

Published: September 3, 2011 00:00 IST | Updated: September 3, 2011 04:04 IST KOCHI,  
September 3, 2011

## **Banana cultivation turning popular**

The crop is a means to augment income through short-term investment



Even with little or no marketing support, banana cultivation is rapidly spreading among small-time farmers, who are looking to the crop as a means to augment income through short-term investments.

Onam season is a special time for them because this is the time of the year when bananas (nendran) fetch the best of prices though farmers in Ernakulam believe that this year, Onam price level is expected to persist beyond the festival season.

The demand for nendran peaks during the Onam season because of its varied use during the festivities and some farmers are looking up to banana cultivation as even more promising than natural rubber, said a senior official of the department of agriculture here.

It takes between 10 and 12 months for the harvest once banana saplings are planted. This is a big attraction for small farmers, who cannot make heavy investments for a long cycles without getting some returns from time to time.

Roslie Ouseph from Vengoor, who has been cultivating bananas over the past two decades, says that she has found the crop a sure stay over these years. Of course, she cultivates vegetables, tapioca and pineapples. However, banana cultivation has proved a reliable investment.

The Joint Liability Group of which she is a member is cultivating 2,500 plants on three acres. Though much of the crop has already been harvested, the pre-Onam market has been good to provide her and friends with good returns.

Wilson Joseph from Perumpally, near Mulanthuruthy, who has taken up banana cultivation for the first time this year says that what was needed was sufficient marketing support for small-time farmers. He said he had invested a substantial amount in banana plantation but expected to recoup over a period of three years.

If farmers begin to feel that they should recover every paisa of their investment in the first year itself, the picture emerges as a negative one, he said about his experience with cultivating bananas in the first year.

He expects to recover the investment and to make a profit over the next three years, he said.

Siji Anil, president of the Kudumbasree Community Development Society in Mazhuvannoor said that women in joint liability groups had banana cultivation on about an acre-and-a-half. Though most of the crop had been harvested, some is still left for the Onam season and the farmers expected remunerative prices.

Group farming under the Kudumbasree mission has also been supported by incentives for both acreage and production, giving these farmers all the more reason to take up cultivation as Joint Liability Groups.

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SANGAREDDY, September 3, 2011

**Farmers opt micro-irrigation for sugarcane**

Medak stands top in the State in using the method A. Ramulu, a sugarcane farmer and native of Pasthanpur village in Zaheerabad mandal of Medak district, was sanctioned drip irrigation for his sugarcane farm and generated a revenue of Rs. 1 lakh through this procedure.

“We are happy with the new system for the sugarcane farming. We are able cultivate more area with less water,” says Ramulu. This is one of the several cases in the district.

The farmers of the district, who had a bitter experience in getting water for crops, have been opting for micro-irrigation and even in crops like sugarcane they are following the new method to cultivate more area with less water.

As many as 110 farmers with an extent of 74.23 hectares in sugarcane have opted for micro-irrigation in their farms during the year current year so far.

The officials were expecting that the number would increase slowly, but surely. So far sugarcane is being cultivated in 1,645 hectares in the district.

Medak district stood in the first place in the State in using the drip irrigation for sugarcane crop in the VIII phase of the implementation of the Micro-Irrigation Project (MIP).

The top position has been continuing for the past three years.

The farmers involved in vegetable, spices and horticulture cultivation are the first generation farming community, who have preferred to use these systems. Vegetables likes french beans, bottle gourd, ridge gourd, bitter gourd are being covered under this system in mandals like Gajwel, Wargal, Mulugu, Toguta, Dubbak, Narayanakhed, Jinnaram, Mirdoddi and Daultabad mandals. Similarly, potato is also being cultivated under the drip system.

“The new methods of sugarcane plantation – sub-surface drip irrigation and pit method of plantation- under drip is introduced in the recent past for drawing more benefits to the farmers in increasing the yield,” says APMIP Project Director P. Rajendra Kumar.

As many as 53,000 farmers were benefited with micro-irrigation in the district covering an area of 1.21 lakh acres during the past VIII phases in both drip and sprinkler systems. For the current phase of the project a target of 4,100 acres was fixed to benefit about 1,300 farmers.

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Published: September 3, 2011 00:00 IST | Updated: September 3, 2011 04:01 IST Guwahati, September 3, 2011

## Call for scientific cultivation of coconut in Assam

Coconut Development Board shifts focus from South to North-East



World Coconut Day: Assam Chief Minister Tarun Gogoi giving away national awards to coconut growers in Guwahati on Friday, World Coconut Day. - PHOTO: RITU RAJ KONWAR

Coconut Development Board chairman T. K. Jose on Friday called for scientific cultivation of coconut in Assam and said that the Board would provide technical support, quality seedlings and adequate funds to boost productivity in the State.

Speaking on the occasion of World Coconut Day, Mr Jose pointed out that Assam was in the forefront insofar as productivity was concerned, leaving Kerala far behind. He said it was for the first time that the Board decided to shift focus from the southern States to the States of the North-East region by holding World Coconut Day celebrations here.

Mr Jose further underlined the need for scientific processing and value additions to boost export. He said the Board has taken up a slew of schemes for a four-fold increase in coconut cultivation so as to increase the country's export revenue earnings from Rs 550 crore to Rs 2,000 crore in the next five years.

Assam Chief Minister Tarun Gogoi said that coconut is truly a wonderful plant which provides health, wealth, food and also livelihood to millions of people all over the world. Coconut and

rubber plantations in the State could go a long way in boosting the rural economy. “There is a lot of scope for increasing productivity of coconut with better management in the State and thus improving the rural economy,” said Mr. Gogoi, adding that the State Government has given added thrust to the development of rural areas.

Underscoring the need for promoting coconut water as a healthy drink, Mr. Gogoi said: “It’s the healthiest drink and that’s why I take coconut water everyday.”

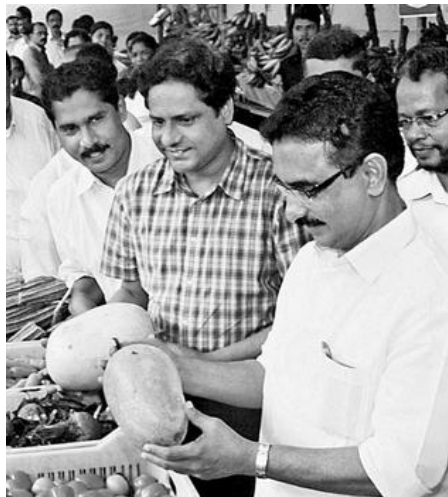
He underlined the need for adopting latest technology and know-how to increase productivity. Exhorting the coconut farmers to go in for value additions to supplement their income, Mr Gogoi said, “Every part of the wonderful crop can be used and this must be utilised to the optimum level to increase earnings.” Mr Gogoi gave away National Awards-2010 to 15 persons and institution recognised by the Coconut Development Board for their excellence in coconut farming, industry and other coconut related activities. Assam Agriculture Minister Nilomoni Sen Dekha chaired the inaugural function held as part of the World Coconut Day celebration.

A two-day Coconut Festival has been organised on the occasion in which manufacturers of coconut products, industrialists, farmers from 11 States including the North-East participated.

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Published: September 3, 2011 00:00 IST | Updated: September 3, 2011 04:03 IST KANNUR, September 3, 2011

### **Projects to support coconut growers: Minister**



The State government will initiate various projects to assist coconut growers, Minister for Agriculture K.P. Mohanan has said.

Speaking after inaugurating 'Onakkazhchakal,' a vegetable fair organised by the Agriculture Department here on Friday, the Minister said various schemes would also be implemented to increase the popularity of coconut-based products. The government would offer assistance to entrepreneurs to produce coconut-based products to ensure its availability in the world market. The objective was to make such products more popular and make them available to people at affordable rates, he said.

There was concern over nuts fetching low prices for growers. The production of coconut-based, value-added products would change the situation, he said. Soft drinks made from tender coconut would be marketed in the State. The government would launch these projects by next year, the Minister said. The department had open fair-price shops to ensure availability of vegetable and meat during the Onam season at rates lower than that in the open market, Mr. Mohanan added.

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Published: September 3, 2011 00:00 IST | Updated: September 3, 2011 04:00 IST KOCHI, September 3, 2011

### **Veterinary varsity to launch poultry scheme today**

The newly-formed Kerala Veterinary and Animal Sciences University (KVASU) will launch some of its new and key concepts at the Haritosavam, which will get going at Maradu on Saturday.

Addressing the media here, S. Ramkumar, Director of Entrepreneurship, KVASU, said that Union Minister of State for Food and Civil Supplies K.V. Thomas will inaugurate the Akshaya poultry scheme at the venue.

The scheme includes distribution of highly productive strain of 'Athulya hen' along with a specially designed coop and feed. The coop has been so designed so that families in urban areas can keep up to five chickens at a time and it is expected that 1,500 eggs would be produced in a year from one such single unit, Dr. Ramkumar said.

This scheme was developed in response to the food security drive and as part of attempts to ensure adequate egg and meat supply to the State. The coop developed at the university has provisions for collecting the droppings of the chicken and used as manure, making it ideal for closed living spaces as in apartments, he said.

Chief Minister Oommen Chandy will release the book “ *Kozhivalarthal Muttathum Mattupavilum*” , meant for those interested in poultry farming, at the venue on Saturday. Minister for Agriculture K.P. Mohanan will release the KVASU's newsletter 'Windows'. Minister for Food and Civil Supplies T.M. Jacob will release booklet on top twenty courses by handing over the first copy to B. Asok, Vice Chancellor of KVASU. Details of the poultry scheme are available on the web site [www.kvasu.ac.in](http://www.kvasu.ac.in).

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Published: September 3, 2011 00:00 IST | Updated: September 3, 2011 04:00 IST  
COIMBATORE, September 3, 2011

### **Training in TNAU**

Tamil Nadu Agricultural University will organise a training in preparing bakery products on September 5 and 6.

Those interested can attend the training by paying a fee of Rs. 1,000. For details, contact Head, Post Harvest Technology Centre, Tamil Nadu Agricultural University, Coimbatore – 641003 or call 0422-6611340 / 6611268.

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Published: September 3, 2011 00:00 IST | Updated: September 3, 2011 04:03 IST ERODE,  
September 3, 2011

### **Minister inaugurates paddy procurement centre**

The State Government will soon procure over 14,000 tonnes of potash fertilizer to meet the growing demand among the farmers, Agriculture Minister K.A. Sengottaiyan has said.

Inaugurating a paddy procurement centre at Polavakalipalayam near Gobi- chettipalayam in Erode district on Friday, the Minister said that the fertilizer would be transported to the districts quickly upon arrival and the district administrations would be asked to ensure adequate supply of the fertilizer to the farmers.

Mr. Sengottaiyan warned of stern action against private sellers found selling fertilizers at higher rates or creating artificial scarcity. He instructed the Collectors and the officials in the agriculture department to monitor the fertilizer trade.

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BANGALORE, September 3, 2011

### **Siddaramaiah speaks up for sugarcane farmers**

Wants sugarcane price fixed at Rs. 2,500 a tonne at least

Leader of Opposition in the Legislative Assembly Siddaramaiah on Friday urged Chief Minister D.V. Sadananda Gowda to fix the sugarcane price at least at Rs. 2,500 a tonne in view of the rising cost of production and other input costs. The farmers were also put to a lot of hardship on account of heavy rain.

Speaking to presspersons, he said Rs. 2,000 a tonne fixed by the Government was not sufficient to meet costs and that was why the farmers had not harvested the crop. People across the State were hard-pressed owing to heavy rainfall and drought. He also wanted the Government to convene the legislature session to discuss the Lokayukta report on illegal mining and V. Balasubramanian report on land encroachment.

### **Koppal bypoll**

Mr. Siddaramaiah felt there was no need for the Koppal bypoll. He said that the BJP leaders from Bellary district, indicted by the Lokayukta, were forcing Chief Minister D.V. Sadananda Gowda to induct them into the Cabinet. He felt the Government would fall if he their demands were not met.

Mr. Siddaramaiah said that the reputation of the Sadananda Gowda Government would nosedive if the Reddy brothers joined the Government. Commenting on the rising cost of conducting elections, Mr. Siddaramaiah said he would contest the next general elections to the Assembly and then retire from politics. He said his health would not permit him to take on the burden of frequent elections. He said he may even opt to contest the Koppal Lok Sabha elections if the Congress High Command asked him to do so. The name of the Koppal District



Congress Committee president and the former MLA Basavaraj Itnal was unanimously recommended by the Karnataka Pradesh Congress Committee as candidate for the Koppal Assembly bypoll. The KPCC president G. Parameshwara, Mr. Siddaramaiah and Leader of the Opposition in the Legislative Council Motamma and others were present.

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- *'Rs. 2,000 a tonne not sufficient'*
  - *Itnal is candidate for Koppal Assembly bypoll*
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Published: September 3, 2011 00:00 IST | Updated: September 3, 2011 04:00 IST DHARWAD, September 3, 2011

### **Incessant rain damages crops in Dharwad**

The district received 116.72 mm of rain in August Incessant rain in the last six days has damaged property and crops in several parts of the district.

A house at Myadar Oni partially collapsed. However, there was no casualty . Water entered a few houses in low-lying areas at Sadhankeri.

Some major roads were submerged, and commuters were stranded on the busy PB Road near Tolnaka on Thursday night. Roads near Sadhankeri were also flooded and two-wheelers and pedestrians had a tough time reaching their destinations. Rain also damaged the road to Goa.

### **Fields water-logged**

According to reports, water entered farms in Dharwad, Kalghatgi, and Alnavar taluks. Farmers are unable to enter the fields as they are waterlogged. Officials from the Department of Agriculture started crop damage survey and the correct data on crop loss would be known in two days.

While Dharwad received 150.46 mm rain against the normal of 118.6 mm, Kalghatagi received 171.43 mm ( 153.7 mm) and Navalgund taluk got 131.56 mm ( 67.4 mm). However, the rain was less in Kundagol and Hubli taluks.

In Kundagol, it was 63.85 mm against the normal of 75.6 mm, and Hubli received 66.3 mm rain against the normal of 84.3 mm. The district has received more rain during the last five days .

The rain received by the taluks during this period is Dharwad (53.97 mm), Hubli (29.57 mm), Kalghatagi (83.48 mm), Kundagol (29.9 mm) and Navalgund (12.15 mm).

Villages, including Tegur, Chabbi, Kalghatagi, Dummawad, Annigeri and surrounding areas, received more rain in the last five days.

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- *Water entered a few houses in low-lying areas at Sadhankeri*
  - *Commuters stranded on the busy PB Road near Tolnaka on Thursday night*
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RAMANATHAPURAM, September 3, 2011

### **Plan to promote cultivation of seaweed**

The Central Salt and Marine Chemical Research Institute (CSMCRI) plans to establish a modern laboratory for promoting outdoor seaweed cultivation at Mandapam. A sum of Rs.40 lakh had been sanctioned by the Central government. Professor Bhavanath Jha, Chief Scientist, CSMCRI, Bhav Nagar, Gujarat, told *The Hindu* that the ed plan was to study environmental and technical impact of seaweed grown artificially in outdoor environment. The salinity, nutrient values, behaviour of seaweed species, and changes needed for better growth ould be studied.

The modern bio-technology equipment with big tanks in different capacities would be established. Dr. Eswaran, Scientist-In-Charge, Algal Research Station of CSMCRI, Mandapam, said that the installation of equipment would begin soon and it was expected to be completed by year-end.

It would facilitate the scientists to study the aspect of maintaining the germ plasm during adverse conditions such as high tide, tsunami, cyclone and others. The physio-chemical aspect of seaweed culture could also be studied.

He added that the proposed facility would be immensely beneficial for the fishermen of the region to promote indigenous sea weed cultivation. Though a large number of fishermen had been engaged in collection of naturally grown sea weeds, the growing of seaweed in outdoor was first of its kind in the region.

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COIMBATORE, September 3, 2011

### **Siruvani to overflow for next two weeks**

Siruvani Dam, which started overflowing in the small hours of Thursday, will continue to overflow for the next 15 days.

A team of Tamil Nadu Water Supply and Drainage Board engineers – Chief Engineer M. Gopal Shankar, Executive Engineer Kannan and Assistant Executive Engineer S. Sampathkumar – who visited the Siruvani Dam on Friday to take stock of the situation said the water level was almost a foot more than that of the dam.

Mr. Sampathkumar said the team was sure of the fortnight-long overflow because of the copious rains in the recent past. The dam recorded 80 mm rainfall on Wednesday and 90 mm on Thursday.

The TWAD Board was ready to step up the quantity of water supplied to the Coimbatore Corporation and wayside habitations once it brought the turbidity level under control.

Sources in the Coimbatore Corporation said they would be able to comfortably tide over the 2012 summer. The last time the Siruvani water had overflowed was in 2009.

### **Rainfall**

The following is the rainfall data recorded in various parts of the district as on September 2:  
Annur – 5 mm, Airport 0.7 mm, Mettupalayam, 8 mm, Pollachi 11 mm, Periyanaickenpalayam 11.80 mm, Sulur 0 mm, TNAU 15.6 mm, Chinna Kallar 00 mm, Sinkona 68 mm, Valparai PAP 58 mm, Valparai (taluk) 55 mm, Coimbatore South 0 mm, Sholayar 00 mm, Siruvani Dam 0 mm, Siruvani Adivaram 0 mm and Thondamuthur 0 mm.

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- *A team of engineers visit the dam*
  - *The last time the dam overflowed was in 2009*
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**hindustantimes**



**Indo-Asian News Service**

Kolkata, September 03, 2011

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Last Updated: 20:20 IST(3/9/2011)

### **Reducing food inflation will take time: Pranab**

Conceding that double-digit food inflation is worrisome, union finance minister Pranab Mukherjee on Saturday said the monetary policies of the Reserve Bank of India (RBI) will take some time to have an impact. "The double-digit food inflation is a matter of concern. There is a seasonal factor, but apart from the seasonal factor, there are supply constraints in some critical agricultural products which we have to remove," Mukherjee told reporters in Kolkata. Stating that so far as the demand side was concerned, the monetary policies adopted by the RBI will take some time to have their impact, he said: "It will take some time to have full impact on the demand management." In short and medium term, we are trying to improve the supply constraint so that the moderating influence of the inflation is felt in the coming weeks," he added.

Food inflation was recorded at 10.05% for the week ended Aug 20, as onion, fruits, vegetables and protein-based items turned more expensive.

<http://www.hindustantimes.com/StoryPage/Print/741258.aspx>

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# Business Standard

**Potato sheds 0.54% on subdued demand**

**Press Trust of India / New Delhi September 02, 2011, 11:58 IST**

Potato prices shed 0.54% to Rs 480.60 per quintal in futures trade today on subdued demand in the spot market against adequate stock availability.

At the Multi Commodity Exchange, September potato declined by Rs 2.60, or 0.54%, to Rs 480.60 per quintal, with a business turnover of 236 lots.

The October contract shed Rs 2.70, or 0.53% to Rs 509.80 per quintal in 541 lots.

Market analysts said adequate supply following increased arrivals from producing belts amid subdued demand in the spot market mainly led to the decline in potato futures prices.

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**Late rainfall affects sowing, grain output in Maharashtra**

**Sanjay Jog / Mumbai September 3, 2011, 0:38 IST**

Kharif foodgrain production estimated to decline 17% to 7.6 million tonnes in 2011-12.

Maharashtra's kharif foodgrain production is estimated to dip 17 per cent to 7.6 million tonnes during 2011-12, compared to 9.1 mt in the corresponding period of 2010-11.

According to the first estimate by the state agriculture commissionerate, the area under kharif foodgrain had also dipped to 5.96 million hectares against 6.96 mha earlier. A senior officer, who did not want to be identified, told Business Standard: "These are first estimates and the reduction in kharif foodgrain is largely due to the late arrival of rain, especially in parts of

Marathwada and Vidarbha. However, as the rainfall has picked up since last week in most of the state, these estimates may change. The production will further rise.”

	2010-11	2011-12
Rice	26.01	25.21
Kh.Jowar	14.11	11.19
Bajra	10.97	7.02
Ragi	1.17	1.14
Maize	21.23	16.17
Kharif Cereals	73.76	60.98
Other Kh Pulses	0.61	0.33
Kharif Pulses	17.66	14.89
Kharif Foodgrains	91.42	75.86
Groundnut	3.53	2.46
Sesamum	0.19	0.13
Nigerseed	0.09	0.08
Sunflower	0.41	0.13
Soyabean	42.6	41.93
Kharif Oilseed	46.87	44.77
Sugarcane (Harvested)	788.38	834.16
Cotton( Lint)	76.03	84.07
<i>*First Advance Estimates</i>		
<i>Crops Production in Lakh tonnes</i>		

In the paddy growing area of Konkan, about 250,000 ha, the rainfall has normal, but in

Vidarbha, it has been 80-85 per cent of the norm. Paddy growing Chandrapur, Bhandara, Gondiya and Gadchiroli districts have reported late arrival of rain, leading to a dip in sowing to 1.38 million hectares against 1.48 mha last year. This would mean production of 2.52 mt against 2.6 mt earlier.

Sowing of kharif cereals has fallen to 3.96 mha against 4.45 mha earlier. The first estimate is of cereal production falling by 17 per cent to 6.1 mt against 7.4 mt earlier. Similarly, sowing of pulses had fallen to two mha against 2.51 mha earlier, meaning a 16 per cent fall in output to 1.48 mt against 1.76 mt last year. Moong and urad sowing and production are both down; the former;s output down to 200,000 tonnes against 380,000 tonnes earlier and the latter to 160,000 tonnes from 320,000 tonnes.

However, tur dal brings cheer, despite a reduction in sowing to 1.19 mha against 1.32 mha in 2010-11, said the official. Its production os estimated to rise to 1.08 mt against 990,000 tonnes last year.

He said the situation was different in the case of oilseed and cotton. The area under the former had risen to 3.38 mha against 3.13 mha earlier, with production so far estimated at 4.47 mt against 4.68 mt before. The official said the output would rise further with the good rainfall reported since last week.

The area under cotton rose to 4.09 mha, compared to 3.93 mha last year. The resulting rise in output is estimated at 8.4 million bales (176 kg), against 7.6 million bales in 2010-11.

Sugarcane cultivation has increased to 1.02 mha, compared to 960,000 ha last year, with production expected at 83.4 mt against 78.8 mt earlier.

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## Jayant Agro to sell 40% stake in marketing arm

Mumbai, Sept. 2:

Jayant Agro Organics, one of the largest producers of castor-based specialty chemicals, has entered into an agreement with Japan-based Itoh Oil Chemicals Co to sell 40 per cent stake in Ihsedu Itoh Green Chemicals Marketing, a subsidiary of Jayant Agro Organics.

Jayant Agro recently acquired the entire stakes in Ihsedu Specialty Chemicals (ISCPL) by acquiring the 24 per cent paid-up share capital held by Mitsui Group. Jayant Agro already holds 76 per cent of ISCPL. With this deal ISCPL has become a wholly-owned subsidiary of Jayant Agro. The board of Jayant Agro, on Monday, decided to appoint a Committee of Directors to consider feasibility for amalgamation of its wholly-owned subsidiary ISCPL with itself, said Jayant Agro in a statement.

(This article was published in the Business Line print edition dated September 3, 2011)

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## Spices export down 24% in volume, but up 22% in value

Growth in unit value realisation of spices helps



Kochi, Sept. 2:



Even as the quantum of spices exports fell by 24 per cent, the value realisation increased by 22 per cent during April-July of the current fiscal. With the the value of the dollar continuing to fall, the foreign exchange realisations spurted by 26 per cent.

### **Unit value realisation**

It was the growth in the unit value realisation of spices that resulted in the growth in total value of exports.

However, specific instances of the spurt in unit value of spice oils and oleoresins, mint and mint products, nutmeg and mace, pepper and other seeds such as mustard and *ajwain* seed deserves special mention.

Spice oils and oleoresins as well as mint and mint products account for a significant portion of the total spices exports basket.

Pepper prices also soared in the international market and India's unit value realisation increased by 56 per cent to Rs 265 a kg, up from Rs 170 reported during the corresponding period of last year.

The sharp rise in unit value realisation of these spices was able to buttress the fall in unit value realisation in items such as small cardamom.

The country exported 1,57,725 tonnes of spices valued at Rs 2613 crore during the first four months of the current fiscal.

### **Foreign exchange earnings**

The foreign exchange earnings improved to \$585.46 million.

During corresponding period of last year, the country had exported 2,08,775 tonnes of spices valued at Rs 2135 crore. The foreign exchange earnings were at \$464.92 million. The redeeming feature being that in spite the sharp fall in quantity, both the rupee and dollar realisation have been looking up.

During April-July 2011, the export of pepper, small cardamom, large cardamom, ginger, turmeric and other spices such as tamarind and asafoetida have shown an increase both in volume and value.

A total quantity of 7,550 tonnes of pepper valued Rs 200 crore have been exported as against 6,800 tonnes valued Rs.115 crore of April-July 2010.

### **Pepper, cardamom**

The volume of small cardamom exports increased by 376 per cent, more than compensating for the fall in unit value realisation and the rupee realisation improved by 288 per cent. The unit value realisation of large cardamom has also improved during the period.

Compared to the spices export target of 5,00,000 tonnes valued Rs 6,500 crore (\$1,450 million) fixed for the financial year 2011-12, the country has achieved 32 per cent of the quantity at 1,57,725 tonnes, 40 per cent of the rupee earnings at Rs 2,613 crore and 40 per cent of the foreign exchange target at \$585.46 million in April-July.

(This article was published in the Business Line print edition dated September 3, 2011)

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### **Spot pepper scales new peak in volatile market**

Kochi, Sept. 2:

With bulls and bears fighting to gain an upper hand, the pepper market witnessed high volatility on Friday. Eventually, all contracts ended marginally up.

The market opened on a firm note in the morning and started sliding, September futures hit the highest price of the day in the forenoon while October touched the highest price in the afternoon and then after high volatility, ended slightly above the previous day close.

Spot prices moved up by Rs 100 on buying interest to a new record of Rs 30,600 (ungarbled) and Rs 31,600 (MG 1) a quintal.

As the number of working days left for September maturity are less than 15 because of the Onam holidays, there was liquidation and switching over.

Investors were ready to buy fresh delivered pepper at September delivery price while local arms of the multi-national companies of multi-origin operations were buying good quality high bulk density high range pepper at a premium.

The unfavourable weather conditions prevailing in the high ranges and Wayanad led to some selling and there was some pressure seen among the small, medium farmers and dealers who do not have better drying and storage facilities, trade sources told *Business Line*.

Meanwhile, exchange has been stringent on the quality parameters and that in turn is allegedly slowing down the arrivals, they said.

The market appears to be destined to shoot up further if the current trend in the other origins turns out to be true. The spiralling prices have kept the buyers, both domestic and overseas, cautious, market sources told *Business Line*.

Indian parity is at \$7,600 a tonne (c&f) and all the other origins are also firm, they said. September contract on the NCDEX moved up by Rs 79 to close at Rs 33,446 a quintal. October and November went up by Rs 43 and Rs 118 respectively to close at Rs 34,094 and Rs 34,529 a quintal. Total turnover increased by 1,133 tonnes to 7,378 tonnes. Total open interest dropped by 131 tonnes to 11,593 tonnes. September open interest fell by 423 tonnes to 6,447 tonnes, while October and November increased by 269 tonnes and 15 tonnes respectively to 4,552 tonnes and 400 tonnes.

(This article was published in the Business Line print edition dated September 3, 2011)

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### **Orthodox tea prices may gain on lower output**

Coonoor, Sept. 2:

Traders are hoping for buoyancy in orthodox tea market in September due to lower production in many tea growing regions.

“We expect the north Indian orthodox production in September and beyond to be lower by eight million kg compared with the same period last year. This is because of a sharper fall in the night temperature which we expect to be more severe from mid-September,” Mr Subodh Paul, Director, Contemporary Brokers P Ltd, told *Business Line*.

“Catalogues show that the offering every week this month at Kolkata auction will be 4-5 lakh kg lower than the corresponding period of last year. This week only 4.75 lakh kg came up for sale,” he disclosed.

“Already, lower quality teas are fetching less prices. Brownish and lighter teas may not fetch good prices in coming weeks.

We expect overseas market sentiments to improve once there is stabilisation in financial market. Sri Lankan cropping months are over. The Island expects reduced supplies with lower temperature predicted in October. So, orthodox market will remain buoyant in September and beyond for quality supplies,” Mr Paul explained.

This week, the best quality orthodox teas fetched Rs 200-280 a kg in North Indian auctions and Rs 105-115 in South Indian auctions.

The low-end fannings got Rs 90-105 in North Indian auctions and Rs 60-70 in the South.

The CIS was strong on whole leaf orthodox in the North while Iran was selective on broken.

Germany confined to select tippy lots. Iraq and Tunisia bought low-priced secondary grades.

The CIS and West Asia supported orthodox teas in South Indian auctions.

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### **Small potato growers feed supply; big farmers await better prices**

Mysore/Hassan, Sept. 2:

With large potato growers in Hassan district holding on to their produce for better price realisation, it is the small growers who are actively feeding the market for the last one month. Large growers are those who produce over 100 bags (50 kg for a bag).

“The absence of big growers has lifted prices in the potato market in Hassan by 15 to 20 per cent, and is currently trading between Rs 300 to 800 a quintal depending on the quality and size,” said Mr Imtiaz Ahmed, a Hassan-based potato and onion trader.

“This year also, the blight disease has affected the local Hassan potato variety. In the absence of the local crop, potato grown in neighbouring Mysore and Chickmagalur districts is in good demand,” he said.

Explaining the absence of large potato growers in Hassan market, Mr Dhana Keerthi, a potato trader said: “Many large growers often do a direct deal with food processing companies and sell at farm gate, thereby avoiding market.”

Karnataka has two per cent share in the country's potato production. It is estimated that during 2010-11 the State produced around 4 lakh tonnes from 80,000 hectares. The major kharif potato-growing districts in the State are Hassan, Mysore Chickmagalur, Belgaum, and Dharwad.

Beginning of this kharif season, the district administration in Hassan had taken steps to dissuade farmers from taking up potato cultivation for fear of blight disease. Even the Deputy Commissioner of Hassan, Mr Naveen Raj Singh, personally stepped in to educate the farmers not to cultivate potato for few more years as the traces of fungus causing blight disease were still active.

Mr Singh had suggested to farmers to go for alternative crops for a couple of years so that the fungus becomes inactive.

Despite these efforts, farmers have gone back to grow potato this year. Farmers, who cultivated potato the last couple of years, suffered huge losses and are yet to recover on account of blight disease.

The kharif crop has been entering the market from mid-July and about 3,000 to 3,500 truckloads have been traded.

Buyers are mainly from southern States. “For the first time after many years, there has been no demand from North India. But it is only local (Bangalore) and few traders from Tamil Nadu and Andhra Pradesh who are active in the market,” said Mr Ahmed. “Large growers maybe sensing the absence of north Indian traders, with their holding capacity are staying back from the market for better price realisation later, he added.

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## Chana soars on buying support by millers



Indore, Sept. 2:

Local mandis, which opened here today after two days of holidays, started on a bullish note with chana, masoor and tur showing an uptrend on improved buying support from the millers and traders.

Chana (kanta) which ruled at Rs 3,150-75 in private trading on Thursday, increased to Rs 3,200-Rs 3,225 a quintal on improved demand, while chana (desi) ruled at Rs 3,150 a quintal.

Arrival of chana in local mandis also saw an improvement with about 2,500 bags being offloaded as incessant rains took a break.

Chana dal also gained on rise in spot chana with chana dal (bold) being quoted Rs 50 up at Rs 4,075-Rs 4,100 a quintal, chana dal (medium) at Rs 3,975-Rs 4,000 and chana dal (average) ruled at Rs 3,850-Rs 3,875.

Dollar chana or chickpea ruled flat on slack domestic demand with its prices in the local mandis remaining stable at Rs 7,800-Rs 8,200 a quintal.

Weak arrival and rise in demand perked up masoor with masoor (bold) being quoted at Rs 2,925-50 a quintal against Rs 2,900 on Thursday. Masoor (medium), on the other hand, ruled steady at Rs 2,550-Rs 2,600. Masoor dal also ruled flat with masoor dal (bold) ruling at Rs 3,500-Rs 3,525, masoor dal (medium) at Rs 3,400-Rs 3,425 and masoor dal (average) at Rs 3,325-50 a quintal.

Tur also witnessed an uptrend on improved buying support in physical market. Tur (Maharashtra) perked up by Rs 50 at Rs 3,200, while tur (Nimari) ruled flat at Rs 2,300-Rs 2,500 a quintal.

Tur dal remained firm with tur marka ruling at Rs 6,100, tur dal (full) at Rs 5,350-Rs 5,400 and tur dal (sawa no.) at Rs 4,300-Rs 4,350 a quintal.

Urad and moong ruled stable with urad (bold) being quoted at Rs 4,100-Rs 4,300, while urad (medium) ruled at Rs 3,600-Rs 3,800.

Urad dal remained stable with urad monger ruling at Rs 6,700-Rs 6,900, urad dal (bold) at Rs 5,700-Rs 5,750 and urad dal (average) at Rs 4,750-Rs 4,800 a quintal, respectively.

Moong (old) ruled at Rs 3,700-Rs 4,200, while moong (juna) also remained firm at Rs 4,000-Rs 4,650 a quintal. Arrival of new moong in local mandis increased with about 120-150 bags being offloaded on Friday. Moong dal also ruled firm with moong monger remaining stable at Rs 5,700-Rs 5,800.

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### **Cotton blooms on rising demand**



Rajkot, Sept. 2:

With lower arrival and increasing demand, cotton price increased by Rs 500-1,000 for a candy of 356 kg in Gujarat. According to traders, the price will not decline under current market conditions.

Gujarat Sankar-6 cotton was traded at Rs 38,000-38,500 a candy. Lower grade cotton was traded at Rs 33,000-33,500 a candy. The price of raw cotton or *kapas* increased by Rs 25 in the last few days to Rs 900-925 a 20 kg. In Gujarat, about 2,000-3,000 bales arrived and 4,000-5,000 bales arrived in India.

In some parts of Saurashtra region, arrival of new cotton has started. In Amreli, about six tonnes of raw cotton arrived and traded at Rs 250-700 a 20 kg. According to traders, quality of new arrival is not good.

A Rajkot-based broker said: "Exports and mills demand are increasing against low arrivals and as a result prices are gaining. But it will not go beyond Rs 40,000 a candy. On the lower side, price will not go below Rs 33,000."The country's cotton output is likely to rise nine per cent this year to a record on higher sowing following the late revival in monsoon in major producing zones.

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### **Sugar perks up on festival demand**



Mumbai, Sept 2:

The sentiment on the Vashi wholesale sugar market was firm on Friday on expectation of an increase in fresh local demand after the two-day closure of the market on account of festivals.



Higher sugar prices in other States kept alive bulk buying interest in Maharashtra's mills. Spot prices quoted Rs 5-10 a quintal higher than the mill tender rates, and in line with the naka prices. The spot market is showing a firm sentiment, said market sources.

According to a wholesaler, , there were no arrivals and dispatches recorded on Friday. On Thursday, the market was closed on account of *Ganesh chaturthi*. So on Saturday there will be higher arrivals/dispatches as also higher trade volumes.

As *Ganeshotsav* will be celebrated till September 11, consumer demand for sugar and other commodities is likely to go up. Since the last 10-15 days, 50-52 truckloads on an average were lifted every day by retailers.

The sugar futures market was up Rs 10-15 till noon on Friday and expectations of a further rise weigh on the physical market. Mill tender rates were expectedly higher by Rs 5-10 after remaining steady in the last five days.

In the Vashi market, about 15-20 truckloads (each 100 bags, and each bag weighing 100 kg) arrived from nearby centres in the last two days but could not be unloaded due to the holidays.

On Saturday, higher arrivals and local dispatches are expected. The last-quoted prices at which mills sold sugar were: 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.

**Sugar spot rates:** S-grade, Rs 2,760-2,840; and M-grade Rs 2,805-2,940 a quintal.

**Naka delivery rates:** S-grade, Rs 2,715-2,760; and M-grade, Rs 2,780- 2,880. Mill tender are expected to be Rs 2,625-2,660 for S-grade; and Rs 2,680-2,775 for M-grade.

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## Wheat rules flat despite low arrivals



Karnal, Sept. 2:

Festival season is the last hope for the wheat market as domestic demand is not picking up and prices are ruling below the minimum support price.

Despite low arrivals of *dara* and no arrival of *desi* wheat, the market continued to rule flat at previous levels. *Dara* remained unchanged and was quoted at Rs 1,090-1,100 a quintal while fine quality stock was sold at Rs 1,170 a quintal.

Around 40 tonnes of *dara* variety arrived from Uttar Pradesh and the stocks were directly offloaded at the mills. Mill delivery was at Rs 1,100 a quintal.

After witnessing a drop earlier this week, *desi* wheat ruled flat. *Tohfa* variety quoted at Rs 2,130 a quintal, *Maruti* ruled at Rs 1,775 a quintal, *Lal Quila* was sold at Rs 1,900 while *Kangan* was at Rs 1,940 a quintal.

On the National Commodity and Derivatives Exchange, wheat for September delivery dropped by Rs 3.60 to Rs 1,133 a quintal after a low at Rs 1,127.8 a quintal earlier on Friday.

Flour prices continued to rule flat. Flour was sold at Rs 1,160 for a 90-kg bag. On the other hand, choker prices increased by Rs 10. It was quoted at Rs 505 for a 49-kg bag.

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## Bullish trend persists in groundnut oil



Mumbai, Sept. 2:

Most domestic edible oils improved on Friday with groundnut oil extended bull run to a new high in Mumbai market. Groundnut oil increased by Rs 15 to Rs 1,020 for 10 kg, as the rise continued in the Saurashtra market.

Stopping groundnut crushing in most mills has led to tight supply in the market during the festival period. Sunflower oil and rapeseed oil increase by Rs 5 and Rs 3 each. Palmolein, soya oil and cotton oil ruled steady despite higher closing of Malaysian palm oil futures. Analyst said Malaysian crude palm oil (CPO) futures closed higher due to short covering and tracking gains in soya oil. Palm oil's wide price discount to soya oil may boost export demand, pushing CPO towards a psychological level of Malaysian ringgit (MYR) 3,200 a tonne in the next few months. According to a wholesaler, fresh wholesale and retail demand picked up sharply on Friday with total about 700–800 tonnes changing hand. In resale, 80–100 tonnes of palmolein changed hands at Rs 555.

Towards the day's close, resellers were quoting palmolein at Rs 555. Allana's palmolein was Rs 561 for September 10-30. In Rajkot – Saurashtra, groundnut oil shot up to Rs 1,630 (Rs 1,590) for *Telia* tin and loose - 10kg rose to Rs 1,060 (Rs 1,040). Malaysia's CPO September contracts closed at MYR 3185 (3120), October at 3109 (3047) and November at 3050 (3009) a tonne.

Bombay Commodity Exchange spot rate (Rs/10kg): Groundnut oil 1020 (1005), Soya refined oil 645 (645), Sunflower exp. ref. 660 (655), Sunflower ref. 710 (710), Rapeseed ref. oil 695 (692), Rapeseed expeller ref. 665 (662), Cotton ref. oil 659 (659) and Palmolein was 559 (559).

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### Rain in Maharashtra creates a splash for onion

<b>RULING FIRM*</b>		
<b>Date</b>	<b>Arrivals</b>	<b>Modal price</b>
Aug 29	474.3	1050
Aug 30	554.1	1025
Aug 31	805.7	1050
Sept 1	977.6	1050
Sept 2	1253	1050

**\* Arrivals in tonnes; prices in Rs/quintal at APMC, Pune in Maharashtra.  
Source: NHRDF**

Chennai, Sept. 2:

Rains in the growing regions of Maharashtra and lower arrivals boosted prices of onion further this week.

“Most trades in onion were done between Rs 1,100 and Rs 1,500 a quintal due to lower arrivals and quality problems due to rain,” said Mr Rupesh Jaju, Director of Nashik-based United Pacific Agro Pvt Ltd.

While some markets in Maharashtra's Nashik district, the top producing region in the country, were closed, a few were open. In Pune, the modal price or the rate at which most trades took place was firm at Rs 1,050 a quintal. This was despite higher arrivals of over 1,200 tonnes on Friday.

In Pimpalgaon, much closer to the growing regions in Maharashtra, the modal rate was up at Rs 1,150.

Last year, prices ruled around this level during the same period.

“Rain lashed all over Maharashtra. Some of the onions stored after rabi harvest have been damaged,” said Mr Jaju.

Though seasonal arrivals have begun, the quality is inferior. “The crop is also late in hitting the market,” said Mr Jaju.

“Arrivals have begun to improve after rain has abated in Maharashtra and Karnataka,” said Mr Madan Prakash, Director of Chennai-based Rajathi Group of companies that export agricultural products. “Prices are firm on quality grounds,” he said.

Demand, domestic as well as export, is constant, said Mr Jaju. “Demand is good from the Gulf region, though offtake by Europe is down. Buying by Malaysia and Bangladesh is good,” he said.

“Indian onions are still in demand from countries such as Malaysia, despite stiff competition from Pakistan and China. Our quality is better than other competing countries,” said Mr Prakash.

The recent hike in the minimum export price to \$300 a tonne has not affected export demand.

With farmers and traders being cautious in releasing stocks, onion prices could rise another Rs 150-200 a quintal, said Mr Jaju.

“Last year, when prices increased they released the stocks resulting in prices dropping. Prices surged thereafter, though,” said Mr Prakash.

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