, was Rs 800 per quintal. But being a volatile crop, the prices can fluctuate.

According to the predictions of the DEMIC, the prices of onion may fall towards Rs 800 and Rs 850 per quintal in October-November which is the peak harvest period of the crop. Bold and uniform-sized, well-dried and clean lots of onion are going to fetch higher prices, the release said.

Experts see huge oilseed production potential in NE

Dilip Kumar Jha / Mumbai September 20, 2011, 0:34 IST

A favourable policy, coupled with continuous monitoring of fund allocation from the government, could create the second green revolution through a dramatic spurt in oilseed production in India’s northeastern states, said Atul Chaturvedi, CEO of Adani Wilmar Ltd, one of India’s leading producers of edible oil under the ‘Fortune’ brand.

The agro climatic condition of the eastern sector is very conducive for expanding agriculture. Hence, India needs to get out of the cycle of wheat-rice in the northern and eastern parts of the country.

While responding to an email on the recent directive by the Prime Minister’s Office (PMO) to the Ministry of Agriculture, Chaturvedi said that the eastern part of our country has been singled out for increasing oilseed cultivation. But, the government can ensure procurement of oilseeds in line with wheat and rice to encourage farmers to bring more area under oilseeds.

There is also a need to invest in scientific research for increasing productivity. Average oilseed hovers around one tonne per hectare whereas world produces in excess of two tonnes. “If we manage to achieve world standards our dependence on imports would become negligible.” he added. The overall area under oilseeds has risen to 168.8 lakh hectares in the current kharif season as compared to 164.5 lakh hectares last year.

According to B V Mehta, executive director of the Solvent Extractors' Association of India (SEA), India needs to raise oilseed output at least at 100 kgs per ha for the next five years.

R R Govindan, Vice President of Godrej Agrovet Ltd, said "Traditionally rape seed has been the oil seed popularly grown in the north east. However, there seems to be not much scope to push their productivity. What is not known widely is the suitability of this area for oilpalm which can give about 5 tonnes of oil per hectare. Hence, we must exploit this opportunity,".

Dutch knowhow saves uttarakhand apples

Shishir Prashant / New Delhi/ Dehradun September 20, 2011, 0:17 IST

Van Amerongen technology invited an investment of Rs 15.5 crore

For the apple growers of Uttarakhand, a Dutch technology-built cold storage has come as a boon to end the age-old problem of decaying and rotting of the fruit.

The green cold storage where oxygen level is brought roughly around one to two degrees of the atmospheric level has already started functioning yesterday from the apple belt of Nogaon in Uttarkashi district.

An investment of Rs 15.5 crore came from Stichting Het Groene Woudt (SHGW), a Dutch foundation with the help of Fresh Food Technology, another global company from Holland which has developed the Van Amerongen technology for preserving apples.

Nearly 60 metric tonnes of apples arrived yesterday in the cold storage which would be sold at later stages.

"This is the first cold storage exclusively for apples in the entire Garhwal region," said Laxmi Prakash Semwal, who is heading Shri Jagdamba Samiti, a local NGO, which took the entire initiative to bring the Dutch players into the apple belt of the hill state.

The cold storage has the capacity to store nearly 1000 metric tonnes of apples for nearly nine months. This year, nearly 200-300 tonnes of apples would be procured for the storage, said Semwal.

Farmers are getting a price of Rs 50-55 per kg now against the market price of Rs 80-100, said Semwal. This is being seen as an immediate 20 to 30 per cent jump in the prices.

“Our main focus will be to remove middlemen from the apple business due to which farmers do not get the real price,” said Semwal.

The apple project consists of four decentralised apple collection centres in the Garwhal region. Farmers are encouraged to join the cooperative through which they can process and sell their produce jointly at better price.

For the procurement of apples from different areas, a joint venture company comprising farmers and the Dutch players has also been set up which is using refrigerated vans.

According to Vinod Fonia, horticulture secretary, the wastage through decaying and rotting of apples is very high in the hills — up to 40 to 50 per cent.

Chana hits higher upper circuit on firm demand

Press Trust of India / New Delhi September 19, 2011, 15:14 IST

Chana prices surged over 3% to Rs 3,628 per quintal in futures trade today on strong consumer demand in spot markets for the ongoing festive season against tight supply.

Supported by some inquiries from millers at lower levels amid fall in supplies from producing regions of Rajasthan and Gujarat, further supported the uptrend in the futures trade.

At the National Commodity and Derivative exchange, September chana spurted by Rs 119 or 3.39% to Rs 3,628 per quintal with open interest of 55,450 lots.

The October contract rose Rs 109, or 3.05% higher to Rs 3,681 per quintal with open interest of 3,26,840 lots, while November delivery rose by Rs 103, or 2.83% to Rs 3,747 per quintal with open interest of 1,03,900 lots.

The contract jumped by over 5% in last week on buying by stockists and millers to meet festive season demand and on reports of lower pulses output in the current kharif (summer crop) season.

Cottonseed falls on selling pressure

Press Trust of India / New Delhi September 19, 2011, 14:07 IST

Cottonseed oilcake prices fell by Rs 25 to Rs 1,334 per quintal in the future trade today on profit booking by traders in tandem with a weak spot market sentiment.

Marketmen said fall in demand and increased arrivals in physical markets, led to profit-booking here in futures trade.

At the National commodity and Derivatives Exchange, the September contract fell by Rs 25, or 1.84% to Rs 1,334 per quintal with an open interest of 7,670 lots.

Near December month contract too eased by Rs 7, or 0.60% to Rs 1,151 per quintal, with an open interest of 34,350 lots.

THE HINDU Business Line

Robust demand spices up cardamom

Kochi, Sept. 19:

Despite heavy arrivals at the auctions, the cardamom market gained last week on good export and domestic demand .

“The market gained by Rs 50-60 a kg from the previous week as domestic and export buyers covered,” Mr Renganathan, a dealer in Bodinayakannur (Tamil Nadu), told *Business Line*. He said good quality crop accounted for 30-40 per cent of the arrival, and 8 mm good colour bold was fetching around Rs 1,000 a kg on Monday.

Arrivals at Monday's CPA auction in Bodi is said to be probably the highest at 61 tonnes, traders said. They said the market was firm despite huge arrivals.

Diwali purchases have started pushing up the market. Besides, buying for marriage/winter season/other festivals has also begun and it might continue till December, dealers in Kumily (Kerala) said.

According to them export buying last week could be estimated at around 50 tonnes. Overseas demand, for catering to NRIs in the Gulf, Europe and the US during the ensuing festival season, has started rising, they said.

Peak harvest

Currently, the third round of picking is under way, and is considered the peak harvesting time and, hence, the arrivals have been heavy. The growers seem to want to sell at the current high prices, fearing a decline later. However, they should resort to regulated releases — more as a market intervention exercise — if they are to keep the prices from falling on a possible demand-supply mismatch, official sources suggested.

Total arrivals last week, when only six auctions were held instead of eight, came to 422 tonnes and the entire quantity was sold out because of good demand, said Mr P. C. Punnoose, General Manager, CPMC.

He said the arrivals at the KCPMC auction on Sunday stood at 92 tonnes and the entire quantity was sold. The maximum price stood at Rs 997 and the minimum, Rs 454.50. The average price was Rs 645 kg, he said.

Total arrivals during the current season, up to September 18, stood at 2,731 tonnes as against 1,317 tonnes in the same period the previous season. Sales during the period were at 2,678 tonnes and 1,308 tonnes respectively.

The weighted average price as on September 18, 2011, was Rs 594 a kg while on the same day last year it was Rs 1,296 a kg.

The prices per kg in the open market at Kumily on Monday were: AGEB, Rs 775-800; AGB, Rs 650-680; AGS, Rs 635-645 and AGS, Rs 600-525. In Bodinayakanuur the prices were: AGEB

(7 mm), Rs 725-760; AGB (6 mm), Rs 640-655; AGS (5-6 mm), Rs 620-635; and AGS 1, Rs 585-600. Eight mm bold was fetching Rs 940-1,000 a kg, the trade sources said.

The weather conditions in the growing areas were good, with no rains since last Friday.

The current sunshine, after incessant rains, is good for the plants and the crop, growers said. Recent rains have led to fungus attacks and decay, they added.

(This article was published in the Business Line print edition dated September 20, 2011)

Rubber futures turn weak

Kottayam, Sept. 19:

Rubber futures turned weak on Monday. The October series declined to Rs 215.50 (218.13), November to Rs 214.02 (216.94), December to Rs 214.75 (217.58), January to Rs 216.10 (218.81) and February to Rs 216.25 (219.75) a kg for RSS 4 on the National Multi Commodity Exchange.

RSS 3 (spot) slipped to Rs 225.04 (225.81) a kg at Bangkok. The Tokyo Commodity Exchange remained closed on account of the ‘Respect for the Aged Day '.

The spot rubber prices were not available owing to a hartal in the State.

(This article was published in the Business Line print edition dated September 20, 2011)

Nusli Wadia co's strategy to buy coffee from other estates clicks

Bangalore, Sept. 19:

Nusli Wadia-owned Bombay Burmah Trading Company's (BBTC) strategy of buying coffee from neighbouring estates, or what is known as outsourced coffee in trade parlance, has paid rich dividends. Through outsourced coffee, the company's sales volume rose 58.82 per cent to touch 1,655 tonnes during 2010-11 compared with the year-ago period.

Outsourcing coffee is buying it from neighbouring estates/region and selling along with their own produce. Pulping is a specialised activity and small and medium growers find it hard and economically unviable to do on their estates. Hence, big companies such as BBTC step in to buy coffee fruits at farmgate. The company's total sales in 2010-11 stood at 1,655 tonnes of which 891 tonnes were outsourced. In 2009-10, total sales of the company stood at 1,042 tonnes of which, 998 were outsourced. BBTC, in its Management Discussion and Analysis, said: “Due to a shortfall in world production and relatively high prices, there has been an opportunity to increase volumes through outsourced procurement. Cost efficiency and consistent quality standards are ensuring a better foot prints worldwide for our coffees.”

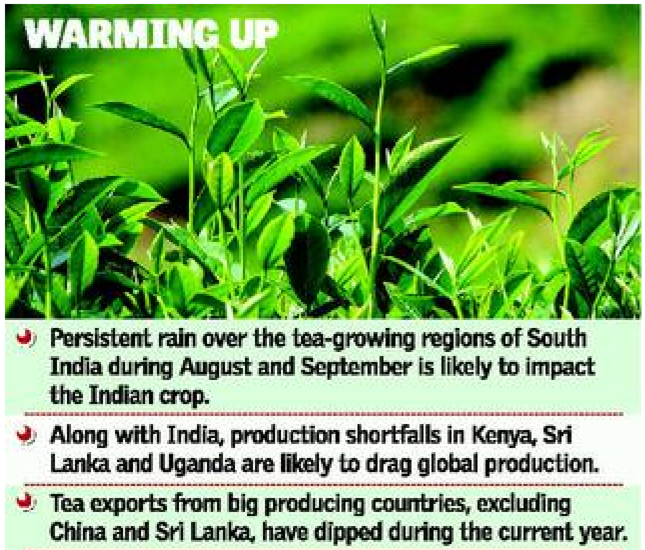
“Due to failure of arabica crop in most producing countries, an aggressive strategy to procure outsource arabica is necessary and in progress,” it added. A planter familiar with outsourced coffee buying said: “It is mainly robustas which are sold at farm gate in south Kodagu, where big companies that have required infrastructure to pulp coffees buy them in large quantities to market it abroad as washed robustas.”

“Arabicas will continue to be strong in the coming year and with increased crops in our estates and a more assertive outsourcing programme should improve volumes. Robusta markets have been buoyant in the last quarter of 2010-11 and as long as quality standards are maintained we will be able to realise better prices in the coming year.”

(This article was published in the Business Line print edition dated September 20, 2011)

Tea prices likely to rule firm as global output slips

Drop in country's production could further hit demand-supply



Kochi, Sept. 19:

Tea prices are likely to rule firm as production shortfalls loom large before Indian and global tea markets.

Persistent rain over the tea-growing regions of South India during August and September is likely to impact the crop. Though the rain seem to have abated by the third week of September, sources said, much of the damage has been done.

The surfeit production from North India made up for the production shortfalls from South, said Mr R. Sanjith, Head of Commodities, United Planters Association of Southern India (UPASI).

Production affected

The incessant rain has affected plucking operations in South India. But it does not seem likely that the increased north Indian production, which had helped to buttress the slippages from South India, is likely to continue into the next few months.

Along with India, production shortfall in Kenya, Sri Lanka and Uganda are likely to drag global production.

Kenya and Uganda

Global production had dipped by 11 million kg by July on account of huge shortfall from Kenya and Uganda. A dip in tea production from India could further tilt the delicate demand-supply balance in the global markets.

Indian production was higher by close to one million kg, while Kenya reported a huge shortfall of 31 million kg. Ugandan production had slipped by over 5 million kg. Latest reports also indicate that persistent rain have begun to affect the tea crop from Sri Lanka. The island nation's tea production was up by close two million till July 2011. Sources in the trade said that all that could now change.

Tea exports from big producing countries, excluding China and Sri Lanka, have dipped during the current year. Indian exports witnessed the steepest decline on 17.5 million kg till July 2011, while Uganda recorded an export shortfall of six million kg and Kenya close to five million kg. The decreased tea arrivals in the coming months could mean that prices are likely to remain firm.

Growth in China

While several countries recorded fall in exports, China reported brisk growth by close to 14 million kg by June 2011. Kenya was the biggest tea exporter in the world last year, accounting for over 25 per cent of the global tea trade, followed by China and Sri Lanka with over 17 per cent and with India with over 11 per cent.

After the sharp rise in tea prices during 2009, there was a dip in 2010 and prices are continuing to rule at last year's levels. The emerging trends in global prices could become evident depending on the world production trends in the coming months.

(This article was published in the Business Line print edition dated September 20, 2011)

Ministers' panel may lift ban on onion exports

New Delhi, Sept. 19:

Under pressure from farmers in Maharashtra, the Empowered Group of Ministers (EGoM) is likely to reverse its decision to ban export of onions. The group, headed by the Union Finance Minister, Mr Pranab Mukherjee, is scheduled to meet on Tuesday.

Official sources said a delegation of farmers, along with the Maharashtra Chief Minister, Mr Prithvi Raj Chavan, met Mr Mukherjee in Mumbai on Saturday and told him of their plight after the ban. The Finance Minister assured them of considering their views, sources claimed.

To check rising retail prices, the EGoM had banned onion exports on September 7. Following the decision, traders in the Nashik , the biggest onion market in Asia, shut shop in protest. Wholesale prices plunged from over Rs 1,000 a quintal to around Rs 600 following the ban.

Though the EGoM had decided to review the ban every fortnight, widespread protests, especially by farmers, are believed to have forced the Centre to reconsider its decision within 10 days.

According to the Web site of the Department of Consumer Affairs, retail price of onions in Delhi declined from Rs 25 a kg on September 12 to Rs 23 a kg on Monday. Yet, this is high compared with Rs 19 a kg about a month ago.

Onion production in the country is likely to touch 151.36 lakh tonnes in 2011-12 from the previous year's output of 145.62 lakh tonnes.

(This article was published in the Business Line print edition dated September 20, 2011)

Cotton blooms as rain affects inflows

Rajkot, Sept. 19:

Demand from exporters and yarn mills kept cotton firm at Rs 41,500 a candy of 356 kg in Gujarat markets on Monday. Traders said that rain in Gujarat and Punjab have raised fears of crop being affected, lifting cotton in the last few days.

A-grade Sankar-6 variety was traded at Rs 40,500-41,500 a candy while the lower grade quoted at Rs 34,000-35,000 a candy. Raw cotton or *kapas* rose by Rs 10-15 to Rs 880-987 for a *maund* of 20 kg.

Kalyan variety ruled at Rs 26,000-28,000 a candy.

Prices have increased as arrivals dropped across the country because the cotton arrival has been delayed this year by 15-20 days, traders and brokers said. While 4,000-5,000 bales of 170 kg each arrive daily in Gujarat, 8,000-9,000 bales arrive in the rest of the country.

Delayed arrivals because of rains coupled with random export enquiries have led to an increase in prices in the past six weeks, resulting in windfall gains of 26-28 per cent for traders who bought the crop in July-August when cotton was quoting between Rs 30,000 and Rs 32,000 a candy.

Cotton may have peaked and prices will come down as soon as new crop arrivals begin, said a Rajkot-based broker.

(This article was published in the Business Line print edition dated September 20, 2011)

Edible oils drop on global cues

Mumbai, Sept. 19:

Edible oils declined tracking bearish world markets and limited local demand on Monday. Crude palm oil futures (CPO) on Bursa Malysia Derivatives (BMD) closed lower tracking concerns about crude oil and the Euro zone.

Palmolein declined by Rs 2, soya refined oil by Re 1, sunflower expeller refined oil by Rs 5 and rapeseed refined oil by Rs 2 for 10 kg following a weak Malaysian market. Supplies of sunflower oil have eased after local refiners held back produce last week, a wholesaler said. Groundnut and cotton oils remained unchanged even as arrivals fo new crops from producing centres remain low.

Spot volumes were need-based as usual during the middle of a month because of poor local demand, traders said.

Resellers sold 150 – 200 tonnes of palmolein at Rs 558-560. A refiner bought back another 100 tonnes at Rs 557. Liberty quoted palmolein at Rs 563-565 and soya oil at Rs 645. Ruchi offered palmolein at Rs 563, soya refined oil at Rs 645 and sunflower refined oil at Rs 725. Allana quoted palmolein at Rs 563 for delivery between September 20 and 30. Malaysia's BMD CPO October contracts closed lower at MYR3,080 (MYR3,099), November at MYR3,049 (MYR3,078) and December at MYR3,041 (MYR3,070) a tonne. Mumbai commodity exchange spot prices (Rs/10 kg): groundnut oil 985 (985), soya refined oil 644 (645), sunflower exp. ref. 665 (670), sunflower ref. 735 (735), rapeseed ref. oil 700 (702), rapeseed expeller ref. 670 (672), cotton ref. oil 660 (660) and palmolein 558 (560).

(This article was published in the Business Line print edition dated September 20, 2011)

Paddy harvest delayed; rice market range-bound

Karnal, Sept. 19:

Paddy arrivals at the Karnal grain market terminal have been low so far as the crop is not matured enough for harvest in all growing areas.

Arrivals may gather pace within next 10 days, while arrivals of all paddy varieties may start around mid-October, said Mr Satpal Singh, a commission agent. Quality of the stock is good and moisture level is also according to the norms, he added.

The market is moving range-bound but within a positive territory, said market sources. Demand for non-basmati varieties and brokens of both aromatic and non basmati varieties is good, supporting the market and prices may rule firm for next few days.

On Monday, Pusa-1121 (steam) quoted at Rs 4,900-5,040 a quintal while Pusa-1121 (sela) was around Rs 3,950-3,970. Basmati (raw) was ruling at Rs 5,700-5,800 a quintal while basmati sela sold between Rs 3,900 and Rs 4,000 a quintal. For the brokens of Pusa-1121, Tibar ruled at Rs 3,300-3,625, Dubar was at Rs 2,600-2,920 while Mongra was trading at Rs 1,900-2,340 a quintal.

Non-basmati varieties were quoted with marginal variations. PR-11 (sela) sold at Rs 2,150-2,410 a quintal, while PR-11(raw) quoted at Rs 2,000-2,350 a quintal.

Permal (sela) sold at Rs 1,800-2,075 a quintal while Permal (Raw) was at Rs 1,900-2,100 a quintal.

Sharbati (steam) ruled at Rs 2,900-3,035 while the Sharbati (Sela) was at Rs 2,850 a quintal. Among the brokens of Sharbati variety, Tibar quoted at Rs 2,400-2,725, Dubar sold at Rs2,100-2,360 while Mongra was trading around Rs 1,700-1,850 a quintal.

Paddy Arrivals

About 7,000 bags of different PR paddy varieties arrived and sold at Rs 1,060-1,420 a quintal while around 4,000 bags of Sharbati variety arrived and went for Rs 1,500-1,550 a quintal.

(This article was published in the Business Line print edition dated September 20, 2011)

Weak offtake drags soya oil

Indore, Sept. 19:

Sluggish local demand and weak foreign markets dragged soya oil on Monday.

Soya refined declined to Rs 632-633 for 10 kg on weak Malasiyan palm oil futures and slack buying at the higher rate.

Soya solvent remained bearish in the spot and delivery market quoting at Rs 596-601 for 10 kg (Rs 600-605). Soya oil remained sluggish on the National Commodity and Derivatives Exchange, with September and October contracts closing lower at Rs 667 and Rs 648.80 for 10 kg. On National Board of Trade,however, soya-refined futures were up a little, with October contract closing at Rs 649.60 for 10 kg.

Soya seeds traded lower on improved arrivals at 45,000 bags, including 12,000 bags of new soyabean, in State mandis and weak demand. Old soyabean ruled at Rs 2,230-2,270 a quintal while new soyabean quoted at Rs 1,800-2,000 a quintal While 2,600 bags of old soybean in Indore mandis, 400 bags of new soybean arrived. Plant deliveries of soyabean also ruled low at Rs 2,360-2,365 a quintal. Soyabean futures traded lower on weak projections by Chicago Board of Trade, with its September contract closing at Rs 2,312 a quintal.

Sluggish demand also kept soya de-oiled cake sluggish selling in the port on Monday at Rs 18,500 a quintal against Rs 17,200 in the local market.

(This article was published in the Business Line print edition dated September 20, 2011)

Turmeric plunges despite lower arrivals

Erode, Sept. 19:

Despite lower arrivals in Erode markets, spot turmeric prices dropped by Rs 300 a quintal on Monday.

“We expected prices to improve, but the traders quoted lower due to want of demand,” said Mr R.K.V. Ravishankar, President of the Erode Turmeric Merchants Association. He said the prices fell below Rs 4,500 a quintal and also ruled out an improvement till the end of this season.

Because of the declining trend, turmeric farmers brought only 5,600 bags for sale. Traders are buying cautiously buying as the price in Nizamabad is low and also turmeric futures ruled lower than last week. North Indian traders are buying the commodity in Nizamabad with no fresh orders floated for Erode. Only bulk buyers are covering for domestic consumption.

Mr Ravishankar said: “Certainly the prices may not improve, so the traders are quoting low price, buying limited stocks.” Farmers in immediate requirements of money sold off their produce at lower rates. Of the total arrival, 70 per cent of the stocks were sold.

At the Erode Turmeric Merchants association sales yard, the finger variety fetched Rs 3,536-4,534 a quintal. The root variety ruled at Rs 3,169-4,046.

Salem Crop: The finger variety was sold at Rs 4,169-5,219, the root variety Rs 3,996-4,389. Of total arrival of 1,438 bags, 515 were sold.

At the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety was sold at Rs 3,130-4,472, the root variety Rs 2,579-4,320. Of 195 bags that arrived, 190 were sold.

(This article was published in the Business Line print edition dated September 20, 2011)