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COIMBATORE, September 1, 2011

Act as database for Planning Commission, TNAU told

'Give priority to rainfed agriculture to increase farm income'



Vice-Chairperson of State Planning Commission Santha Sheela Nair addressing scientists of Tamil Nadu Agricultural University in Coimbatore.

Vice-Chairperson of State Planning Commission Santha Sheela Nair has asked the Tamil Nadu Agricultural University to act as a database for the Commission.

For this, it has plans to maintain effective linkages with the university, she said, while on a visit to the university recently.

Concern

The Chief Minister was much concerned and keen about development of agriculture in the State, and therefore, raising farm level production, productivity and sustainability should be given maximum attention, she said.

“Rainfed agriculture should be given top priority for increasing farm incomes, besides ensuring production of nutritional foods for local consumption.

‘Cluster Approach’ should be taken up on a pilot basis using e-applications for strengthening farm level planning. Villages need to be adopted to identify viable combinations of income generating enterprises and apply them in those villages,” Ms. Nair said.

She urged the university to take up engenderment issues in its schemes, developing gender-friendly farm implements, and research that was useful to the farming community.

Presentation

Vice-Chancellor of the university P. Murugesu Boopathi made a presentation on the activities of the university and the extension activities.

Ms. Nair also interacted with scientists and students on farm level planning, agricultural extension approaches and rainfed agriculture.

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Food inflation in double digits, RBI may raise rates



The Hindu Prime Minister's Economic Advisory Council Chairman C Rangarajan. A file photo.

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After a gap of over five months, food inflation entered the double-digit zone at 10.05 per cent for the week ended August 20, with Finance Minister Pranab Mukherjee describing the trend as "disturbing" and experts saying RBI may go in for another rate hike.

The weekly food inflation, measured by Wholesale Price Index (WPI), went up from 9.80 per cent on account of expensive onion, vegetables, fruits and protein-based items.

The last time food inflation crossed 10 per cent was in the week ended March 12.

"Food inflation has gone up... This is really disturbing. We shall have to ensure and remove the supply constraints on food items," Mr. Mukherjee told reporters here.

As per the official data released today, prices of onion soared by 57.01 per cent year-on-year and potato rose by 13.31 per cent during the week under review.

Fruits became dearer by 21.58 per cent and vegetables overall by 15.78 on an annual basis.

Prices of protein rich items, egg, meat and fish were up 12.62 per cent, while milk and cereals became dearer by 9.22 per cent and 4.64 per cent respectively.

Attributing the jump in food inflation to seasonal factors, experts opined it could again force the Reserve Bank to hike interest rate during its mid-quarter monetary policy review scheduled on September 16.

"With headline inflation remaining well above 9 per cent, we expect RBI to raise key policy rates by 25 basis points at its next mid-quarterly review," Crisil chief economist D K Joshi said.

Food items constitutes about 14 per cent to the WPI.

Mr. Joshi said seasonal factors like supply problems due to heavy rainfall in parts of the country is pushing up the food inflation.

He, however, said as monsoon has been good so far, prices of vegetables may come down in the coming days.

Planning Commission Deputy Chairman Montek Singh Ahluwalia too said seasonal factors are pushing up inflation.

"Inflation is a worry... If you see the data, last year at this time food prices went down and then rose again. So I would not be surprised if prices rise a little bit," Mr. Ahluwalia said.

Overall, primary articles recorded 12.93 per cent inflation for the week ended August 20, up from 12.40 per cent in the previous week. Primary articles have a share of over 20 per cent in the WPI.

However, inflation in non-food articles, like fibers, oilseeds and minerals, stood at 17.19 per cent, down from 17.80 per cent in the previous week.

As per the data, fuel and power inflation was at 12.55 per cent for the week ended August 20, down from 13.13 per cent in the previous week.

"I expect food inflation to come down in the coming weeks ... as the monsoon has been good. We are almost towards the end of the monsoon and all indications are that the agricultural production will be good during this year," Prime Minister's Economic Advisory Council Chairman C Rangarajan said.

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Food inflation in double-digit; onion, fruits turn expensive



AP Onions are displayed for sale at a vegetable market in New Delhi. File Photo

Food inflation entered the double-digit number after a gap of five months, at 10.05 per cent for the week ended August 20, as onion, fruits, vegetables and protein-based items turned more expensive.

Food inflation, as measured by the Wholesale Price Index (WPI), was 9.80 per cent in the previous week. The rate of price rise of food items was over 15 per cent during the same week last year.

This is the first time food inflation entered the double-digit mark since the week ended March 12, when it was at the same figure of 10.05 per cent.

As per the official data released today, prices of onion soared by 57.01 per cent year-on-year, while that of potato by 13.31 per cent during the week under review.

Fruits became dearer by 21.58 per cent and vegetables overall by 15.78 on an annual basis.

The prices of egg, meat and fish were up 12.62 per cent, while milk and cereals became dearer by 9.22 per cent and 4.64 per cent, respectively.

However, pulses became cheaper by 4.16 per cent and wheat by 2.52 per cent year-on-year.

Overall, primary articles recorded 12.93 per cent inflation for the week ended August 20, up from 12.40 per cent in the previous week. Primary articles have a share of over 20 per cent in the WPI.

However, inflation in non-food articles, which include fibres, oilseeds and minerals, stood at 17.19 per cent, down from 17.80 per cent in the previous week.

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Double-digit food inflation disturbing: Pranab



The Hindu A file picture of Union Finance Minister Pranab Mukherjee.

Terming the double-digit food inflation as "disturbing", Finance Minister Pranab Mukherjee on Thursday said supply of food items needed to be improved to deal with the price rise.

"Food inflation has gone up ... This is really disturbing," he told reporters here.

His comments came after data showed that food inflation touched the double-digit mark after a gap of over five months.

It was at 10.05 per cent for the week ended August 20, as onion, fruits, vegetables and protein-based items turned more expensive.

"Inflation is always a matter of concern and we shall have to ensure and improve the supply of food items," Mr. Mukherjee said.

As per the official data released today, prices of onion soared by 57.01 per cent year-on-year, while that of potato by 13.31 per cent during the week under review. Fruits became dearer by 21.58 per cent and vegetables overall by 15.78 on an annual basis. The prices of egg, meat and fish were up 12.62 per cent, while milk and cereals became dearer by 9.22 per cent and 4.64 per cent, respectively. Commenting on the latest numbers, Planning Commission Deputy Chairman Montek Singh Ahluwalia also expressed concern, but said seasonal factors have a role to play.

"Inflation is a worry... If you see the data, last year at this time food prices went down and then rose again. So, I would not be surprised of prices rise a little bit," Mr. Ahluwalia said.

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COIMBATORE, September 1, 2011

Siruvani to overflow

By the time this news reaches your hands, the Siruvani might have well overflowed. As of Wednesday afternoon, the water level in the dam was 47.89 ft, just 1.65 ft short of the full reservoir level.

Sources in the Tamil Nadu Water Supply and Drainage Board say if the rains were to continue at the present level the water would overflow by Wednesday night or Thursday morning. The excess water would drain the western side (Kerala) into tributaries of River Cauvery and re-enter Tamil Nadu.

On Tuesday, the water level stood at 47.07 ft, after receiving 40 mm rains. On Monday, the water level was 46.25 ft following 24 mm rains.

The sources say the Board was drawing around 97 million litres a day for supply to Coimbatore Corporation and also wayside habitations. The Board supplied water to nine town panchayats and 10 village panchayats.

In the absence of inflow, the Board drawing 97 mld resulted in drop in water quantity by four – five cm a day when the dam was full and eight – nine cm a day when the water was close to the dead storage level.

The sources explained that the variation in reduction in water level was on account of the shape of the dam, which resembled a tea cup, where the water spread area increased towards the top.

In the corresponding period last year, the water level in the Siruvani Dam stood at 29.52 ft. The maximum recorded last year was only 35.43 ft, which was in December.

Published: September 1, 2011 00:00 IST | Updated: September 1, 2011 04:05 IST Nagercoil, September 1, 2011

Rain lashes Kanyakumari district; water level in dams on the rise

Heavy rain lashed different parts of the district for the second day on Wednesday. The water level in both Perunchani and Pechipparai dam was also slowly increasing owing to the incessant rain in Kannimar, Kottaram, Boothapandi, Kanyakumari, Surulode, Thiruvattar, Colachel and other catchment areas of the district.

The maximum rainfall of 42 mm was recorded at Pechipparai, 27 mm in Perunchani and Puthen dam respectively, 24.5 mm in Kannimar, 21 mm in Surulode, 20.4 mm in Myladi, 18.2 mm in Colachel, 15 mm in Nagercoil, 15.8 mm in Kottaram and 11.2 mm in Boothapandi.

Water level in Pechipparai dam stood at 27.10 feet with the inflow of 1,137 cusecs water, 43 feet in Perunchani with the inflow of 1,057 cusecs of water, 3.61 feet in Chittar I and 3.71 feet in Chittar II.

Published: September 1, 2011 00:00 IST | Updated: September 1, 2011 04:04 IST Namakkal, September 1, 2011

Fertilizer shop owners warned

The district administration has warned persons selling fertilizers at exorbitant rates of stringent action.

According to Collector J. Kumaragurubaran, a special fertilizer monitoring team formed by the Agriculture Department conducted a surprise raid at fertilizer shops following a series of complaints that fertilizers were being sold at exorbitant rates at a few shops.

The licence of a shop was temporarily suspended. The Collector advised farmers to get receipt for the fertilizers they purchased.

Published: September 1, 2011 00:00 IST | Updated: September 1, 2011 03:58 IST PERAMBALUR, September 1, 2011

'Promote low cost technology of vermicompost production'

Agriculture Department officials undergo two-day training



waste to wealth: A training on producing vermicompost underway at the Cotton Research Station at Veppanthattai in Perambalur district .

The 'silpaulin vermibag' method of vermicompost production offered a low cost, portable and easy to handle technology which can be adapted by all types of farmers, observed speakers at a training programme organised at the Cotton Research Station at Veppanthattai here.

Agriculture Department officials from Perambalur and Ariyalur districts were trained on the technology under 'IAMWARM' project and they would in turn propagate the technology among farmers.

The two day training programme, which concluded on Tuesday, was inaugurated by T.Jayaraj, Director, Tamil Nadu Rice Research Institute, Aduthurai. He also released leaflets on bio control agents and distributed soil health cards on the occasion.

Speaking on the occasion, Dr.Jayaraj emphasised the importance of using vermicompost to preserve soil, sustain the yield, improve quality and shelf life of perishable produce.

Fertilizers and agriculture chemicals that were used during the green revolution to increase yield potential of the crop caused a deterioration of the soil's physio-chemical and biological properties, which ultimately affected the environment. He added that vermicomposting is nothing but the nutritive value addition of organic manure.

S.Sivakumar, Joint Director of Agriculture, stressed the need for adopting low cost, portable vermicompost technology to improve farm income as well as soil fertility. He also urged the department officials to disseminate this simple technology to farmers of Perambalur and Ariyalur districts.

R.Kavimani, professor and head of the research station, gave a lecture on the low cost technology.

For sustainable agriculture and improving soil fertility, application of organic manures, green leaf manures and vermicompost was essential, he said.

While vermicompost application was expensive, small and marginal farmers could not afford it.

The silpaulin vermibag method is a low cost, portable technology. It is flexible, economical, easy to handle and can be adapted by all farmers, he said.

T.Sherene, assistant professor, made a technology demonstration and explained the cost benefit ratio achieved by the one time investment for this technology.

R.Baskaran, assistant professor (Agronomy), welcomed the gathering and T.Anand, Assistant Professor, (Plant pathology) proposed the vote of thanks.

Published: September 1, 2011 00:00 IST | Updated: September 1, 2011 08:36 IST Tirupur, September 1, 2011

De-weeding of parthenium launched

Collector M. Mathivanan on Tuesday launched a de-weeding campaign in the district to pluck out parthenium weed which had already affected the agriculture production significantly.

Fertilizers

Assistant Director of Agriculture K. Sherif told *The Hindu* that the parthenium weed infestation had affected standing crops raised on 1,400 ha spread across the district and barren land of over 3,400 ha as on Tuesday. The characteristic properties of the weed were that it eats out the fertilizers and soil nutrients applied for the growth of the agriculture crops thus dwarfing its growth.

During the inauguration of the campaign at Amaravathipalayam hamlet, Mr Mathivanan asked the farmers to take precautionary steps to eradicate the menace which include spraying of Atrazine mixed at the rate of 2.5 kilogram in 625 litres of water over the farm area three days after sowing of agriculture crops so as to prevent the weed from entering into the plot, among other measures. This step should be taken before the presence of the weed could be traced, he cautioned the farmers.

Technical assistance

The agriculture department officials asked the farmers to seek technical assistance from the offices of assistant directors at the block level for wiping out the menace of parthenium weed.

Published: September 1, 2011 00:00 IST | Updated: September 1, 2011 04:03 IST Karwar,
September 1, 2011

Open bank accounts and get loans, farmers told

Deputy Commissioner of Uttara Kannada B.N. Krishnaiah said on Tuesday that farmers in Uttara Kannada who did not have bank accounts and those who had not availed agricultural loan could still make use of the facility.

No accounts

He said that there were many farmers without bank accounts.

These small cultivators stayed away from banks and did not avail agricultural loans, the Deputy Commissioner said.

So, under the Emergency Scheme, an awakening programme would be held in the district to open bank accounts for farmers before September 30, he said. He called upon the panchayat development officers, tahsildars, and officials of Agriculture Department to call gram sabhas before September 10 and create awareness among farmers.

Directive

He directed the officials to issue RTC to farmers without delay.

Mr. Krishnaiah asked the Joint Director of Agriculture Department to bring out a handbook on small and medium farmers in Uttara Kannada district.

Details

He asked them to include details of these farmers, their agriculture land, and its conditions.

About Rs. 118 crore of agricultural loans had been distributed among farmers of Uttara Kannada this year. The district-level officers of different departments, officials of lead bank, and NABARD officials were present.

- *Officials told to raise awareness on banking system among farmers*
- *Revenue officials directed to issue RTC to farmers without delay*

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KOZHIKODE, September 1, 2011

More steps to protect native livestock breeds

Facilities at veterinary hospitals to be improved: Minister



Minister for Agriculture and Animal Husbandry K.P. Mohanan has said that the State government will initiate special measures to protect the native breeds of cows and goats facing extinction.

While addressing presspersons after a visit to the stalls of the Animal Husbandry Department here on Wednesday at an exhibition-cum-sale of agriculture machines and ornamental fowls on the premises of the District Veterinary Hospital here, Mr. Mohanan said the government was presently conducting a scientific study on the medicinal values of the milk and dung of miniature species.

“Though the productivity of such breeds was not found up to the mark, its capacity to produce maximum milk, consuming limited fodder, can never be ignored,” he said.

Mr. Mohanan said steps would be taken during this fiscal itself to develop the goat farm at Kommeri in Kannur district for the protection and promotion of the ‘Malabari’ breed of goats. He

said the government had already sanctioned Rs.9 lakh to develop the area into a farm tourism destination.

Referring to a plan of the government to improve the services in veterinary hospitals, Mr. Mohanan said the existing laboratory facilities in Kozhikode and Kannur districts would witness a major facelift. More high-end equipment for lab tests and scanning would be installed here.

According to Mr. Mohanan, the hatcheries under the government would be supplied the latest range of incubators to increase production. He exuded confidence that the initiative would largely help the State to reduce the bulk import of chicken from other locations.

Fodder unit

The Minister also shared the plan of the government to lay the foundation stone for a fodder manufacturing unit at Thiruvangoor in the district on September 17. To make the venture a success, the government would invest Rs.50 crore, he added.

The Minister affirmed that the new unit would have a special marketing wing. To finalise the project details, the government would convene a meeting of officials on September 5, he added.

Responding to a question on the government's approach to an increase in the milk price, Mr. Mohanan said it was "unavoidable" for farmers, owing to the increased prices of cattle feeds. He clarified that it was within Milma's discretion to take a decision in this regard.

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HYDERABAD, September 1, 2011

Reservoirs full, rains hit five districts

100 low-lying habitations and large extent of crops inundated by flash floods

More than 15 reservoirs lying in the Krishna, Godavari and Vamsadhara river basins were filled to the brim by torrential rains which also caused disruption to normal life in Vizianagaram, Srikakulam, East Godavari, Adilabad and Karimnagar districts on Wednesday.

Projects to the brim

Srisailem, Jurala, Prakasam Barrage and Tungabhadra, all in the Krishna basin, are already full but the latest spell of rains, caused by a low pressure area in the Bay of Bengal, filled almost all projects in the Godavari basin -- Sriramsagar, Kaddem, Nizamsagar, Singur, Ghanpur, Manjira. Reservoirs of Gaddennavagu, Mattadivagu and Sathnala projects (all in Adilabad) and Koulasngar (Nizamabad) too were full.

A quantity of four lakh cusecs of water from the Godavari was flowing into the sea from Dowleswaram anicut in East Godavari. A flood of two lakh cusecs of water reached Srisailem reservoir pushing up its level to 880.8 ft.

In North Coastal Andhra, the Vamsadhara and Nagavali rivers rose suddenly, threatening to submerge many villages. Authorities opened 22 shutters of the Gotta Barrage across the Vamsadhara while Thotapalli and Maddivalasa projects in Vizianagaram district were virtually overflowing as several swollen streams coming from Orissa flowed into them.

Miraculous escape

About 50 people travelling in a country boat had a miraculous escape after they were rescued by locals. Water had entered into the boat while it was in the middle of the swollen Nagavali in Srikakulam district. Lightning killed two women and injured two others at Tekulapalli of Bhimini mandal in Adilabad district.

At least 100 low-lying habitations and large extent of crops in the five rain-hit districts were inundated by flash floods in rivulets and streams. Several villages were cut off as roads leading to them were submerged. Many places received at least 7 cm of rain.

The downpour in Adilabad and Karimnagar districts was so heavy that water entered some inclines of the coal mines of the Singareni Collieries at Srirampur and Godavarikhani, bringing coal-mining activity to a halt.

Kiran reviews situation

Chief Minister N. Kiran Kumar Reddy, who returned from Delhi on Wednesday morning, reviewed the situation with senior officials and instructed them to take all precautions to prevent

any loss of life and property. He wanted District Collectors to monitor the situation round-the-clock and pump out water from roads and other water logged areas.

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Farmers demand lifting of ban on black jaggery

Sugarcane farmers of Chittoor district have threatened to declare a 'cane crop holiday' as the last resort if the government does not lift with immediate effect the restrictions that it has imposed on the manufacture and sale of 'black jaggery'. It is said that the restriction has been imposed on the ground that the black jaggery is coming in handy for makers of illicit liquor. Leaders of the Samstha questioned the wisdom and propriety of the government in imposing a total ban on black jaggery instead of trying to crack its whip on illicit liquor brewers. They further argued that the taste and the colour of the jaggery produced depended on the soil profile and not decided by the farmers. They said that the black jaggery was preferred and used widely in the making of Ayurveda medicines, fodder for the cattle, chick, fish, etc. and said that the ban had affected the Chittoor farmers who were already in deep trouble for a variety of reasons.

'Naidu taught a lesson'

The farmers' leaders also wanted the Chief Minister to remember that it was because of the similar restrictions imposed by Telugu desam Party (TDP) president N. Chandrababu Naidu that the farmers taught him a lesson.

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VISA KHAPATNAM, September 1, 2011

Traders upbeat as jaggery price picks up

Inadequate stocks in other markets in the State help improve situation at Anakapalle

The mood in the Anakapalle jaggery market, one of the largest markets in the country, is upbeat with festive season setting in and prices picking up. The price of the common black variety, which touched a low of Rs.216 a lump last month, has steadily climbed and now commands Rs.250 a lump.

The medium 'Rajbhog' variety and the deluxe varieties are quoting Rs.255, Rs.260, and Rs.270 to Rs. 275.

With stocks not being adequate in Chittoor and Kamareddy markets in the State and the price of jaggery in Anakapalle cheaper than the two markets, the situation has improved.

Even at Mandya in Karnataka, production has not been much. It is able to cater to only the local and Gujarat market. As a result, there is good demand for jaggery sold in the Anakapalle market. The storage, which was 1000 truckloads last week, is presently estimated at 900 loads. "With the festive season setting in, we are confident that in the next one and half month offloading the stock will not be a problem," says prominent trader Korukonda Butchiraju. He is of the view that the festive season will take care of the medium and fine varieties.

Of the 900 truckloads, 400 account for black jaggery. The price of this variety is not expected to go below Rs.250 a lump. In some quarters, there is speculation that it may even go up further.

Last month, the market went through a lean patch with competition from Nowrangpur in Orissa. Kolkata, which lifted stock from Anakapalle, had evinced interest in Nowrangpur, which hitherto catered to the local consumption.

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- *Price of the common black variety is commanding Rs.250 a lump*
 - *With festive season setting in, offloading stock will not be a problem, says a trader*
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Farm query, Battery operated sprayer

Is there anybody who has developed a battery operated sprayer?

B. Ramakrishna, *Bangalore*

Mr. David, Assistant Director of Horticulture, Kadayam. Tirunelveli has developed a rechargeable battery operated sprayer. It has a capacity of 16 litres, operated by an electric motor run by a 12 volt 7A rechargeable battery. Once charged in the night, the sprayer can be

operated for nearly eight hours in the field. Contact Mr. David, email: microeconomicsdavid@yahoo.co.in, mobile 9486285704 for more details.

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Farmers demand terms within FDI in multi-brand retail

Middlemen make huge profits on sale of perishable commodities



Ajay Jakhar, Chairman, Barat Krishak Sangh. - Photo: Special Arrangement

“Gandhiji said, ‘The world holds enough for everyone's need, but not for everyone's greed.’ Being a citrus fruit farmer from Abohar in Punjab I can tell you how right he was. The same citrus I sell on my farm at Rs.16 per kg., after 2 days sells for Rs.50 at Khan market in New Delhi or on the sidewalk of Napean Sea Road in Mumbai. Now that is what one would call a killing,” says Mr. Ajay Jakhar, Chairman, Bharat Krishak Sangh, New Delhi.

Over 50 per cent of Punjab's citrus cultivated in 55,000 acres grows within 30 km of the villages.

Private guilds

While it is widely acknowledged that the state has a monopoly in procurement in food grains, there is rarely a mention of the monopoly that exists between the private guilds of middlemen, commission agents at the sabzimandis (wholesale markets) and the street vendors and vegetable sellers in the retail market.

“They work in tandem to make huge profits on sale of perishable commodities sold by farmers,” says Mr. Jakhar.

Given the perishable nature of fruits and vegetables, the farmer is compelled to sell his crop soon after harvest.

He cannot wait for a better price, thus exposing himself to exploitation by the guilds and this has been happening since time immemorial.

“They buy cheap and allow no competition or transparency in the market. I still cannot fathom as to who makes more money; the wholesale agent or the street vendor,” he adds.

Exploitation

Yet, when it comes to preparing guidelines for foreign direct investment in multi-brand retail, the government curiously can only think of trying to secure the right of these very guilds from anticipated competition of large format stores. These guilds exploit both the farmer and the consumer.

The farmer's share in the consumer price keeps reducing even as the consumer keeps paying more.

Normally perishable produce is purchased by the urban consumer at 50 per cent higher price than at which the farmers sells his produce.

“No monopoly in the world is that profitable,” says Mr. Jakhar.

Defunct body

The competition commission in the country is a defunct body in a perpetual state of absolute slumber.

It is little wonder that the world's largest retail organizations are vying for Indian markets.

Most agriculture produce sold in such large retail stores will be horticulture produce; fruits and vegetables.

Since foreign direct investment in multi-brand retail is almost a done deal, it is important to incorporate the following conditions while the policy for retail is being finalized:

Direct purchase

“Foreign Direct Investment in retail can be allowed provided 75 per cent of the total retail sales of agriculture produce are purchased directly from the farmers.

50 per cent of agriculture produce sold to be purchased from the farmers should be mandated to be within 100 kms of every store,” seems to be his view.

Benefits

Inclusion of these two details will benefit all stakeholders and may specially help small farmers become more productive and profitable for the first time.

To make small farmers self-dependent, it would be advisable to dispense our energy and money on horticulture. The problem is that horticulture involves higher capital costs.

Who is to invest in this capacity building exercise?

“The government of India has increased funding from approx. 700 crore in the seventh plan to Rs.15,000 crore in the eleventh plan. Producing over 230 million tonnes of fruits and vegetables over an area of 20 million hectares, the horticulture sector in India is now an important contributor to the agriculture GDP of the country.

A drop in ocean

“This is but a drop in the ocean. 30 per cent of horticulture produce is lost post-harvest, just as only 2 per cent of horticulture produce is processed, explains Mr. Jakhar.

Officials of the agriculture ministry hazard a guess that to cover just one per cent of India's cultivable land under protected cultivation, the requirement of funds could be Rs.20,000 crores.

Even this high cost will be far more economical and productive than other interventions currently being planned by the government like the national food security act which will keep people dependent on government for life. But that is another nightmare waiting to unfold.

Vote bank

“I can understand the anxiety of the government to focus on the fear of small medium enterprises (SME) & kirana store owners as a critical part of the urban vote bank but could it not spare a thought for the poor farmer too?” he asks.

Contact Mr. Ajay Jakhar on Phone: 011 – 46121708 and 65650384, email: aj@bks.org.in,
website: www.farmersforum.in

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Bio fertilizers for tree cultivation

Excessive use of chemical fertilizers has generated several environmental problems.

To overcome these, bio fertilizers can be used as they are natural, beneficial, eco friendly and user friendly.

They are considered important in growth improvement and establishment of forest tree seedlings as the media used to raise seedlings in nursery as well as planting sites are generally low in nutrients and beneficial microbial populations.

It is very essential to improve the seedling health and quality planting stock of every forest tree species at the nursery level for successful establishment in the field. The following group of bacteria and fungi are major bio fertilizers being used in tree cultivation.

Arbuscular mycorrhizal (AM) fungi are symbiotic associations between tree roots and soil fungi that play a key role in nutrient cycling in the ecosystem and also protect plants against environmental stress.

Nitrogen fixing bacteria

Some bacteria are capable of nitrogen fixation from the atmospheric Nitrogen pool. The major types of N₂ fixing bacteria are *Azospirillum*, *Rhizobium*, and *Frankia*.

Azospirillum is free living in soils so that it can be cultured and produced in artificial medium only.

It can be used at the rate of 5 gm / tree seedlings of all tree crops.

Rhizobium is host specific nitrogen fixing bacteria normally associated with leguminous trees. About 5g of *rhizobium* /tree seedlings of leguminous tree crops is required for nitrogen fixation and growth improvement.

Phosphate solubilising

Most of the Indian soils are deficient in phosphorus and its requirement is met by the addition of phosphate fertilizers in the form of aluminium phosphate or iron phosphate.

But these fertilizers are becoming costly and may have adverse effect on forest trees. Hence, phosphate solubilising bacteria have to be used. PSB also can be used at the rate of 5gm to all tree seedlings and are capable of solubilising 50-60 per cent of rock phosphorus in the soil.

Care should be taken while using biofertilizers. They should not be mixed with chemical fungicides or insecticides and are to be used with prolonged shelf life forms.

A.Karthikeyan & N. Krishnakumar, *Institute of Forest Genetics and Tree Breeding Coimbatore, Tamil Nadu*

Published: August 31, 2011 00:00 IST | Updated: August 31, 2011 03:59 IST GULBARGA, August 31, 2011

Forest Department seeks conversion of 535 hectares

The Department of Forests has urged Gulbarga Deputy Commissioner R. Vishal to concede the longstanding demand to convert to forest land 535 hectares (ha) under C and D categories in different parts of the district, where the department had taken up widespread planting of trees from 1996 onwards..

Widespread planting

Sources in the Department of Forests told *The Hindu* here on Tuesday that the department had taken up widespread planting of saplings of different kinds of trees under the Neduthopu Yojana from 1996-97 and in 2001-2002. They said the State Government and the Department of Forests had repeatedly asked the local forest officials to get the said land, which now has green cover, converted into forest land under Section 4 of the Karnataka Forest Act, 1963.

Intervention requested

The Deputy Commissioner has been requested to intervene in the matter and instruct the tahsildars concerned to carry out the conversion. In Chitapur taluk, the department cultivated different varieties of trees on 236 ha of C and D category land.

While saplings were planted on 36 ha of land under the same categories in Bennur village, 30 ha was used for planting in Kalgi; 15 ha Hebbal; 45 ha in Bedsur; 60 ha in Tonachi; 10 ha each in Dandothi, Sangavi, Korwar, and Ladlapur, and five ha each in Savathkhed and Mudbal.

Sources said that in Chincholi taluk, the department has sought conversion of 189 hectares of C and D category land into forest land — 54 ha in Bhonaspur; 20 in Dastapur; 18 in Sulepath; 40 in Maqdumpur; 37 in Pastapur and 10 each in Ratkal and Hulsgud villages. In Aland taluk, conversion has been sought for an area of 70 hectares — 20 ha in Bodan, 10 in Gola, 30 in Khajuri, and 10 in Toriwadi.

According to sources, conversion of another 40 ha of land in Gulbarga district — 10 ha in Aurad and 30 in Sindagi — has been sought.

Published: August 31, 2011 00:00 IST | Updated: August 31, 2011 04:05 IST COIMBATORE,
August 31, 2011

CAB estimates higher cotton production

The Cotton Advisory Board (CAB) estimates cotton production in 2011-12 (October-September) to be 355 lakh bales.

The provisional estimate of cotton production in 2010-11 is 325 lakh bales. Consumption by the domestic industry is expected to be 253 lakh bales this year and 281 lakh bales next year and exports to be 70 lakh bales (2010-11 and 2011-12).

The closing stock next season is expected to be 56.5 lakh bales.

According to D. K. Nair, Secretary General of Confederation of Indian Textile Industry, this is a preliminary estimate for the forthcoming season.

The domestic textile industry will appeal to the Union Government to permit cotton exports next season only from January 2012 under the free list so that the textile mills here have better purchase options at the beginning of the season. International cotton production is expected to be higher next year.

Cotton price (Shankar-6 variety) on Tuesday was about Rs.38,000 a candy and was expected to come down, he said.

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hindustantimes



HT Correspondent, Hindustan Times

Email Author

New Delhi, September 02, 2011

First Published: 01:31 IST(2/9/2011)

Last Updated: 02:15 IST(2/9/2011)

Food inflation in double digits

India's food inflation has raced into the double digit level to 10.05% for the week ended August 20, fuelled by a sharp spike in the prices of onions and potatoes.

What's more, eggs, fish, meat and milk have become costlier, pushing up the food inflation figure to double digits, the data released on Thursday showed.

Worse, costlier food and commodities are jacking up the prices of manufactured products. India's overall inflation stood at 9.22% in July.

Finance minister Pranab Mukherjee termed the inflation rate as disturbing. "Inflation is always a matter of concern, and we shall have to ensure and improve the supply of food items," he said.

But global food prices are nearing record highs, implying that the government will have to cough up precious foreign exchange to import essential commodities to control prices.

The UN's Food and Agriculture Organization's food price index — which keeps track of prices of a basket of cereals, oilseeds, dairy, meat and sugar — was 39% higher in June than it was in the same month last year.

Experts said the Reserve Bank, which will present its mid-quarter monetary policy review in September, might have to go for a fresh rate hike despite strong signs of a slowdown in the domestic economy.

<http://www.hindustantimes.com/StoryPage/Print/740659.aspx>

New Delhi, September 01, 2011

First Published: 14:58 IST(1/9/2011)

Last Updated: 15:00 IST(1/9/2011)

Double-digit food inflation disturbing: Pranab

Finance minister Pranab Mukherjee on Thursday said that supply of food items need to be improved to deal with the price rise after data showed a double-digit spike in food inflation.

"Food inflation has gone up ... This is really disturbing," he told reporters in New Delhi.

His comments came after data showed that food inflation touched the double-digit mark after a gap of over five months. It was at 10.05% for the week ended August 20, as onion, fruits, vegetables and protein-based items turned more expensive.

"Inflation is always a matter of concern and we shall have to ensure and improve the supply of food items," Mukherjee said.

As per the official data released on Thursday, prices of onion soared by 57.01% year-on-year, while that of potato by 13.31% during the week under review.

Fruits became dearer by 21.58% and vegetables overall by 15.78 on an annual basis.

The prices of egg, meat and fish were up 12.62%, while milk and cereals became dearer by 9.22% and 4.64%, respectively.

Commenting on the latest numbers, Planning Commission deputy chairman Montek Singh Ahluwalia also expressed concern, but said seasonal factors have a role to play.

"Inflation is a worry... If you see the data, last year at this time food prices went down and then rose again. So, I would not be surprised of prices rise a little bit," Ahluwalia said.

<http://www.hindustantimes.com/StoryPage/Print/740427.aspx>

Weather

Chennai - INDIA

Today's Weather



Cloudy

Friday, Sep 2

Max Min
35.3° | 25.9°

Rain: 00 mm in 24hrs

Humidity: 71%

Wind: Normal

Sunrise: 5:57

Sunset: 18:20

Barometer: 1000

Tomorrow's Forecast



Rainy

Saturday, Sep 3

Max Min
35° | 27°

Extended Forecast for a week

Sunday

Sep 4

Monday

Sep 5

Tuesday

Sep 6

Wednesday

Sep 7

Thursday

Sep 8



31° | 26°

Rainy



31° | 26°

Rainy



31° | 26°

Rainy



31° | 26°

Rainy



30° | 27°

Rainy

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DECCAN Chronicle

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

Food inflation in double-digit; onion, fruits stoke price rise



Food inflation entered the double- digit number after a gap of five months, at 10.05 per cent for the week ended August 20, as onion, fruits, vegetables and protein-based items turned more expensive. Food inflation, as measured by the Wholesale Price Index (WPI), was 9.80 per cent in the previous week. The rate of price rise of food items was over 15 per cent during the same week last year. This is the first time food inflation entered the double-digit mark since the week

ended March 12, when it was at the same figure of 10.05 per cent. As per the official data released today, prices of onion soared by 57.01 per cent year-on-year, while that of potato by 13.31 per cent during the week under review. Fruits became dearer by 21.58 per cent and vegetables overall by 15.78 on an annual basis. The prices of egg, meat and fish were up 12.62 per cent, while milk and cereals became dearer by 9.22 per cent and 4.64 per cent, respectively. However, pulses became cheaper by 4.16 per cent and wheat by 2.52 per cent year-on-year. Overall, primary articles recorded 12.93 per cent inflation for the week ended August 20, up from 12.40 per cent in the previous week. Primary articles have a share of over 20 per cent in the WPI. However, inflation in non-food articles, which include fibres, oilseeds and minerals, stood at 17.19 per cent, down from 17.80 per cent in the previous week.

Source URL: <http://www.deccanchronicle.com/channels/business/personal-finance/food-inflation-double-digit-onion-fruits-stoke-price-rise-699>

THE TIMES OF INDIA

Food inflation in double-digit; onion, fruits stoke price rise

PTI | Sep 1, 2011, 12.33PM IST

NEW DELHI: Food inflation entered the double-digit number after a gap of five months, at 10.05% for the week ended August 20, as onion, fruits, vegetables and protein-based items turned more expensive.

Food inflation, as measured by the Wholesale Price Index (WPI), was 9.80% in the previous week. The rate of price rise of food items was over 15 per cent during the same week last year.

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However, pulses became cheaper by 4.16% and wheat by 2.52% year-on-year.

Overall, primary articles recorded 12.93% inflation for the week ended August 20, up from 12.40% in the previous week. Primary articles have a share of over 20% in the WPI.

However, inflation in non-food articles, which include fibres, oilseeds and minerals, stood at 17.19%, down from 17.80% in the previous week.

1 Sep, 2011, 04.12AM IST, ET Bureau

Fruit prices soar on low supplies

KOCHI/PUNE/AHMEDABAD: Fruit prices have risen ahead of the festival season. Production shortage and good demand have led to a spike in the prices of apple, pineapple and pomegranate. Consequently, consumers are shifting to cheaper fruits available in the market.

Thirty-year-old Nisha Kotak, a homemaker in Ahmedabad, fasting during the holy month of Shravan, said she bought chikoo for Rs 80 a kg and apples for Rs 100 to Rs 120 a kg. "Prices have increased by 20% to 25% in a fortnight since the beginning of the month," she said adding that it had spooked her home budget.

Apples in Delhi retail markets sell for Rs 60 to Rs 80 a kg. Mother Dairy business head (horticulture) Pradipta K Sahoo said premium apples were being sold in retail by Mother Dairy for Rs 89 a kg. At a Reliance store at Ahmedabad, Indian apples were sold for Rs 100 a kg and Fuji apples for Rs 110- Rs 120 a kg.

Traders at Dhalli mandi in Shimla district said the royal delicious variety of apple sold at Rs 1,500 to Rs 2,000 for a box of 25 kg. The red golden variety retailed in the range of Rs 800 to Rs 1,000 a box and the golden variety at Rs 500 to Rs 700 a box. "The supply is less and over 10,000 boxes are coming from the mid ranges of Shimla a day," said Karol Brothers owner Krishna Karol.

A slump in pineapple supply has raised the prices. The ripe fruit sells for around Rs 18 per kg, up from Rs 10-12 per kg some time ago. "This year's harvest is 60% of the usual production. Earlier, 150 to 200 trucks used to go to Maharashtra, Gujarat and Delhi from here. This has come down to 100 trucks now," said Kerala-based Pineapple Far-mers Association president Baby John.

Pomegranate prices in the retail market have gone up due to an increase in consumption during the month of Ramzan. All India Pomegranate Growers' Association president Prabhakar Chandane said, "The pomegranate crop was higher this year as the pomegranate-growing region in Maharashtra received less rainfall which is ideal for the growth of the fruits."

According to Sabu, a wholesale fruit seller, apple prices hover in the range of Rs 100-120 per kg this year against Rs 40 to 50 per kg last year. High prices have affected the sales. "Now buyers look for cheaper fruits. Grapes are cheap comparatively."



By ENS Economic Bureau

02 Sep 2011 04:06:07 AM IST

Food Inflation in double-digit zone at 10.05%

NEW DELHI: Food inflation entered the double-digit zone at 10.05 per cent for the week ended August 20, after a five-month run in single digit lull, fuelling speculation of another rate hike by the RBI. Finance Minister Pranab Mukherjee, who described the development as disturbing, could only offer the familiar line of the need for efforts to ensure and remove the supply constraints on food items.

As per the official data released on Thursday, the weekly food inflation, measured by Wholesale Price Index (WPI), went up from 9.80 per cent on account of expensive onion, vegetables, fruits and protein-based items. The last time food inflation crossed 10 per cent was in the week ended March 12. Food items constitutes about 14 per cent to WPI.

Prices of onion soared by 57.01 per cent year-on-year and potato rose by 13.31 per cent during the week under review.

Attributing the jump in food inflation to seasonal factors, experts opined that it could again force the Reserve Bank to hike interest rate during its mid-quarter monetary policy review scheduled on September 16.

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Food inflation moves into double digit territory, RBI may hike rates

Showing a rising trend across the country due to delayed Monsoon in key producing regions of Maharashtra and Gujarat, food inflation neutralised efforts of Government and central bank to tame it and clawed its way up to the double digit mark after a gap of five months at 10.05 per cent for the week ended August 20, on the back of dearer onions, fruits, vegetables and protein-based items with Finance Minister Pranab Mukherjee describing the trend as “disturbing” and experts saying RBI may go in for another rate hike.

The weekly food inflation, measured by Wholesale Price Index (WPI), went up from 9.80 per cent on account of expensive onion, vegetables, fruits and protein-based items.

The last time food inflation crossed 10 per cent was in the week ended March 12.

“Food inflation has gone up... This is really disturbing. We shall have to ensure and remove the supply constraints on food items,” Mukherjee told reporters here.

As per the official data released on Thursday, prices of onion soared by 57.01 per cent year-on-

year and potato rose by 13.31 per cent during the week under review.

Fruits became dearer by 21.58 per cent and vegetables overall by 15.78 on an annual basis.

Prices of protein rich items, egg, meat and fish were up 12.62 per cent, while milk and cereals became dearer by 9.22 per cent and 4.64 per cent respectively.

Attributing the jump in food inflation to seasonal factors, experts opined it could again force the Reserve Bank to hike interest rate during its mid-quarter monetary policy review scheduled on September 16.

UP to witness bumper paddy production this 'kharif' season

Owing to continued good rains and sowing of hybrid seeds on large scale, UP is likely to witness bumper paddy production this 'kharif' season. It may be recalled the state have already seen the record production of wheat crop this year.

According to state Agriculture directorate sources, the paddy yield might exceed the estimated 135 lakh metric ton (LMT) limit which would be a sort of record in last ten years.

Seeing the probability of a good monsoon season ahead, the farmers in comparison to other 'kharif' crops preferred paddy plantation in larger area than previous years. Against estimate of about 55 lakh hectares made by the Agriculture department in beginning of July the paddy plantation was done in 60 lakh hectare area, said the deputy director (Paddy), Raja Singh in Agriculture directorate.

While several areas in state, not considered favourable for paddy farming, saw plantation this season, the monsoon turned to be a extremely good one responding to expectations of farmers. In most of districts the farmers were not needed to be dependent on irrigation facilities this time due to timely rains, he said.

Another factor which played crucial role in enhancing the yield was use of hybrid paddy seeds on large scale by farmers. Agriculture department sources said, the sowing of hybrid seeds, tested for over double yield than normal paddy varieties, have taken place in 11 lakh hectare area which was meagre in previous years.

In view of favourable weather conditions the Agriculture department have made special arrangements for making available the hybrid seeds on subsidised prices in remote areas traditionally known for paddy farming.

BJP flays Maya govt for failing to tackle flood situation

The Bharatiya Janata Party flayed the Mayawati government for failing to tackle the flood situation in the state and also blamed it for instigating communal hatred just to draw political mileage.

State BJP president Surya Pratap Shahi, while addressing a Press conference here on Thursday said, more than 30 districts of the state have been severely hit by the floods and lakhs of people were out in the open and the state government has failed to launch any relief work. "It's rescue operations were also at a standstill," he added.

The state BJP chief said that during the last four years the Irrigation department, having senior minister Naseemuddin Siddiqui at its helm, had spent more than Rs 4,000 crore to tackle the flood situation but only in vain.

"Major parts of this huge sum of money has been looted by the the contractors in league with the department officials and ruling party leaders," Shahi alleged.

The BJP leader said that last year the flood victims faced unprecedented problems and what was going on at the moment suggests that the Mayawati government has not learnt any lessons from last year's floods. "The Mayawati government has left the flood victims to their own fate and no one knows when they would get any support and assistance from the government," Shahi said.

The state BJP chief also alleged that the Bahujan Samaj Party government was instigating communal tension in the state and the Samajwadi Party and Congress were helping it in its evil design. "The most unfortunate part of the situation is that the majority community is being harassed by the police and the administration on the directives of the ruling party leaders, he said.

Two diseases affect crop production

After floods damaging considerable tracts of paddy fields in Punjab, now two diseases 'sheath blight' and 'foot rot' have attacked the crop in the State, which have the potential of adversely affecting crop yield if preventive measures are not taken at the earliest.

Punjab Agricultural University (PAU) have found the diseases attacking paddy fields in Ropar, Patiala, Ludhiana and Amritsar districts of the State on all varieties, with current weather conditions remaining favourable for spreading of these fungus diseases.

The incidence of sheath blight attack on paddy fields remained up to 20 per cent while incidence of foot rot disease found to be as high of 40 per cent.

"The intermittent rains provide conditions favourable for disease development. Both these diseases can have a negative impact on the crop yield if these are not controlled," PAU Plant Pathologist Department Head T S Thind said.

"Sheath blight can be recognised from light green to straw coloured lesions with purple margins on the lower part of the leaf sheath near the water level. When weather conditions are favourable for the disease, it can spread to upper leaves and inflorescence thus affecting yield reaching panicle emergence stage," said Thind.

Farm experts advised farmers to clean rice fields as pathogen can survive on grassy weeds.

Business Standard

Friday, Sep 02, 2011

Soaring global cereal prices present export opportunity for India

Dilip Kumar Jha / Mumbai September 2, 2011, 0:21 IST

Soaring global cereal prices have provided a rare opportunity, which India should leverage by allowing exports of agri commodities beyond the mandatory buffer stocks, said economists.

According to a recent report by Rabobank, average wheat prices surged nearly 15 per cent from US cents 651 per bushel in the third quarter of 2010 to US cents 748 per bushel in the second quarter of the current calendar year. Similarly, corn price shot up to US cents 732 per bushel from US cents 421 per bushel in the period under consideration. Sugar firmed up to US cents 24.4 per pound from US cents 20.1 per pound.

“The strong price support in agri commodities markets is expected to continue due to supportive fundamentals and on-going investor interest. The agri markets have greatly outperformed the equity and energy markets in August, as recession concerns and the possibility of increasing inflation, along with tight balance sheets encouraged both speculative and commercial buying in agri complex,” said the Rabobank report.

Investors are also likely to continue looking at the agri complex as a hedge against inflation — currently undervalued relative to gold, the traditional inflation hedge.

As on July 1, foodgrain stocks, including rice and wheat, stored in India’s central pool stood at 64 million tonnes, against the mandatory buffer of 27.14 million tonnes. On August 1, foodgrain stocks in the godowns registered with the public sector grain management company, the Food Corporation of India, marginally fell to 61.28 million tonnes. According to trade sources, a significant quantity of the stock could be damaged because it is stored in open plinth and exposed to moisture.

“Instead of allowing foodgrain to spoil, the government must allow an additional quantity for exports, considering the record high global price as a temporary phenomenon,” said D K Joshi, chief economist of rating agency Crisil.

The government, however, allowed a marginal quantity of exports of rice and sugar, which could not make any significant impact either on domestic prices or the storage conditions.

The Food and Agriculture Organisation (FAO) of the United Nations had recently said that prices of bread and wheat flour remained at relatively high levels in the Russian Federation, supported by increased fuel prices and export demand following the removal of the cereal export ban from July 1. Prices of bread and flour in July were 22 and 15 per cent above their levels a year earlier, respectively.

| Commodity | Particulars | Units | 2010 | 2011 | Chg (%) |
|-----------|-------------|----------|-------|-------|---------|
| Rice | CBOT | \$/tonne | 235 | 371 | 57.57 |
| | Thailand | \$/tonne | 420 | 530 | 23.47 |
| Wheat | CBOT | \$/tonne | 208 | 277 | 31.17 |
| | NCDEX | Rs /qtl | - | 1,151 | - |
| Chana | Delhi | Rs /qtl | 2,158 | 3,183 | 47.49 |
| Soybean | Indore | Rs /qtl | 2021 | 2,411 | 19.29 |

Similarly, white maize prices further strengthened in July in Central America, hitting new records. High international prices of yellow maize continued to provide support.

Madan Sabanavis, chief economist of Care Ratings, said: "Certainly, it is an opportunity for India to grab. But, the government would not like to open free exports of commodities like rice, wheat and sugar which created a havoc in recent years. The government would not like the scenario to repeat in the future."

In 2005-06, a wheat supply shortage had prompted the Indian government to import the grain at a very high price from surplus countries such as Kenya. The same step was repeated in 2008-09 for sugar, when the government was forced to allow import of raw and white sugar duty-free, to meet rising domestic demand.

Global natural rubber output likely to rise 5% this year

George Joseph / Kochi September 2, 2011, 0:20 IST

The supply crunch in the global natural rubber market may be less this year, as production is expected to increase five per cent. Supply is expected to be smooth for the next four months. Thus, prices may rise, with major producing countries entering their main production season.



Global rubber production rose 4.9 per cent in the first quarter (April-June) of the current financial year, according to the latest data of the Association of the Natural Rubber Producing Countries (ANRPC).

Earlier, the increase had been pegged at 3.3 per cent. The production rose to 2.9 million tonnes (mt), as against 2.1 mt in the same period last year.

ANRPC's total supply anticipated for this year (January-December) stands almost unchanged at the previous estimate of 9.96 mt, up five per cent over that the year before.

Thailand will be the largest supplier with a production forecast of 3.3 mt, followed by Indonesia (2.9 mt) and Malaysia (975,000 tonnes). India will be the fourth with 901,000 tonnes.

In April, global production was 628,000 tonnes and in May, this was 718,000 tonnes. According to the preliminary estimates, the production in June increased 5.3 per cent over that in June 2010, to 842,000 tonnes.

The production estimated for the next quarter (July-September) is 2.7 mt, compared with an actual production of 2.6 mt in the same period of 2010 — an increase of 3.3 per cent. The latest production estimate is 861,000 tonnes for July, 919,000 tonnes in August and 989,000 tonnes in September — an expected growth of 2.9 per cent each in July and August and 4.2 per cent in September. For October, 3.8 per cent increase has been projected. Production is estimated to increase in November and December, too, due to favourable climate. So, with adequate supply ensured, prices are expected to remain low.

Export of spices rises 22%

George Joseph / Kochi September 01, 2011, 0:29 IST

The exports of spices in the April-July period rose 22 per cent in rupee terms and 26 per cent in dollar terms over those in the same period a year ago. Total receipts in the period stood at Rs 2,613.50 crore (\$585.46 million), compared to Rs 2,135 crore (\$464.92 million) during the same period last year.

This was in spite of a decline of 24 per cent in exports volume during the period to 157,725 tonnes from 208,775 tonnes in the same period a year ago.

Export of cardamom (small) rose 376 per cent in quantity to 975 tonnes and 288 per cent in value to Rs 91.47 crore. During the period, 190 tonnes of cardamom (large), valued at Rs 14.98 crore was exported, compared to 65 tonnes for Rs 3.69 crore last year — a rise of 192 per cent

in quantity and 306 per cent in value. The unit value of cardamom (large) rose from Rs 567.43 per kg in April-July 2010, to Rs 788.16 per kg during the period this year. Export of pepper, cardamom (small), cardamom (large), ginger, turmeric and other spices like tamarind and asafoetida have seen an increase both in volume and value.

Export of value-added products, curry powder and paste rose both in volume and value. But for spice oils and oleoresins, mint products, nutmeg & mace, and other seeds like mustard and ajwanseed, the increase was only in value terms. Exports of all other spices have seen a decline both in volume and value.

Guar seed acreage falls in Haryana, Rajasthan

Vikas Sharma / Chandigarh August 31, 2011, 0:17 IST

The area under guar seed cultivation has remained under stress this year. While Rajasthan, one of the key growing states, has seen a fall in acreage by eight per cent, Haryana has seen a 16 per cent decline, primarily because of scanty rainfall.

The area under guar seed cultivation in Rajasthan this season stands at 2.76 million hectares, compared to 3 million hectares last season. In Haryana the area under guar has come down from 256,000 hectares registered last year to 215,000 hectares this year.

Rajesh Kedia, director, Jai Bharat and Chemical Limited, a company which exports guar products, said there was a marginal decline in guar seed output in Rajasthan but cultivation in Haryana has dipped significantly. The two states account for 80 per cent production of guar seed in India with a combined acreage of around 70 per cent under cultivation.

According to Kedia, the fall in acreage was due to insufficient monsoons in Haryana and also an increase in the area under cotton cultivation (due to higher remunerative prices for cotton last season) at the cost of guar seed in some pockets of Haryana. Sowing for guar, a kharif crop starts in July with the onset of monsoon.

Even as reports suggest that the area under guar is likely to remain under stress, P K Hissaria, president, All India Guar Gum Manufacturers Association, believes the area will rise by 15-20 per cent, with new areas in Rajasthan taking up guar farming this year.

Hissaria said pockets in Rajasthan like Udaipur, Chittorgarh, Kota and Ajmer have seen a rise in acreage. However, Rajasthan agriculture department officials said new areas that have come under guar cultivation will not help increase the output.

Guar seed cultivation in India was predicted to see an upward trend this year, with traders offering high prices for the crop last season. The remunerative prices fetched by guar farmers was primarily because of firming up guar derivatives demand in the export market. The demand this year is 40-50 per cent more compared to the previous year, primarily fuelled by the oil and food industries that accounts for more than 60 per cent consumption of guar derivatives.

The guar gum manufacturing association had earlier said that exports of guar gum will increase to 350,000 tonnes, against 300,000 tonnes last year, which now could change owing to decline in guar acreage.

CII raises pitch for decontrol of sugar industry

BS Reporter / New Delhi August 31, 2011, 0:14 IST



The Confederation of Indian Industry (CII) has asked the government to give freedom to the sugar industry to sell the sweetener in the open market and to remove the obligation on mills to sell subsidised sugar to the government for PDS requirements.

Saying the sugar industry was “strangled” by various government controls, CII said the government should remove the levy obligation as well as the monthly release mechanism for vibrant growth of the sector.

Sugar is one of the most controlled industries in India. Attempts to decontrol it were made without success in 1971-72 and in 1978-79. The government has, over the years, eased controls on other major industries like steel and cement.

Sugar mills can sell in the open market only according to the release mechanism. The Directorate of Sugar in the Union government issues release orders every month and gives mills sale quotas. Mills cannot sell beyond this quota. A penalty is levied if they fail to sell the quota within the stipulated month.

Under levy obligations, mills sell a certain quantity (currently 20 per cent) of their produce to the government at lower than the market price. This is supplied to below poverty line families through PDS.

“The government should remove the levy obligation and instead buy sugar from open market,” CII National Committee on Sugar Chairman Ajay Shriram told reporters here. Shriram, also the chairman and senior MD of DSCL, said the industry supplied levy sugar at 60 per cent of the production cost, which led to a loss of Rs 2,500-3,000 crore a year.

Cotton output pegged to be up 9% in 2011-12

Dilip Kumar Jha / Mumbai August 31, 2011, 0:29 IST



India's cotton output is likely to rise nine per cent this year, to set a new record, on an increase in sowing following the late revival in monsoon rainfall in major producing zones. Total production is forecast at 35.5 million bales (170 kg each) for the cotton year 2011-12 (October-September), as compared to 32.5 million bales in the comparative period last year.

A B Joshi, the Union textile commissioner, forecast overall sowing to rise nearly 10 per cent to a record 12.1 million hectares (ha) this year, due to farmers' speedy migration to cotton from less remunerative crops such as oilseeds and pulses. During the last season, the total area under cotton was 11.1 mha.

Since July 25, the date when the Cotton Advisory Board had its earlier meeting (it met on Tuesday), sowing has recovered significantly due to even distribution of the monsoon. Farmers were also encouraged by the record high price last year to sow more, amid speculation that the remuneration would remain high this year as well.

According to M B Lal, a veteran trader, the price would have an upward bias due to the higher intensity of crop damage in the US, the world's largest producer, following the recent onslaught of Hurricane Irene. The crop in other leading producing countries, including China and Pakistan, is also not very encouraging. Consequently, the price is likely to range at \$0.9-1.1 a pound through this year, Lal said.

Analysts have forecast cotton futures in New York to rise as much as 15 per cent by the end of December, to \$1.20 a pound. Cotton futures for December delivery rose 0.6 per cent on Monday to \$1.0492 on ICE Futures.

Since the government has allowed cotton exports under Open General Licence, Indian traders would be able to benefit from the higher global prices. This is an opportunity all traders would like to exploit, Lal added.

Meanwhile, the textile ministry has extended its export forecast for the current cotton year to seven million bales from the earlier restricted quota of 6.5 million bales. Consequently, the total closing stocks' estimate is 4.75 million bales for 2010-11, as against the previous forecast of 5.25 million bales. Total export is likely to remain unchanged at seven million bales during the ensuing season of 2011-12. Joshi says they have raised the domestic mill consumption estimate to 26.4 million bales for the next season, as compared to 23.6 million bales during the current season.

Consequently, availability of cotton for 2011-12 is forecast at 40.75 million bales, which includes 0.5 million bales of import. Against that, total consumption is estimated at 35.1 million bales, resulting in an opening stock of 5.65 million bales for 2012-13.

THE HINDU Business Line

Food inflation in double-digits; onion, fruits stoke price rise



Business Line Food inflation entered the double-digits at 10.05 per cent, as onion, fruits, vegetables and protein-based items turned more expensive.

New Delhi, Sept. 1:

Food inflation hit the double-digit figure after a gap of five months, at 10.05 per cent for the week ended August 20, as onion, fruits, vegetables and protein-based items turned more expensive.

Food inflation, as measured by the Wholesale Price Index (WPI), was 9.80 per cent in the previous week. The rate of price rise of food items was over 15 per cent during the same week last year.

This is the first time food inflation entered the double-digit mark since the week ended March 12, when it was at the same figure of 10.05 per cent.

As per the official data released today, prices of onion soared by 57.01 per cent year-on-year, while that of potato by 13.31 per cent during the week under review.

Fruits became dearer by 21.58 per cent and vegetables overall by 15.78 on an annual basis.

The prices of egg, meat and fish were up 12.62 per cent, while milk and cereals became dearer by 9.22 per cent and 4.64 per cent, respectively.

However, pulses became cheaper by 4.16 per cent and wheat by 2.52 per cent year-on-year.

Overall, primary articles recorded 12.93 per cent inflation for the week ended August 20, up from 12.40 per cent in the previous week. Primary articles have a share of over 20 per cent in the WPI.

However, inflation in non-food articles, which include fibres, oilseeds and minerals, stood at 17.19 per cent, down from 17.80 per cent in the previous week.

Meanwhile, fuel and power inflation was at 12.55 per cent for the week ended August 20, down from 13.13 per cent in the previous week.

Experts said resurgence in food inflation is expected to put more pressure on the government and the Reserve Bank.

Headline inflation, which also factors in manufactured items, fuels and non-food primary items, was at 9.22 per cent in June.

The Reserve Bank has already hiked policy rates 11 times since March 2010 to tame demand and curb inflation.

The RBI and the Prime Minister's Economic Advisory Council had projected headline inflation to remain high at around 9 per cent till October.

Food inflation was in double digits for most of 2010, but started to moderate from March this year.

In its Economic Outlook for 2011-12 released last month, the PMEAC said that while pressure from food inflation has fallen in recent months, the rate of price rice still remains quite high, with the possibility of a further surge in coming months.

'Haul US to WTO on dumping duty against Indian shrimp'

Recent rulings against the levy should help, say seafood exporters



Kochi Aug. 31:

The Seafood Exporters Association of India (SEAI) has demanded that the Union Government take the US to the World Trade Organisation over continued zeroing in on Indian shrimp exports.

Indian shrimp exports continue to be battered by anti-dumping duty imposed by the US. The WTO had, in a recent judgement, ruled that the US is violating global trade rules in using the method of zeroing to impose anti-dumping duties on shrimp imports from Vietnam.

Practice of 'Zeroing'

Zeroing is a manner in which the US government imposes anti-dumping duty on select shrimp consignments because they fetch lower prices in the US market. According to an exporter, while almost 90 per cent of shrimp export consignments would fetch fair value prevalent in competing countries, the remaining 10 per cent might have to go for distress sale for a variety of reasons, fetching significantly lower rates.

The US government zeroes in on these 10 per cent consignments and imposes anti-dumping duty, much to the detriment of the exporter who has already made a distress sale of his consignment. But for the practice of zeroing, Indian shrimp exports would have been entitled to

de-minimus duty — that is duty of less than 0.5 per cent — which would have resulted in Indian shrimp exports getting out of the US' anti-dumping purview.

Favourable ruling

Several other shrimp exporting countries, including Brazil, Ecuador and Thailand, had taken the US to WTO and received favourable ruling. China is the latest to have taken the US to the global trade body, as recently as February. It is high time India followed the footsteps of the other global shrimp exporting countries. With the favourable judgement, these countries would also be eligible for duty refund with retrospective effect, exporters pointed out.

With an array of preceding judgements stating that zeroing is illegal, the Indian petition would be relatively easier, Mr Anwar Hashim, President of SEAI, said. “It is high time the Government woke up to this central need of the fishing industry,” he added. Going by past experience, it would take around two years for the final ruling to come from the WTO.

With this favourable judgement, Vietnam has got rid of the anti-dumping duty, which had been effective since August 2004. A three-member WTO panel had found zeroing illegal under WTO agreements. The panel held that the US “has acted inconsistently with the provisions of the anti-dumping duty and the GATT” and said that the US should bring its calculation method in line with the two agreements. The ruling comes even as the US Department of Commerce has consistently rejected the Indian submission that zeroing should not be applied.

Anti-dumping duty on Indian shrimp exports for 2011 is at 1.69 per cent. In 2010, anti-dumping duty was at 2.27 per cent while for 2009 it was at 0.79 per cent. If the practice of zeroing was not resorted to by the US Department of Commerce, Indian shrimp exports would have been out of the purview of anti-dumping duty several years earlier, SEAI said.

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Call for easing of curbs on non-basmati rice exports

New Delhi, Aug. 31:

The South India Rice Exporters Association has sought relaxation in the norms for export of premium non-basmati rice. It has called for augmenting the quantities permitted and also easing

port and packaging restrictions. A two-member delegation from the association comprising its President, Mr Naresh Kumar Goel, and Secretary, Mr P. Vishnukumar, met the Director-General of Foreign Trade (DGFT), Mr Anup Kumar Pujari, and the Joint Secretary in the Department of Commerce, Mr Siddharth, on Tuesday and pleaded for increasing the quantity of premium non-basmati rice exports by at least another one lakh tonnes of sona masuri through the Chennai port.

The current policy permits exports of 50,000 tonnes each through Chennai and Vizag ports and ponni rice and matta rice each up to 25,000 tonnes each from Tuticorin and Kochi port respectively.

However, already 50,000 tonnes of Sona masuri rice have been exported from Chennai port, while from Vizag port only 10,000 tonnes could be exported due to high logistical cost and poor road access to the port.

The case for Ponni and Matta from the two designated ports is similar, the Association said adding that the authorities should allow export of an additional one lakh tonnes of sona masuri rice from Chennai port.

Also, it said the transfer of unutilised quantity of sona masuri rice from Vizag port to Chennai port would help the exporting community to effect shipments till a policy decision is taken on the additional quantum of export.

Stating that before the curbs on export, premium non-basmati rice were exported in 20 kg and 25 kg packages to Far East and West Asian markets with 5 kg, 10 kg and 20 kg packages to the US, European and Australian market, the Association said currently the policy restricts exports to package size of 10 kg and less.

Due to the packing restrictions, the overall export cost goes up by \$50-\$60 a tonne, making South Indian non-basmati premium varieties unremunerative compared with varieties such as Thai Jasmine which is sold in 20 kg and 25 kg.

Hence, the Association has sought an increase in the packing size to 20 kg and 25 kg.

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Groundnut oil extends gains on tight supplies

Mumbai, Aug. 31:

Groundnut oil extended its gains to a record Rs 1,025 for 10 kg in the Mumbai edible oil market on Wednesday, tracking a sharp jump in the Saurashtra market on extremely tight supplies.

Palmolein, soya oil, cotton oil, rapeseed oil and sunflower oil were steady to slightly weak on lack of fresh demand as the market was officially closed for Ramzan. Volumes were negligible with players staying on the sidelines. According to a wholesaler, trading activity was dull due to the thin presence of traders. Though refineries quoted lower rates, in the absence of retail business on account of Ramzan, there were few takers. Though resellers were eager to sell at lower rates than importers, there were no buyers. The market will remain closed on Thursday and Friday.

Local demand is also low and less-than-expected despite the beginning of the festival season. A mere 40–50 tonnes of palmolein was resale traded in the range of Rs 556–557. There was no demand in indigenous oils.

Resellers last quoted palmolein at Rs 557. Liberty's rate for palmolein was Rs 562, soya oil Rs 648 and sunflower oil Rs 705. Ruchi was quoting palmolein at Rs 561, soya refined oil at Rs 645 and sunflower oil at Rs 705. Allana's palmolein was quoted at Rs 561 for 10-20 and 20-30 September. Palmolein for October delivery was quoted at Rs 559–560. In Rajkot–Saurashtra, groundnut oil shot up to Rs 1,040–1,050 for loose 10 kg on tight supply and lack of sellers. Cotton wash ruled at Rs 635–637, sources said.

In the Mumbai market, the nominal price for 10 kg of groundnut oil was Rs 1,020–Rs 1,025; soya refined oil Rs 645–Rs 646; sunflower exp. ref. Rs 660; sunflower ref. Rs 705; rapeseed ref. oil Rs 692; rapeseed expeller ref. Rs 662; cotton ref. oil Rs 658 and palmolein Rs 557.

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Mixed trend in rice market

Karnal, Aug 31:

Some good buying lifted the prices of few aromatic and non-basmati varieties, said Mr Amit Kumar, a rice trader.

Pusa-1121 steam remained unchanged and quoted at Rs 4,900-5,000 a quintal. Pusa-1121 went up by Rs 40 and was around Rs 3,900, while Pusa-1121(raw) quoted at Rs 4,275 a quintal.

. Basmati (raw) ruled at Rs 5,750 a quintal while Basmati sela quoted around Rs 3,950-4,000 a quintal.

Among the brokens of Pusa1121, Tibar rose by Rs 100-200 to Rs 3,300-3,500, Dubar increased by Rs 80 to Rs 2,600-2,780 while Mongra traded at Rs 1,900-2,200 a quintal.

Sharbati (steam) increased by Rs 100 to Rs 2,800-2,915 while the Sharbati (Sela) was at Rs 2,750 a quintal, up Rs 50.

PR11 (Sela) sold at Rs 2,100-2,300 a quintal, while PR-11(Raw) quoted at Rs 1,925-2,130 a quintal. Permal (sela) sold at Rs 1,800-1,950 a quintal.

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Sheet rubber flares up on lower arrivals

Kottayam, Aug. 31:

Physical rubber prices increased further on Wednesday. Widespread rain continued to weigh on the arrivals and the market seemed to be moving up, anticipating short supplies during the festive season. Most of the traders appeared to be in a holiday mood as the National Multi Commodity Exchange (NMCE) remained closed owing to Ramzan Id . The transactions were dull.

Sheet rubber flared up to Rs 216 (212) a kg, as quoted by the traders. The grade increased to Rs 214 (210) a kg both at Kottayam and Kochi, according to the Rubber Board.

RSS 3 (spot) firmed up to Rs 216.59 (214.91) a kg at Bangkok. The September futures improved to ¥ 364.5 (Rs 218.24) from ¥ 362.9 a kg during the day session but then slipped to ¥ 364 (Rs 217.94) in the night session on Tokyo Commodity Exchange.

Spot rubber rates (Rs/kg): RSS-4: 216 (212); RSS-5: 206 (203); Ungraded: 202 (197); ISNR 20: 206 (201) and Latex 60 per cent: 131 (130).

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Volume hits 4-week high at Coonoor tea auction

Coonoor, Aug. 31:

Due to *Ganesh Chathurthi*, the market will remain closed on Thursday and, hence, the weekly leaf auction of the Coonoor Tea Trade Association will be held on Friday along with the dust auction. In all, therefore, 15.47 lakh kg will be offered on Friday.

To help the completion of the two-day sale on a single day in the e-auction, the lots for a screen view will be increased. It is, therefore, expected that 20 lots will be sold in two minutes against 17 normally.

This is the highest volume in the last four weeks. It is as much as 2.60 lakh kg more than last week and 2.71 lakh kg more than the offer this time last year.

Of the 15.47 lakh kg on offer, 11.22 lakh kg belongs to the leaf grades and 4.25 lakh kg belongs to the dust grades.

As much as 14.45 lakh kg belongs to CTC variety and only 1.02 lakh kg, orthodox variety. The proportion of orthodox teas continues to be low in both the leaf and dust grades.

Some buyers said that they were facing cash crunch as teas bought in previous auctions had not moved to their destinations yet because of disruption in lorry transport.

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Sell sunflower seed, TN farm varsity tells farmers

Coimbatore, Aug. 31:

Farm varsity experts foresee limited scope for any increase in the price of sunflower seeds that is currently coming to the market. They expect prices to hover around Rs 31-34 a kg over the next three months.

To enable sunflower farmers take better decisions, the experts have asked farmers in the State to sell the seeds immediately on harvest.

Advising farmers against storing the produce, the Professor and Head, Department of Oilseeds, Dr K. Ganesamoorthy, said the total import of vegetable oils in the first two months of the current oil year (November 2010-October 2011) dipped by 8 per cent to 14.21 lakh tonnes against 15.41 lt during the corresponding period of the earlier year.

Total oilseed production in 2011-12 is estimated at 35.6 million tonnes, up by 3 per cent over 2010-11. The import estimate includes 7 mt of palm oil, 1.4 mt of soya oil, 600,000 tonnes of sunflower oil and 15,000 tonnes of other edible oils. "With increase in domestic availability of edible oil in 2010-11, there is a likelihood of reduction in import of edible oils," he added.

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Copra prices spurt in AP on N. India demand

Kakinada, Aug. 31:

Copra prices have spurted sharply at Ambajipeta market in East Godavari district, the major market in Andhra Pradesh, during the past fortnight just as the festival season is in full swing.

Prices are ruling at a maximum of Rs 10,000 for 1,000 nuts before *Ganesh Chaturthi*.

The price rise is attributed by trade sources to good demand for copra from the upcountry markets in Chhattisgarh, Rajasthan, Uttar Pradesh and Maharashtra. To some extent, the fall in yields this season has also contributed to the rise.

The two Godavari districts account for the bulk of coconut and copra production in the State.

Unfavourable climatic conditions, untimely rain and eriophyd mite have resulted in substantial yield losses.

The best copra, locally known as *Gandera Kuridi*, is currently fetching Rs 10,000 for 1,000 nuts and even the slightly inferior grades such as *Gatagata* are fetching well above Rs 8,500. New *Gandera* is fetching Rs 8,600.

According to trade sources, raw coconuts from Tamil Nadu and Kerala are finding their way into Andhra Pradesh, and therefore, there is no surge in coconut prices. Coconuts from the southern States are available at Rs 4,500 for 1,000.

Coconut farmers are also facing labour scarcity in carrying out operations such as harvesting and processing. This is also affecting copra production.

Coconut is now the main crop in the Konaseema area of East Godavari district, as paddy farmers are observing crop holiday.

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Pulses off the boil on slack demand

Indore, Aug. 31:

On account of Id and holiday in the local on Thursday due to , pulses and pulse seeds witnessed sluggish trend. Amidst weak arrival and poor buying interest, chana (kanta) declined to Rs 3,150-75 a quintal against Rs 3,200 on Tuesday.

Similarly chana (desi) also declined to Rs 3,100 a quintal.

Chana dal on the other hand ruled steady with chana dal (bold) being quoted at Rs 4,025-50, chana dal (medium) at Rs 3,925-50 and chana dal (average) ruled at Rs 3,800-3,825.

Dollar chana or chickpea also ruled flat at Rs 7,800-8,200 a quintal. In container also dollar chana ruled steady with 42/44 count being quoted at Rs 8,700, 44/46 count at Rs 8,600 and 58/60 count ruled at Rs 8,050-8,100 a quintal. Downtrend continued in tur on weak demand with tur (Maharashtra) declining to Rs 3,150, while tur (Nimari) ruled flat at Rs 2,300-2,600. Urad (bold) quoted at Rs 4,100-4,300.

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Buying lifts spot sugar

Mumbai, Aug. 31:

Sugar prices witnessed a mixed trend on Wednesday with the rise of Rs 5-7 a quintal in the physical market on fresh local demand, while loose was quoted lower by Rs 8-10 for S-grade on resale selling pressure. The rates for M-grade naka delivery improved by Rs 10 on lack of selling. There is no big impact of September free sale sugar quota, but considering higher demand in the coming days, quota may prove hand-to-mouth, said traders.

On Tuesday, the Government declared a total 19.31 lakh tonnes as free sale quota for September.

According to wholesalers, increase in retail demand, along with need-based buying by neighbouring States, continued to support business sentiment. In neighbouring States, sugar prices ruled firm in line with hand-to-mouth quota for the new month and increase in consumption at the local level.

Arrivals in Vashi market was about 51-52 truckloads (each 100 bags of 100 kgs) and local dispatches were about 50-51 truckloads. On Tuesday evening, few mills offer tenders. About 12-13 mills sold about 60,000-65,000 bags to the local stockists in the range of Rs 2,610-2,650 (Rs 2,610-2,650) for S-grade and Rs 2,670-2,770 (Rs 2,670-2,770) for M-Grade. Mill tender rates ruled unchanged on five consecutive days.

The Bombay Sugar Merchants Association rates were: Spot: S-grade Rs 2,758-2,835 (Rs 2,756-2,831) and M-grade Rs 2,801-2,936 (Rs 2,801-2,931).

Naka delivery rates: S-grade Rs 2,710-2,750 (Rs 2,720-2,750) and M grade Rs 2,770-2,880 (Rs 2,760-2,860).

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