THE HINDU

Published: September 21, 2011 00:00 IST | Updated: September 21, 2011 04:17 IST NEW DELHI, September 21, 2011

Centre lifts ban on onion export following farmers' protest

Faced with strong protests from farmers and a demand from the Maharashtra government, the Centre on Tuesday announced the lifting of the ban on export of onions with immediate effect.

The decision was taken by the Empowered Group of Ministers (EGoM) on Food headed by Finance Minister Pranab Mukherjee. “Ban on onion export has been lifted,'' Union Minister for Science and Technology Vilasrao Deshmukh told journalists after the meeting.

Union Agriculture Minister Sharad Pawar and Union Minister of State for Food and Consumer Affairs K.V. Thomas attended the meeting.

The ban was imposed on September 9 to check the spiralling prices that touched Rs. 25 a kg in retail in Delhi. The Minimum Export Price (MEP) has been fixed at $ 475 a tonne, the same level when the government decided to prohibit onion shipment, Mr. Deshmukh said adding the situation would be reviewed after a fortnight.

While the ban brought down the wholesale prices by Rs. 2-5 a kg in Delhi, the decision triggered protests from farmers in the key producing regions of Maharashtra and Karnataka.

Farmers in Nashik district and Bangalore refused to bring their produce to markets, protesting the drop in their profit level due to the ban.

Commerce Secretary Rahul Khullar said the MEP would be reviewed every fortnight and a close watch would be kept on the domestic arrivals, total exports, overall domestic availability and domestic prices.

Published: September 21, 2011 00:00 IST | Updated: September 21, 2011 04:17 IST THIRUVANANTHAPURAM, September 21, 2011

Zero-interest loans for 30,000 farmers

Minister for Cooperation C.N. Balakrishnan said on Monday that primary agricultural cooperatives and cooperative banks would advance Rs.2,500 crore to farmers in a year. Announcing the programmes of the Department of Cooperation for one year at a press meet here, he said about 30,000 farmers would get zero-interest loans for paddy cultivation. The government would reimburse interest to the cooperatives. Besides, interest subsidies would be provided to 25,000 farmers without defaults.

He said the department would start 50 farmers' service centres to make available seeds and fertilizers in time.

Mr. Balakrishnan said the government would extend share capital to 200 primary agricultural cooperatives proposed to be started within a year. Long term loans would be advanced by agricultural and rural development banks to entrepreneurs for starting 50 enterprises. He said five new cooperative professional colleges would be started besides five new courses in existing colleges.

An engineering college is proposed to be set up at Pathanapuram and a retail management institute at Idukki. The Minister also announced plans to set up 50 new Triveni stores, 20 mobile Triveni stores, five floating Triveni stores, 25 Neethi medical stories and four Neethi medical warehouses under the State Cooperative Consumer Federation to check open market prices. The Scheduled Caste and Scheduled Tribe and women cooperatives would be revived. Paddy processing cooperatives would be revived. Audit of 15,000 cooperatives would be completed in one year.

Published: September 21, 2011 00:00 IST | Updated: September 21, 2011 04:04 IST
COIMBATORE, September 21, 2011

Diploma in post harvest technology at PSG CAS

The Department of Nutrition and Dietetics of PSG College of Arts and Science will offer a diploma in ‘Post Harvest Technology' this academic year for those who have completed standard X or equivalent. Even graduates can apply for the course.

According to a release from the college, the programme intends to inculcate vocational and entrepreneurial skills to widen employment opportunities, particularly among the rural youth and the disadvantaged sections of the society.

Entreprenuers

It also aims to give options to those who wish to set up their own industry.

It aims to address the manpower requirements of the food processing industry by not only developing new qualified personnel, but also upgrade the knowledge and skill of those already in the industry.

It is supported by the Union Ministry of food Processing Industries, and approved by the Bharathiar University.

The new Food Processing Plant set up in the college is a full-fledge facility that offers a variety of services.

It has the following product lines – ready to serve or ready to drink fruit based beverages, jam, jelly, and sauce, with bottling facility.

It also includes canning of fruits and vegetables, pasteurised and packed milk and flavoured milk production, instant mixes and masala powder production and packaging, ready to eat foods, research and development, and quality checking laboratories for products.

For more details, contact 0422-4303300 extn: 3357.

Published: September 21, 2011 00:00 IST | Updated: September 21, 2011 04:03 IST
NAGAPATTINAM, September 21, 2011

DPCs exceed target, procure 3.28 lakh tonnes of paddy

Increase attributed to expansion in cultivable area, good harvest

Outweighing expectations: Collector T.Munusamy inaugurating paddy procurement at the Direct Procurement Centre of the TNCSC at Pattamangalam in Nagapattinam district on Tuesday. — Photo: B.Velankanni Raj

Procurement through the expanded Direct Procurement Centres has exceeded the target of three lakh metric tonnes in the district.

Procurement by DPCs from October 1, 2010 to September 30, 2011 stood at 3,25,849 lakh metric tonnes, while it was 2.89 lakh metric tonnes for the corresponding period last year.

The increase in procurement has been attributed to the increase in the cultivable area owing to the early release of water for Kuruvai season and good harvest.

The area under Kuruvai was 45,000 ha as against the 30,000 ha brought under cultivation last year.

The Tamil Nadu Civil Supplies Corporation has set up over 137 DPCs in the district, with 50 more DPCs on the anvil. According to the administration, more DPCs will be set up on demand. Last year the number of DPCs was 67.

Allowance

Addressing the media here at the Collectorate, Collector T.Munusamy said that an allowance of three per cent in moisture threshold, from 17 per cent to 20 per cent, has been allowed for paddy procurement with necessary cut in support price.

However, the farmers demand for allowance of up to 22 per cent moisture content is not practical as it would deteriorate the quality of rice available for public distribution, Mr.Munusamy said. The payment hassles in the DPCs would be removed with the introduction of payment through cheques.

Additionally, the demand for inclusion of TK9 paddy variety under procurement has been accepted by the government, Mr.Munusamy said.

Earlier, a DPC was inaugurated at Pattamangalam village in Keezhvalur block.

Published: September 21, 2011 00:00 IST | Updated: September 21, 2011 04:02 IST Tirupur, September 21, 2011

Project to increase productivity of maize, pulses

To enhance productivity of maize and pulses in the plains of Palar sub-basin in the district, the Department of Agriculture plans to set up a total of 130 demonstration plots, 565 vermin compost units and distribute sprayers at an outlay of Rs. 53.49 lakh.

“The project cost will be taken from the corpus created under the World Bank-aided Irrigated Agriculture Modernisation and Water-bodies Restoration and Management Project,” Joint Director of Agriculture S. Muthusamy told *The Hindu* .

Of the 130 demonstration plots to come up, 110 would be for maize and 20 for pulses spread over select-blocks of Dharapuram, Gudimangalam, Kangeyam, Kundadam, Madathukulam, Palladam, Pongalur, Tirupur, Udumalpet and Vellakoil. Each of the demonstration plots would be set up on an expanse of one hectare in farmers' holdings with the beneficiary farmer to be provided with kits containing hybrid seeds, bio fertilizers like phospho- bacteria in packets and chemical fertilizers like urea and Di-Ammonium Phosphate at subsidised rates.

Soil testing

Soil testing would be carried out at the demonstration plots by experts before the farmers start sowing.

“This is to help the farmers assess the requisite quantity of nutrients needed for ensuring high yield,” Mr. Muthusamy said.

The demonstration plots would act as a ‘practical guide' by itself for propagating irrigation service delivery and water management techniques.

For production of organic manure, earthworms were planned to be supplied with the 565 portable vermin compost units, each of 15 ft X 5 ft X 3 ft in size.

In the case of sprayers, both hand-operated and power-operated equipments would be given to the farmers at 50 per cent subsidy.

“At present, we plan to distribute 73 hand-operated and 45 power-operated sprayers to spray fertilizers and nutrient mixtures,” Mr. Muthusamy said.

- *130 demonstration plots planned*
- *565 vermin compost units too*

Published: September 21, 2011 00:00 IST | Updated: September 21, 2011 04:01 IST
Chitradurga, September 21, 2011

Give more loans for dairy farming activities: MP

Says it will help farmers become self-reliant

TAKING STOCK: Janardhana Swamy, MP (centre), at the district-level review meeting of Canara Bank, the district lead bank, in Chitradurga on Monday.

Janardhana Swamy, MP, has called upon banks to offer more loans for dairy farming, which was a lucrative activity.

Chairing the district-level review meeting of Canara Bank, lead bank of the district, here on Monday, he said that many people, especially farmers, did not have the means to take up dairy farming and other allied activities.

“Banks should encourage people to take up dairy farming, sheep and cattle rearing by offering loans,” he said.With some financial assistance, farmers would not only be able to earn profit but also become self-reliant.

Stating that banks had a significant role to play in the implementation of various Union and State government schemes, he said banks should try to process loan applications of farmers expeditiously. Although banks had several pro-people schemes to offer, they were not being implemented properly owing to shortage of staff, Mr. Swamy said and promised to raise this issue in Parliament. Mr. Swamy that with the assistance of the State Government, an information centre had been set up on the premises of zilla panchayat, where details of various Union and State government schemes would be available and urged the people to make use of the facility. C. Mahalingappa, president of the zilla panchayat, said that many youths in the district were evincing interest in taking up sheep rearing, provided banks offered loans for the purpose. R.C. Patil, manager of lead bank, was present.

- *Banks told to offer loans for sheep and cattle rearing*
- *Information centre set up on ZP premises to disseminate details about government schemes*

Published: September 21, 2011 00:00 IST | Updated: September 21, 2011 04:04 IST
DHARWAD, September 21, 2011

Farmers urged to make use of agro-textiles

“Protective agro-textiles can enhance agriculture productivity, which will help in facing the challenge of food security,” said L. Krishna Naik, Director of the University of Agricultural Sciences, Dharwad, on Monday.

He was speaking after inaugurating a seminar on ‘Protective agro-textiles: advantages and future prospects' on the university campus here. Mr. Naik said protective agro-textiles helped protect plants from the vagaries of nature as well as from pests and animals.

“There is ample scope for introducing protective agro-textiles at the level of the small farmer. Farmers should make use of these textiles and increase their yield,” he said.

Manisha Mathur, Director of the Mumbai-based Sasmira Institute, said agro-textiles in different forms were extensively used in agriculture.

“Some popular agro-textile products are shade nets, harvesting nets, nets for crop protection, fishing nets, mulch mats and textiles used for packaging food,” she said.

She said the market for agro-textiles worldwide grew from 1,615,000 tonnes in 2005 to 1,958,000 tonnes in 2010.

“In developing countries like China, Brazil, and India, there is tremendous potential for growth in the use of agro-textiles,” Dr. Mathur said.

About 200 farmers and 25 experts took part in the seminar.

Published: September 21, 2011 00:00 IST | Updated: September 21, 2011 04:04 IST
GULBARGA, September 21, 2011

Sowing targets revised for rabi season

Sowing targets for the rabi season in the district have been revised, taking into account the unsown area of about 40,000 hectares in the kharif season. Failure of rainfall and reduction in the area under oilseeds were the main reasons for the underperformance during the kharif season this year.

Deputy Director of Agriculture Department M. Chandrashekar told *The Hindu* here on Tuesday that the Government had re-fixed the target for rabi season at 4,59,786 hectares. The sowing target for cereals have been fixed at 2,58,016 hectares, with a production target of 1,96,554 tonnes. In all, 34,025 hectares of land would be covered under oilseeds during rabi, with a production target of 30,930 tonnes.

Mr. Chandrashekar said that out of the total 5.6 lakh hectares sowing target fixed for the kharif season, farmers could complete sowing in only about 5.2 lakh hectares. While there was a serious shortfall in achieving the sowing targets for oilseeds, farmers exceeded the sowing target fixed for red gram this year as well.

As against the target fixed by the Government for red gram of 3.32 lakh hectares, farmers completed sowing in 3.72 lakh hectares, Mr. Chandrashekar said.

Asked about the condition of the crops, the official said the dry-spell for the past 15 days in the district had resulted in the wilting of red gram in sandy, shallow and red soil areas.

“The district urgently requires one or two spells of rain to save the standing red gram and other crops and to enable the farmers to take up sowing of the rabi crops in time,” he added.

As against the target of 64,890 hectares fixed for oilseeds during the kharif season, farmers had completed sowing only in 32,843 hectares.

There had been a shortfall in achieving the sowing targets in almost all the oilseeds, except soybean. While the department had fixed a target of 70 hectares for soybean, the farmers had cultivated the crop in 923 hectares.

Sunflower was sown in 23,356 hectares as against the target of 32,370 hectares; sesamum was sown in 5,734 hectares as against the target of 24,700 hectares and groundnut was cultivated in 1,432 hectares as against the target of 4,000 hectares.

- *Farmers could complete sowing in only 5.2 lakh ha out of targeted 5.6 lakh ha in kharif season*
- *‘Shortfall in achieving sowing targets in almost all oilseeds, except soybean'*

Published: September 21, 2011 00:00 IST | Updated: September 21, 2011 04:06 IST MYSORE, September 21, 2011

Ramdas promises to meet cane farmers' demand

Fasting as a means to achieve ones objectives seems to have fired the imagination of elected representatives, and the K.R. Nagar MLA, S.R. Mahesh, took recourse to it in support of farmers.

The MLA had been on a fast since Monday to express solidarity with the sugarcane farmers of his constituency, seeking the commencement of sugarcane crushing operations in a private factory in K.R. Nagar.

Mr. Mahesh drew attention of the Deputy Commissioner P.S. Vastrad to the delay in the commencement of crushing, and said the factory had not done so for the last 16 months, as a result of which the cultivators were in dire straits.

“Though the attention of officials and the district in-charge Minister was drawn to the plight of the sugarcane farmers, none have followed their assurances with positive action and hence I am determined to sit on an indefinite fast,” said Mr. Mahesh.

Appeal

However, Minister for Medical Education and district in-charge S.A. Ramdas met the MLA later in the evening and promised to meet the demands of the farmers. The Minister also promised to ensure that crushing would commence by September 29, and appealed to Mr. Mahesh to withdraw his fast. Following the Minister's appeal and promise, Mr. Mahesh withdrew his fast on Tuesday evening.

- *Farmers seek commencement of sugarcane crushing*
- *K.R. Nagar MLA withdraws fast following assurance*

Published: September 21, 2011 00:00 IST | Updated: September 21, 2011 04:07 IST JAIPUR, September 21, 2011

Rabi campaign launched in Rajasthan

Rajasthan Agriculture Minister Harjiram Burdak launched a month-long rabi campaign here on Tuesday by flagging off a convoy of 37 “Beej Raths” (seed chariots) to apprise the farmers of new agricultural technologies and extend the benefits of various schemes to them.

As part of the campaign, special camps will be organised at village panchayats across the State to render a variety of services to agriculturists during the rabi crop season. Zila Pramukhs, Sarpanches, Pradhans and other public representatives have been requested to actively take part in the drive.

Principal Agriculture Secretary D. B. Gupta, Director (Agriculture) Bhawani Singh Detha, Director (Animal Husbandry) Rajesh Sharma and Rajasthan Seeds Corporation Managing Director R. C. Solanki accompanied Mr. Burdak in the campaign's inauguration at the Agricultural Research Centre here.

Mr. Burdak said the useful information would be supplied to farmers in accordance with the “package of practice” for each district and in line with the local climatic conditions. The camps will be organised at all the 489 village panchayats in Jaipur district.

The Minister said the campaign would also focus on financial empowerment of farmers by providing them information on the Union Government's schemes for development of rain-fed areas, improvement of fodder and integrated development of the villages predominantly growing pulses.

Besides, mini-kits of seeds and pesticides would be distributed among the farmers and Kisan Credit Cards issued to those who have not received it as yet. Mr. Burdak said he had also issued directions for effective monitoring of the campaign to ensure its benefits to all agriculturists, including the small and marginal farmers.

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hindustantimes
Wed,21 Sep 2011

Cloudy	**Wednesday, Sep 21** Max Min 26.5° | 20.3°	Cloudy	**Thursday, Sep 22** Max Min 36° | 27°
Rain: 00 mm in 24hrs	Sunrise: 5:58		
Humidity: 89%	Sunset: 18:06		
Wind: Normal	Barometer: 1008		

Extended Forecast for a week

Friday	Saturday	Sunday	Monday	Tuesday
Sep 23	**Sep 24**	**Sep 25**	**Sep 26**	**Sep 27**
33° | 26°	33° | 26°	33° | 26°	33° | 24°	33° | 23°
Rainy	Rainy	Rainy	Cloudy	Cloudy

DECCAN Chronicle

Published on *Deccan Chronicle* (http://www.deccanchronicle.com)

Onion export ban lifted

An Empowered Group of Ministers (EgoM) on Tuesday lifted the ban on onion exports to help farmers, said Food Minister K.V. Thomas. The government banned onion exports on September 9 to control rising prices, which touched Rs.25 per kg. Maharashtra Nationalist Congress Party chief Madhukar Pichad had written to Prime Minister Manmohan Singh and Commerce Minister Anand Sharma, demanding withdrawal of the ban on onion exports. Onion farmers from Maharashtra had also approached Agriculture Minister Sharad Pawar, saying the ban had affected prices of the commodity. A high-level delegation from Maharashtra led by state

Agriculture Minister Radhakrishna Vikhe Patil too last week met top union ministers, including Finance Minister Pranab Mukherjee, seeking removal of the ban. Pawar had pointed out that arrival of onions in vegetable markets in September was lower than the same period a year ago, but said the overall onion production is expected to be good. According to officials, the wholesale price of onions declined from Rs.1,000 per quintal before the ban to Rs.600 per quintal in major mandis of Nashik in northern Maharashtra, the main centre of onion trade. All the onion markets in Nashik district of Maharashtra, the country's biggest onion-producing state, have remained closed since September 9 in protest against the export ban. India's onion production is estimated at 151.36 lakh tonnes in 2011-12, which is higher than the previous year's output of 145.62 lakh tonnes.

Source URL: http://www.deccanchronicle.com/channels/business/news/onion-export-ban-lifted-178

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the pioneer

Onion export ban off; prices stay high

Despite onion prices continuing to pinch at Rs 25 per kg in major cities, the Government on Tuesday lifted the ban on onion exports as promptly as it had imposed it.

According to sources in the Food Ministry, while Food Minister KV Thomas was apprehensive about lifting the ban — as onion prices had not yet started decreasing — hectic lobbying by Maharashtra politicians, backed by Agriculture Minister Sharad Pawar, managed to influence the empowered Group of Ministers' (EGoM) decision.

The food EGoM, which is headed by Finance Minister Pranab Mukherjee, decided that the minimum export price of onions would remain the same as it was before the ban — $475 per tonne.

The Government had imposed a ban on onion exports on September 9 in an effort to curb spiralling prices, which had touched Rs 25 per kg in the retail market.

The decision had triggered protests from Maharashtra farmers, which forced Maharashtra politicians to knock on the doors of Union Ministers heading the EGoM last week.

This was followed by Sharad Pawar writing to the Prime Minister in support of the farmers' cause.

Business Standard

Wednesday, Sep 21, 2011

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

BS Reporter / Chennai/ Dharwad September 21, 2011, 0:31 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.

Govt lifts ban on onion exports

BS Reporters / New Delhi/ Mumbai September 21, 2011, 0:01 IST

Barely a day before the Bombay high court’s final order on a petition by a Mumbai-based exporter, the Centre has lifted the ban on onion exports. The move comes after pressure from farmers and political parties, particularly those outside Maharashtra.

Commerce Secretary Rahul Khullar said in a press statement that onion could again be exported, subject to a minimum price (MEP) of $475 a tonne. “This is the position prevailing on September 8, before the ban was imposed,” Khullar said.

Officials said the decision was taken as the price situation had stabilised. Moreover, the new crop is due in the coming weeks. That should further ease the situation, officials added.

The empowered group of ministers (EGoM), headed by Finance Minister Pranab Mukherjee, also decided to extend the stock holding limit on sugar by one more month till November 30 and deferred the decision on rice for a month. The stock holding limit on pulses and edible oils has been extended by a year.

On September 9, the government had decided to ban onion exports after the retail price rose by more than Rs 10 a kg in less than three months in some cities because of a delayed harvest of the kharif crop. However, the decision did not go down well with traders and farmers. The court heard the first arguments on September 14. The final hearing will be done on September 21, followed by the order the same day.

Traders at the wholesale markets of Nashik, the country's largest market for onions, have gone on strike since the decision to ban exports was announced.

Exports were banned barely a day after the directorate general of foreign trade raised the MEP by a whopping $175 a tonne to $475 a tonne. Hoping a ban would not be levied so soon, exporters had contracted nearly 45,000 tonnes with various overseas traders, largely in Dubai. These traders were in various stages of shipment as almost all of them had obtained a no objection certificate from the customs and other regulatory authorities.

"We had already transported 2,600 tonnes of contracted onion to the port for loading in containers. The ban order not only hit the shipment but also added to the overall cost of trade due to re-transportation back to warehouses," said the exporter.

A delegation of senior ministers from Maharashtra, the country's largest onion producing state, had met the food minister and others last week to demand lifting of the ban. Last week, agriculture minister Sharad Pawar is believed to have met Prime Minister Manmohan Singh to apprise him of the situation.

In fact, officials in the agriculture ministry believe the decision was unjustified, as it was done barely days after the MEP was raised significantly. "There was not enough time given to see the impact of raising the MEP," officials said. Data sourced from the department of consumer affairs showed price in some wholesale markets had dropped by around Rs 100 to Rs 325 a quintal since September 9.

Edible oil industry seeks tariff protection

BS Reporter / New Delhi September 21, 2011, 0:00 IST

After Indonesia announced a sharp reduction in export duty on refined palmolein, Indian refiners have urged the government to immediately correct the anomaly in import duty to stop the possible flood of refined edible oils at the expense of domestic refiners.

The domestic edible oil industry demanded the government raise the import duty on refined palmolein to 16.5 per cent, from 7.73 per cent, and lift the four-year freeze on tariff value of edible oils.

Indonesia, one of the biggest suppliers of palm oil to India, is lowering its export tax on packaged refined palmolein to two per cent, from 15 per cent, and that of bulk palmolein oil to eight per cent from October 1. It is also raising the import duty on crude palm oil to 16.5 per cent, from 15 per cent.

The domestic industry has already imported almost six million tonnes of palm oil from Indonesia in the current edible oil marketing year that will end in October, of the total 8.5 mt of oil imports. It feels the domestic refining industry will suffer if barriers are not put in place to stop the influx of refined palm oil from Indonesia.

The tariff value on refined palm oil has not been changed for four years, so the effective duty is much less than the actual one. Industry players demanded the tariff value be realigned to curb the import of refined palm oil.

The tariff value on refined palm oil is at $484 per tonne and the market rate is $1,150. So, the effective import duty is just 3.5 per cent, while on paper, it shows 7.73 per cent.

“The notion that raising the import duty on refined palm oil at this juncture will further push up the already high inflation, is also misplaced, as domestic edible oil companies have sufficient spare capacities to refine as much as crude as possible,” said Sushil Goenka, president of Solvent Extractors’ Association of India, the country’s largest body of domestic edible oil makers.

He said the industry was capable of sustaining any demand push, as it had a refining capacity of 20 mt, while supplies were much less.

The industry, valued at Rs 90,000 crore, comprises big players like Ruchi Soya Industries, Adani Wilmar, ITC and Bungee.

The bulk of the industry meets the local demand for edible oils by importing palm and soyoil in crude form and then refining at their local units.

It also crushes domestically produced oilseeds like soybean, groundnut and mustard. But this is increasingly becoming a lesser portion of their total businesses, as local oilseeds production has stagnated at around 24-27 mt annually, while the edible oil demand is rising by four-five per cent a year.

Local oilseeds are just enough to meet less than half of the total demand of 11-13 mt. While palm oil is imported from Indonesia and Malaysia, soyoil is imported from Brazil and Argentina. In 2010-11 crop marketing year, India imported 8-8.2 mt of edible oils, a year before that imports were around 7-7.5 mt.

"In 2011-12, we believe imports will rise to 9-9.2 mt," said Dinesh Shahra, managing director of Ruchi Soya Industries.

Pepper futures down 0.68%

Press Trust of India / New Delhi September 20, 2011, 14:24 IST

Pepper futures prices fell by Rs 240 to Rs 35,000 per quintal today as speculators offloaded their positions on the back of fresh arrivals and low demand in the spot market.

At the National Commodity and Derivatives Exchange, September pepper was trading Rs 240, or 0.68% lower, at Rs 35,000 per quintal, with an open interest for 340 lots.

The October contract declined by Rs 170, or 0.47%, to Rs 36,100 per quintal, with a business turnover of 9,957 lots.

Marketmen said the emergence of profit-booking by speculators, fresh arrivals from producing belts and low demand in the market mainly led to the decline in pepper futures prices.

Coriander declines on subdued demand

Press Trust of India / New Delhi September 20, 2011, 13:31 IST

Coriander prices fell by Rs 35 to Rs 5,566 per quintal in the futures trade today as traders booked profits on the back of subdued demand in the local markets.

At the National Commodity and Derivative Exchange, coriander for September and November contracts fell by Rs 35 each, or 0.62% to Rs 5,566 and Rs 5,650 per quintal, respectively with an open interest of 9,920 and 8,220 lots.

The commodity for October delivery declined by Rs 21, or 0.37% to Rs 5,585 per quintal with an open interest of 22,770 lots.

Market analysts said in addition to profit-booking by speculators at existing higher levels, subdued demand in the spot market led to the decline in Coriander futures prices.

Mentha oil weakens on profit-booking

Press Trust of India / New Delhi September 20, 2011, 13:14 IST

Mentha oil prices fell by Rs 16.90 to Rs 1,308 per kg in futures trade today as traders indulged in profit-booking, driven by subdued demand in the spot market.

At the Multi Commodity Exchange, October mentha oil declined by Rs 16.90, or 1.27%, to Rs 1,308 per kg, with as a business volume of 474 lots.

The September contract eased by Rs 15.80, or 1.20%, to Rs 1,293.40 per kg, with a business turnover of 898 lots, while November contract mentha oil fell by Rs 15.60 or 1.17% to Rs 1,311.20 per kg in 84 lots.

The fall in mentha oil prices was mostly due to profit-booking by speculators and a weak trend in the spot market on subdued demand, traders said.

THE HINDU Business Line

Onion export ban goes; floor price set at $475/t

New market intervention scheme for wheat, rice finalised

New Delhi, Sept. 20:

The Empowered Group of Ministers (EGoM) revoked the ban on onion exports on Tuesday. However, it retained the minimum export price (MEP) of $475 a tonne that was fixed on September 4, three days before the ban was imposed.

The ban has been lifted mainly in view of the agitation by farmers in Maharashtra. They have not been bringing their produce even since the ban was imposed on September 7. As a result, most of the Agricultural Produce Marketing Committee (APMC) yards have been closed indefinitely.

The ban was imposed to check surging onion prices that hit almost Rs 1,300 a quintal before the ban. However, it served little purpose as prices shot up further to Rs 1,500 a quintal.

Farmers had boycotted the markets, saying the ban had led to a fall in prices that were lower than the cost of production.

With the Union Finance Minister, Mr Pranab Mukherjee, indicating that Tuesday's EGoM would lift the ban, there was some respite in onion prices. On Tuesday, the modal price, or the rate at which most trades took place, dropped to Rs 1,200 from Rs 1,250 on Friday at the Pune APMC.

The EGoM also finalised a revised open market scheme (OMS) for wheat and rice. On the other hand, it has extended the period for stock holding limit in case of sugar, pulses, edible oil and oilseeds.

Briefing reporters, the Minister of State (independent charge) for Consumer Affairs, Food, and PDS, Prof K.V. Thomas, justified the decision to revoke the ban on onion export by saying that prices were stable. However, onion cannot be exported below the price of $475 a tonne. This floor export price will be reviewed every week and any change will be made accordingly, Prof Thomas said.

The EGoM decided to extend the stockholding limit for sugar by two months till November 30. “This has been done keeping festival demand in mind. This will also help to keep a lid on prices,” Prof Thomas said. The Government expects sugar production to touch 240-245 lakh tonnes. With some exports expected to take place and no arrivals seen in October, the EGoM decided to extend the stockholding limit, the Minister said. The EGOM also approved the extension of stock limit for pulses, edible oil and oil seeds till September 30, 2012.

Revised Scheme

To check prices in the market, the EGoM finalised a revised scheme for wheat and rice sale in the open market. The allocation will be same but not the prices, Mr Thomas said. The new scheme will come into operation from October 1.

The allocation for the wheat and rice will be 10 lakh tonnes each. Earlier, the Government used to sell to the States at a price consisting of MSP and freight charge. This ranged from Rs 1,098 to Rs 1,590 a quintal Now there will no freight charge for the States and only MSP will be realised at Rs 1,170 a quintal. However, for traders there will be freight charge at 50 per cent. So, price range for traders would be Rs 1,170-1,425 a quintal.

On the other hand, the allocation price for rice will be Rs 1,492.50 against previous average price of Rs 1,541.07

Compensate us better, and we will switch crops: Tobacco farmers

Rajahmundry, Sept. 20:

Most of the farmers in Karnataka and a substantial number in Andhra Pradesh – the two major Virginia tobacco-growing States – are willing to give up tobacco, provided the Union Government pays them adequate compensation to switch over to alternative crops.

This was stated by Mr G. Kamalavardhana Rao, Chairman of the Tobacco Board, at the two-day conference on alternative crops to tobacco which concluded in the Central Tobacco Research Institute here on Tuesday.

In Andhra Pradesh in 2008, more than 2,500 farmers had come forward with a proposal to give up tobacco cultivation and go in for alternative crops, seeking Rs 5 lakh compensation per barn. He said the issue had been referred to the Union Commerce Ministry.

In Karnataka, too, farmers have voiced a similar demand, he said.

He said Brazil and Zimbabwe were having huge stocks of 200-300 million kg (mkg) of tobacco and it was worrisome to the trade, farmers and the board in India.

The coming years would, therefore, be difficult to everyone and farmers should, therefore, strictly adhere to the prescribed crop size both in Karnataka and Andhra Pradesh.

Efforts would be made to regulate the crop size and ensure remunerative prices to the farmer.

Auctions

Mr Kamalavardhana Rao said tobacco auctions in Andhra Pradesh were in the conclusive phase and so far 162 mkg of crop had been sold in the State at an average price of Rs 94 a kg.

In Karnataka, auctions had commenced on September 15 and they would conclude by January 15.

He said the Karnataka farmers had grown 108 mkg of crop against the authorised crop size of 100 mkg.

During the previous season, farmers in Karnataka had grown almost 128 mkg, and the surplus had been reduced substantially this season, thanks to the efforts of the Tobacco Board.

Dr V. Krishnamurthy, the Director of the CTRI, said the area under tobacco should be brought down and in unsuitable soils it should be given up, but the productivity and quality should be improved.

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Growers told to sell areca after October

Hubli, Sept. 20:

The Domestic and Export Market Intelligence Cell (Demic) of the University of Agricultural Sciences-Dharwad expects prices of areca varieties, except Rashi type in Sirsi market and Coca type in Kumta market, to increase.

Demic has advised the farmers to sell the Rashi type in Sirsi market and Coca type in Kumta market immediately and the remaining types of arecanut to be stored up to October and sell it post October 2011 to realise better prices.

The monsoon this year would see a normal average yield of 20 quintals of arecanut a ha.

Since there are different variants in arecanut which are unique to each market, Demic in order to help farmers to decide upon when and where to sell their produce has come out with the forecast prices of the crop in these markets for the next three months.

According to Demic's price prediction, the prices of arecanut in Kumta market is expected to range from Rs 10,500-11,200 for Chippu type, Rs 8,150-8,050 for Coca and Rs 7,900-8,200 for factory and in case of Sirsi market Rs 11,500-12,000 for Bilegotu, Rs 14,200-13,600 for Rashi and Rs 7,700-8,000 for Coca during September and October.

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Groundnut oil slips on hopes of new arrivals

Rajkot, Sept. 20:

Groundnut oil price declined Rs 30 a tin of 15-kg in the last two days on hopes of arrival of the new crop. Cotton oil ruled stable.

At Rajkot and Saurashtra, groundnut oil was traded at Rs 1,670-1,675 a 15-kg new tin. Label tin stood at Rs 1,650-1,655 for 15 kg and groundnut oil loose was at Rs 950-960 for 10 kg. About 50-70 tonnes groundnut oil were traded on Tuesday.

Groundnut price is ruling at Rs 770-820 for 20 kg and arrivals are about 18,000-20,000 bags.

Price of cotton oil ruled stable at Rs 1,100-1,110 for 15 kg new tin and cotton oil wash price was ruled on Rs 645-648 for 10 kg. Around 500-600 tonnes were traded in cotton oil.

According to traders, new crop of groundnut is about to come in market.Moreover demand is quite weak as prices are ruling high.

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Centre cuts import duty on cloves as prices shoot up

Kochi, Sept. 20:

The Union government, in a bid to provide some relief to the domestic consumers, has brought down the import duty on cloves to 9 per cent from 17 per cent (notificiation No 90/2011-Customs dated September 16).

This year, severe shortage of the commodity world over has led to surge in its prices to record levels and India being a major consumer and a net importer, the Union Government has issued the notification “on being satisfied that it is necessary in the public interest” reducing the import duty on the commodity.

“This is a good step, as it will help legal trade and fraud imports would be stopped,” some of the upcountry dealers told *Business Line*.

They said that several “cargoes of Zanzibar cloves exported by third party exporters from Dar-es- Salam, were coming to Chennai and Nhavaseva ports invoiced at $5,500 a tonne, whereas prices in Zanzibar were at $18,000-21,000 a tonne. It is well known fact that India has re-exported 2,000 tonnes of cloves in past three months at $17,000-19,000 a tonne”.

Demanding uniform valuation for cloves and cassia, the dealers urged the concerned authorities, especially the Customs, to stop these cargoes so as to arrest such fraudulent activities in the future.

They said cloves prices increased by Rs 100 in 2 days, as stocks were very thin while there is a high demand. “Delivery of cloves for Diwali of different origins were traded at Rs1,100 a kg (Colombo) and Rs 1,300 a kg (Zanzibar)”, they said.

“Cloves will soon touch Rs 1,500 a kg, as the new crop of Madagascar is now estimated at only 8,000 tonnes, and Sri Lanka at 1,000 tonnes. “Importers said in Kandy (Sri Lanka) which is the biggest growing area, all flowers are falling as rains were hitting hard the regions daily”.This will lead to fire in local markets in the next 6 months due to huge shortages”, the trade claimed.They said shipments of dry cloves were done from here, as sales were slow in our domestic market during the past 3 to 4 months. As Indonesia wanted dry cargo at $ 17,000 - $19,000 a tonne on “very fast payment”, stockists availing this opportunity shipped out good quantities, they said.

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Masala firms begin buying turmeric from the farmgate

Erode, Sept. 20:

Spot turmeric prices increased marginally by Rs 200 a quintal on Tuesday as masala firms began placing orders and some traders received orders from other States.

“Some traders received orders from other places. The local masala firms also placed some orders with traders, leading to the increase in price,” said Mr R.K.V. Ravishankar, President, Erode Turmeric Merchants Association.

Further, the price quoted in the futures market increased by Rs 50 a quintal and that was reflected in the increase in local price.

He said that turmeric farmers had brought 5,100 bags of turmeric for sales and also the prices quoted in other centres increased slightly. The local traders placed tenders by increasing the price of the commodity and purchased the same.

Over 65 per cent of the stocks put for sale were sold.

Mr Ravishankar said prices at the Erode Cooperative Marketing Society decreased by Rs 100 a quintal for finger variety and Rs 300 a quintal for the root variety.

Similarly, there was a Rs 200 a quintal decrease in the hybrid Salem variety due to quality.

At the Regulated Marketing Society, the finger variety increased around Rs 80 a quintal, the root by Rs 280 a quintal.

Farmers said some masala firms purchased limited quantity in Erode market, but the purchases were made from the doorsteps of the farmers in Erode and other places under ‘cash and carry' system.

Hence, farmers are not bringing their produce to Erode. Prices fetched are lower than the market price. Farmers said such sales helped them save on freight expenses and loading and unloading charges.

At the Erode Turmeric Merchants Association Sales yard, the finger variety fetched Rs 3,834-4,541 a quintal, the root variety Rs 3,694-4,129.

Salem Variety: The finger variety sold at Rs 4,219-5,027, theroot variety Rs 3,804-4,289. Totally, 1,511 bags arrived for sales, of which 300 were sold.

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Imported oils gain with futures

Mumbai, Sept. 20:

Imported palmolein and soya oil rose on Tuesday as local refiners increased prices, tracking a firm trend in local and foreign futures markets. P

almolein increased by Rs 5 and soya refined oil by Re 1. Sunflower refined oil rose by Rs 5 as producers refrained from selling.

Groundnut oil and rapeseed oil remained unchanged while cotton refined oil dipped by Re 1 tracking a bearish cotton market. Crude palm oil (CPO) on Bursa Malaysia Derivatives (BMD) bounced back as palm-oil exports improved. Volumes remain low at 140-150 tonnes because of need-based demand, said a Vashi-based wholesaler. New kharif crop arrivals have started in the South. Resellers sold 100-120 tonnes of palmolein at Rs 562-564. Liberty quoted palmolein at Rs 567-569 and soya oil at Rs 647. Ruchi offered palmolein at Rs 567 and soya refined oil at Rs 646. Allana quoted palmolein at Rs 565 for delivery between September 25 and October 5.

Malaysia's BMD CPO October contracts closed higher at MYR3,084 (MYR3,080), November at MYR3,073 (MYR3,049) and December MYR3,067 (MYR3,041) a tonne. Soya oil contracts on National Board of Trade for October increased to Rs 654.10 (Rs 649.60) and November to Rs 641 (Rs 635) on cues from a firm Malaysian market.

Mumbai commodity exchange spot prices (Rs/10 kg): groundnut oil 985 (985), soya refined oil 645 (644), sunflower exp. ref. 665 (665), sunflower ref. 740 (735), rapeseed ref. oil 700 (700), rapeseed expeller ref. 670 (670), cotton ref. oil 659 (660) and palmolein 563 (558).

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Slack purchases pull back pulses

Indore, Sept. 20:

Falling demand for pulses and pulse seeds at the higher price halted the bull run that began a few days ago on the back of a fear of rains damaging crops.

Chana (kanta) declined to Rs 3,650 a quintal against Rs 3,725-3,750 on Monday on slack demand at the higher price and declining futures on the National Commodity and Derivatives Exchange. Chana (desi) fell to Rs 3,600 a quintal (Rs 3,650-3,675). A weak spot chana also pulled down chana dal, with chana dal (bold) being quoted at Rs 4,950-4,975, chana dal (medium) at Rs 4,850-4,875 and chana dal (average) at Rs 4,750-4,775 a quintal.

Slack demand also dragged masoor. Masoor (bold) slipped to Rs 3,300-3,325 (Rs 3,350-3,375) while masoor (medium) declined to Rs 3,100 (Rs 3,125-3,150). Masoor dal, however, ruled firm. Masoor (bold) was unchanged at Rs 4,000-4,025, masoor dal (medium) at Rs 3,875-3,900 and masoor dal (average) at Rs 3,775-3,800 a quintal. Weak demand dragged tur, with tur (Maharashtra) slipping to Rs 3,600-3,650 a quintal (Rs 3,650-3,700) and tur (Nimari) to Rs 3,000-3,100 (Rs 3,200). Tur dal remained firm, with tur dal (full) being quoted at Rs 6,000-6,050 a quintal, tur dal (*sawa* no.) at Rs 5,100-5,150 and tur dal (marka) at Rs 6,700 a quintal.

Moong (new) ruled firm at Rs 4,400-4,600 a quintal while moong (medium) quoted at Rs 3,500-4,000 a quintal.

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Local orders, higher freight rates spur sugar

Mumbai, Sept. 20:

Spot mill sugar rates increased further by Rs 5-10 a quintal Tuesday on the back of routine demand, continued consumption by local buyers and hike in freight rates by Rs 5-8 a bag on the Baramati-Pune line.

On the Vashi wholesale market, prices of sugar for physical delivery ruled steady, tracking unchanged sentiment at the *naka* delivery trade. Arrivals and dispatches ruled firm on lax mid-month demand.

Sentiment was steady, but the short-term view held firm, sources said. Traders, however, are hoping for improved activity at the market from next week.

Spot and naka-level sugar prices were range bound and unchanged for the 9th consecutive day, a wholesale dealer said. Mill tender rates extended their gains further by Rs 5-10 a quintal on the back of expected improvement in demand during the *Navaratri-Dusshera* festival season which begins next week. Freight rates improved by Rs 5-8 on the Pune-Baramati line. Arrivals were about 48-50 truckloads (each 100 bags), while local lifting was about 48-49 truckloads. On Monday evening, 25–26 mills sold about 1–1.2 lakh bags to local stockists. Mills sold sugar in the range of Rs 2,650-2,710 (Rs 2,650-2,710) for S-grade and Rs 2,735-2,810 (Rs 2,730-2,800) for M-grade.

Bombay Sugar Merchants Association's spot rates: S-grade Rs 2,766-2,851 (Rs 2,761-2,851) and M-grade Rs 2,820-2,981 (Rs 2,820-2,981).

Naka delivery rates : S-grade Rs 2,720-2,770 (Rs 2,720-2,770) and M-grade Rs 2,790-2,890 (Rs 2,780-2,890).

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Festival demand whips up wheat

Karnal, Sept. 20:

Domestic buying pushed up *dara* and *desi* wheat prices by Rs 10-25 a quintal on Tuesday.

Mr Sewa Ram, a wheat trader, told *Business Line* that the demand in the domestic market is emerging and prices may increase further during the festival season.

Dara prices surged by Rs 20-25 and settled at Rs 1,110-1,115 a quintal against Rs 1,080 quoted last week.

Dara prices have increased by Rs 30-35 a quintal over the last two days. Around 450 quintals of *dara* variety arrived from Uttar Pradesh and the stocks were directly offloaded at the mills. Mill delivery was at Rs 1,110 a quintal.

Similarly, the prices of *desi* wheat varieties went up on some buying interest coupled with low stocks. The Tohfa variety rose by Rs 25 to Rs 2,175 a quintal, Raj Bhog went up by Rs 10 to Rs 1,810, Lal Quila increased by Rs 20 to Rs 1,930 and Kangan sold at Rs 1,940, up Rs 10 from the previous level.

On the other hand, on the National Commodity and Derivatives Exchange wheat for October delivery decreased by Rs 2.80 to Rs 1,159.2 a quintal.

Despite good uptrend in wheat, flour prices recovered a tad only. They rose marginally by Rs 5 and quoted at Rs 1,135 for a 90-kg bag.

Chokar prices witnessed a steady trend after witnessing a good rally last weekend. Chokar sold at Rs 540-550 for a 49-kg bag.

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Industrial offtake of coconut oil ebbs

Kochi, Sept. 20:

As winter is poised to set in over North India, the demand for coconut oil-based cosmetics and hair oils has begun to wane.

Moreover, with copious rain reported from several parts of the country, the summer demand for coconut oil based cosmetics and hair oil has not been as good as last year. Consequently, the industrial demand for coconut oil has begun to ebb and prices are likely to be impacted.

But there has already been a fairly significant shift away from coconut oil to palm kernel oil by the cosmetic industry, Mr Prakash B Rao, Member of the Cochin Oil Merchants Association (COMA), said. With coconut oil prices continuing to rule substantially higher than palm kernel oil prices, industries have not only found it far cheaper to use palm kernel oil but have also realised that it gave better conversion rates into soaps.

Coconut oil prices have eased to Rs 87 a kg in Kerala's wholesale markets and to Rs 82 in Tamil Nadu markets. After the Onam season, fresh demand for coconut oil by the State has eased and the flow of coconut oil from Tamil Nadu to Kerala has also fallen. Consequently, price differentials between Kerala and Tamil Nadu remains marked.

With Diwali festivities round the corner, fresh round of demand for edible copra is yet to emerge from North India. Copra prices are ruling at Rs 58 in Kerala wholesale markets as against Rs 54 in Tamil Nadu.

Traders do not envisage any significant upsurge in copra prices due to increased demand for edible copra since it has been for small quantities of specific type of copra.

Signifying that coconut oil prices are not likely to surge up in the immediate future, prices in the futures market are quoting at Rs 84 a kg, lower than the spot prices in Kerala. The October series was also quoting lower at Rs 86 a kg.

Palm oil and palm kernel oil were proving increasingly competitive to coconut oil quoting at Rs 58 and Rs 72 respectively.

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