

**Revive silk reeling unit at Bagalur, demand weavers**



Steps should be taken immediately to revive the Dharmapuri District Silk Reeling and Yarn Twisting Services Industrial Cooperative Society, Bagalur, near Hosur in Krishnagiri district, said members of the society. The Khadi and Village Industries Commission (KVIC) had suspended its certification to procure products from this society from 2005.

M. Ismail, Special Officer of the Society told *The Hindu* on Tuesday that the society was making profit for 25 years from 1980 to 2005.

The society established a reeling unit in 1997 at a cost of Rs. 2.90 lakhs behind the Bagalur Bus Stand with the financial support under Integrated Cooperative Development Programme. The entire loan amount was repaid by the society. Now the reeling unit has six employees and is being run with own funds, Mr. Ismail said.

In 2005, KVIC officials refused to certify the society as some of the members had switched to mechanised weaving. And again in December 2009 they inspected the society and units run by its members. Now the society is expecting certification from the KVIC to sell its products to KVIC units in the state.

Many members of the society complain that they have not received wages in the last six years. Mr. Ismail said that many KVIC units owe large amount to the society. Some of them were paying in instalments and the same was being distributed to the members. When the society became sick, hundreds of families depending on reeling and warping had to depend on the orders placed by private silk manufactures from Bangalore and Sharjapur in Karnataka. .

A large number of women in Bagalur and its surrounding areas depend on twisting and reeling jobs for a livelihood. They get a meagre Rs. 8 an hour. Most of them work for five to six hours a day. Some of the people in the area have set up units in their houses and sourcing job work from private silk traders in Karnataka.

Hundreds of weavers who have set up power looms too are facing difficulties, as they are not getting remunerative wages. They get Rs. 350 a piece of silk sari and most of them weave three saris a week with the help of an assistant. Whereas, for weaving silk shirting material, they used to get Rs. 8 a metre. One can weave a maximum of 10 metres a day.

N. Jagadamba, working in a twisting unit for five to six hours said that she has to look after her mentally-retarded husband and an ailing father-in-law and mother-in-law.

“As many of us cannot even meet the cost of production, the only solution lies in the revival of the society,” say weavers.

### **Opinion » Letters**

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### **Right to food**

The editorial “The right to food must be for all” (Aug. 10) has rightly drawn attention to the National Advisory Council’s bid to draw a parallel between the proposed Food Security Bill and the National Rural Employment Guarantee Scheme, pointing out that the NREGS was a new entitlement whereas the institutional structure for PDS and other measures are already in place. It is significant that Dr. M.S. Swaminathan has counselled caution while enacting the law.

**R. Narasimhan, Chennai**

No discrimination should be allowed to creep into policies which deal with providing basic needs. The timely editorial should set the policymakers thinking.

**Nirmala Narayanan, Bangalore**

The government not committing enough financial resources to universalise PDS while spending huge amounts on the Commonwealth Games and tax benefits for the corporates is ridiculous. Making India hunger free is more important than conducting the Commonwealth Games.

**Prasanth Balantrapu,**

*Vijayawada*

The world's largest democracy has failed to ensure the right to a basic necessity such as food. In a country where over millions go hungry every night, expecting politicians to supply other basic amenities such as affordable health care, accessible education and residence is a cruel joke.

**Ippili Santhosh Kumar,** *Srikakulam*

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### **Inflation to be 6% by December: Montek**

The Planning Commission said inflation will come down from the double digits level to about 6 per cent by December and the growth rate will climb to 10 per cent in the near future.

“Around December, the WPI on a year-on-year basis would be close to 6 per cent. There is already some softening taking place. A lot of action that is taken is slowly going to roll out,” Montek Singh Ahluwalia Ahluwalia told reporters.

Overall inflation, which has been in double digits for the last five months, was 10.55 per cent in June.

“Indian can achieve 10 per cent economic growth in the near future that is going to happen anyway, we have to get the governance right.”

The Indian economy grew at above 9 per cent between 2005 -06 and 2007-08. After slowing down in 2008-09 and 2009-10, it is projected to expand at 8.5 per cent in the current fiscal.

He said the impact of the monetary policy action taken by the RBI in its policy review last month will be visible only after four months.

“Monetary policy takes about four months to have an effect. Whatever was done last week, its main impact would be felt in October,” he said.

The RBI, in its first quarter policy review, had raised the short-term lending (repo) and borrowing (reverse repo) rates by 0.25 per cent and 0.50 per cent respectively.

It, however, kept the cash reserve ratio — the portion of deposits banks are required to keep with the central bank in cash — unchanged due to the difficult liquidity position in the markets.

About further monetary measures by RBI, he said, “It is like driving a car in Chandini Chowk. What you have to do three minutes later depends on what is happening to the traffic. I believe that they (RBI) are moving in the right direction.”

He said a normal monsoon and adequate foodgrains production, coupled with the food stocks released by the government, would help cool inflation going forward.

“We have released more food and also monsoon is normal. Food production situation is good... that, combined with action we have already taken, will help reduce inflation,” he said.

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August 10, 2010

### **‘Knowledge-sharing, a key to global food security’**



Xuan Li, Treaty Support Officer, International Treaty on Plant Genetic Resources for Food and Agriculture. Photo: V. Ganesan.

Interdependence and knowledge-sharing are keys to global food security, and the International Treaty on Plant Genetic Resources for Food and Agriculture is the only legally binding treaty that promotes this, according to Xuan Li, Treaty Support Officer.

Speaking to *The Hindu* on Monday, Ms. Xuan Li said 125 countries were signatories to the treaty that allowed access to the developments to individuals and corporations.

The treaty provided access and benefit-sharing to 64 important crops that were estimated to account for around 80 per cent of all human consumption and helped in making genetic diversity and other related information available to all.

### **“Contribute back”**

“But anybody who accesses the resources has an obligation to contribute back to the shared pool and this way the knowledge keeps expanding,” she said.

At present, there were nearly 1.4 million plant genetic resources and the system was accessed 600 to 700 times a day globally.

The treaty included farmers' rights and allowed individuals to contribute to the gene banks.

“No single country and entity will be able to develop expertise quickly. Even bilateral agreements take time, but this multilateral system through Standard Material Transfer Agreement speeds up the pace of development,” she said.

While climate change discussions did not focus much on agriculture and the emphasis was on mitigation, the treaty had decided to lead a global initiative to help farmers to adapt key food crops to climate change.

Hailing the contributions of eminent scientist M.S.Swaminathan to agriculture, she said:

“Professor Swaminathan has been a leading member of the international High-level Task Force of the Benefit Sharing Fund [BSF] of the treaty, which is charged with fund raising to support farmers in developing countries through the BSF. In the last 12 months, almost \$15 million has been successfully raised for the BSF. He has also kindly agreed to serve as a goodwill ambassador for the International Treaty during his many speaking engagements the world over.”

### **Pat for India**

Commending India's role, Ms. Xuan Li said India was the only country in Asia whose projects were approved for being implemented under the first call for proposals from the BSF.

The second call for proposals included projects on food security and climate change. The last date for application for grants is September 8.

Details are available at [www.planttreaty.org](http://www.planttreaty.org) and any individual or private sector entity can submit proposals to Shakeel Bhatti, Secretary of the Treaty, who has been responsible for the implementation and growth of the Treaty since its beginning in 2007.

## **Unscrupulous farmers apply drugs, steroids to cardamom plants**

A steady rise in the price of cardamom, which has been free from fluctuations at the auction centres for the past two years, has prompted some farmers to apply steroids and allopathic medicines to the plants to increase production.

A team of scientists from the Spices Board of India found a few such instances in a field study in some areas of Vandanmedu and Kumily after collecting evidence of usage of harmful substances.

Some farmers had reportedly connived with pharmaceutical outlets to buy steroids and medicines in large quantities. The collusion came to light when some medicines were found to be in continuous short supply for patients who come with doctors' prescriptions. The farmers allegedly use the medicines Disprin and Wysolone, Vitamin B complex and steroids, along with other combinations.

The Drug Controller had visited the areas and recommended stringent action against retail pharmacies who connived with the farmers. The Spices Board team submitted a report recommending action against those who use such substances in plants.

There has also been allegations that banned pesticides such as endosulfan produced by fake firms are being applied to the plants, which may ultimately have a negative impact in domestic and international markets.

M. Murugan, Assistant Professor, Agroclimatology, Pampadumpara Cardamom Research Station, said increased use of pesticides and harmful substances such as steroids would have a negative impact in the long run as pests would become pesticide-resistant and the plants would decay. Cardamom was a highly sensitive plant.

Nebu John Pottamkulam, a planter at Vandenmedu, said that only small-scale farmers were resorting to such applications and he had known about it only when the media reported it. "The production of cardamom largely depends on the healthy condition of the plants. How can one resort to such temporary measures to increase production," he asked.

## **Business Line**

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**[Back](#) 'Certified' coffee output on the rise**



A. Srinivas

Bangalore, Aug 10

The country's output of 'certified coffee' – or coffee that is issued a certificate by international NGOs such as UTZ Certified, SA 8000 and Rainforest Alliance for meeting certain environment and social welfare standards – is estimated at about 18,000 tonnes for 2010-11, against about 14,000 tonnes in 2009-10. This amounts to about 8 per cent of the country's coffee exports.

Tata Coffee is a leading producer. Mr A.S. Muthanna, Vice-President, Plantations, Tata Coffee, said: "Our estates are certified by UTZ, Rainforest Alliance and SA 8000 and our output is in the region of 9,000 tonnes."

According to industry sources, the remaining 9,000 tonnes of certified coffee is expected to come mainly from the following sources: Ned Commodities (3,500 tonnes), ECOM Gill (1,700 tonnes), ABC Group (1,600 tonnes), Savamalai Estates (1,000 tonnes), Bombay Burmah Trading Corporation (500 tonnes) and Carrara Group Estates (350 tonnes). Ned Commodities and ECOM are Netherlands-based and Swiss-based export houses, respectively, that have been organising farmers, both as individuals and groups, to grow certified coffee.

Most of the coffee is exported to Europe.

According to UTZ Certified, worldwide sales of its certified coffee in the year ended June 30 amounted to 58,800 tonnes against 43,300 tonnes in the same period a year ago. Rainforest Alliance-certified coffee sold worldwide was estimated at about 87,000 tonnes in 2009.

Growing trend

Mr Nishant Gurjer, Managing Partner, Kaapi Royale, a speciality coffee player, said: "The fastest growing sector in speciality coffee is certified coffee. There isn't much of a premium at present on certified coffee, but between two coffees of equal quality, certified would be preferred. In the US and Europe, it is a growing trend. What was a whisper and murmur is growing louder and louder."

Mr M.P. Devaiah, General Manager, Allanasons, a leading export house, said: "As of now,

we have not started, but we are thinking along these lines. At the moment, it is a small proportion of world coffee output, but even if we assume just 1 per cent growth, it would amount to about one million bags.”

Dr Rajesh Dube, Programme Manager (South and South-East Asia), Solidaridad, a Netherlands-based NGO that was one of the founders of UTZ Certified, said: “There is a demand for certified coffee in the domestic market as well. A recent consumer survey conducted by our organisation captures this trend.”

Perceptible shift

Solidaridad is working in collaboration with Ned Commodities and ECOM Gill to enable small and medium farmers to get UTZ certification. “There is a gradual but perceptible shift towards sustainable coffee production,” Dr Dube said.

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**Back Shortage steers palmolein to Rs 500/10 kg**

Our Correspondent

Mumbai, Aug 10

Edible oil prices witnessed a steady-to-firm trend on shortage of ready materials.

Indigenous oils such as sunflower, rapeseed, cotton were steady despite reports of good progress in sowing, while imported oils such as palmolein rose sharply on short-supply.

Groundnut oil rose by Rs 5 on firm trend at producing centres in Gujarat. Palmolein rose by Rs 17 to reach the Rs 500 level for the first time in the current season that began in November. Soya refined sunflower oil and rapeseed oil were steady.

Cotton refined oil declined by Re 1. The volume of trade in the market was thin. Importers quoted only for future delivery. At the spot level, few resales took place on profit-booking. The sentiment was bullish.

In international markets, profit-booking by speculators pulled down Malaysia's BMD crude palm oil futures by 57-60 ringgits (MYR).

The Chicago market showed correction trend at higher levels. Indore NBOT Soya oil August futures also declined Rs 6.

Mumbai's main suppliers Liberty, Ruchi, Allana were quoting palmolein for forward delivery at higher prices. On ready basis, some resale trade took place. Volumes were thin.



Malaysia's September crude palm oil futures ended lower by 57 MYR to 2,705 MYR, October slid 60 ringgits to 2,670 MYR and October closed 69 MYR down at 2,652 MYR a tonne.

Indore NBOT soya oil August futures closed at Rs 503.50 and September at Rs 508.20.

On the Mumbai commodity exchange, spot rates were: Groundnut oil Rs 870 (Rs 865), soya refined oil Rs 495 (Rs 495), sunflower expeller refined Rs 520 (Rs 515), sunflower refined Rs 575 (Rs 575), rapeseed refined oil Rs 580 (Rs 580) and rapeseed expeller was at Rs 550 (Rs 550), cotton refined was at Rs 505 (Rs 506) and palmolein was at Rs 500 (Rs 483) for 10 kg. Oil extraction prices ruled steady.

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### **Back Poor supply boosts coconut oil**

C. J. Punnathara

Kochi, Aug 10

Coconut oil prices moved up on low arrivals and increased demand. As the price of coconut oil and copra have moved up in Tamil Nadu as well, arrivals into the Kerala market has dried up.

Prices continued to inch up and coconut oil opened at Rs 5,750 a quintal, up Rs 150 over last week.

“The market has opened on a strong note and the trend is likely to continue into the coming fortnight until Onam,” Mr Prakash B. Rao, President of the Cochin Oil Merchants Association (COMA), said.

However, he said that prices could gravitate lower towards the end of the month after Onam festivities.

There was hardly any arrival of copra and coconut oil from Tamil Nadu and most of the Kerala millers depended on Nafed for procuring copra. Copra was bought from Nafed at Rs 3,900 a quintal, Rs 100 higher than last week. Millers converted copra into coconut oil and were selling in the local market, Mr Rao said.

However, the availability in the Kerala market continued to be substantially low, Mr Bharat Khona, a coconut oil trader, said.

Mr Khona who makes bulk of his purchases from the Vellakkovil and Kangayam markets

in Tamil Nadu and sells to customers in Mumbai, Gujarat, Delhi and Uttar Pradesh, said that the spurt in Tamil Nadu prices was kindled by the increased consumption demand from Kerala.

Although most of the industrial buyers—Dabur, Wipro and Marico—were still in the market, he said that some of them, other than the pure coconut oil players, would desert the market if the market maintained its upward momentum.

The general soap and detergent makers would shift away from coconut oil to other price competitive oils, while the pure coconut oil players, who make coconut oil based-products, would be forced to procure from the Kerala-Tamil Nadu markets.

The immediate trigger for the price rise in Tamil Nadu was also the increased copra price offered by some industrial houses. This has affected the flow of copra and coconut oil to Kerala markets, setting off the price momentum.

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### **Back Pepper futures bounce back**

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*August contract on NCDEX increased by Rs 316 to close at Rs 19,065 a quintal.*

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G.K. Nair

Kochi, Aug. 10

Pepper futures on Tuesday shot up on bullish activities with all the contracts moving up significantly.

“It is a sheer manipulation of the market which in turn has allegedly wiped out the small and medium players,” market sources told Business Line.

In fact, some section of the trade wanted the prices to fall so that they could take cover. There was, however, some buying interest in the exchange platform as was evident from the decline in the open interest. Stockists were buying back their sales on the exchange and making open long positions, they said. In fact, bear operators, who wanted the price to fall for obvious reasons were using lower quotes from all other origins as a tool to pull the market down. But it seemed to have failed to click as the bull operators managed to get into the driver's seat today.

August contract on NCDEX increased by Rs 316 to close at Rs 19,065 a quintal. September

and October went up by Rs 328, Rs 340 respectively to close at Rs 19,301 and Rs 19,521 a quintal. Total turnover increased by 2,328 tonnes to close at 20,993 tonnes. Total open interest dropped by 189 tonnes to 17,942 tonnes. August open interest fell by 629 tonnes to 6,922 tonnes. September and October went up by 383 tonnes and 60 tonnes respectively to 8,777 tonnes and 1,460 tonnes.

Spot prices in tandem with the futures trend and not on transactions moved up by Rs 200 to close at Rs 18,800 (ungarbled) and Rs 19,300 (MG 1) a quintal. However, the rise in the futures market was not reflected on the Indian parity today because of a weak rupee against the dollar. The parity was at \$4,350 a tonne (c&f) and remained out-priced as all other origins were quoting lower.

According to an overseas report today arrivals from Muntok in Indonesia has been hampered by rains and hence quotes from there had firmed up. Prices quoted for black pepper per tonne in dollar c&f New York for different origins were M G 1 asta – 4,500-4,600; Vietnam 500 GL – 3,825-3,850 (fob); Vietnam asta - prefer to work firm bids; Lampong 500 GL – 3,750 (fob); Lampong 550 GL -3,850 (fob); Lampong asta – 4,000 (fob)- resellers will discount origin market; Sri Lanka 500 GL -3,700 (fob); Brazil B2 500 GL – 3,900 (fob) Aug/Sep; Brazil B1- 560 GL – 4,025 (fob) Aug/Sep and Brazil asta – 4,150 (fob) Aug/Sep. White pepper : Vietnam \$5,850 a tonne c&f and Muntok \$5,950-\$6,000 a tonne (c&f).

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**Back Monsoon easterlies being eased out from north-west**

Vinson Kurian

Thiruvananthapuram, Aug 10

Westerly flows have started filling North-West India by easing out monsoon easterlies in the build-up to what is thought to be a 'break monsoon' condition, or an intra-seasonal

weakening trend in rainfall.

Break monsoon condition comes about in association with the northward shift of the monsoon trough from its normal position over Gangetic plains towards the foot of the Himalayas.

#### OTHER FEATURES

The monsoon westerlies in the lower troposphere extend right up to the rim of the Tibetan Plateau, a process that has been set already in motion over the Northwest.

Two other features – eastward movement of the westerly trough with large amplitude extending into West Pakistan and North India, and a high-pressure region over Arabia protruding into Central and Peninsular India – are also indicated, though not conclusively so.

During a break monsoon, heavy to very heavy rain is to be expected along the Himalayan foothills and Northeast India, and to some extent over parts of East and South-East India as well.

But the rainfall is comparatively muted along the west coast, if not entirely shut out.

#### TROUGH TO SHIFT

An India Meteorological Department (IMD) update said on Tuesday that the western end of monsoon trough is likely to shift northwards during the next two days.

It is expected that the eastern end would also follow suit in another three days' time for the trough to move entirely to the foothills.

A warning valid for the next two days said that isolated heavy rainfall would occur over Jammu and Kashmir, Himachal Pradesh and Uttarakhand in accordance with the proximity gains vis-à-vis the incoming monsoon trough.

The 24 hours ending on Tuesday afternoon saw fairly widespread rainfall being reported from the Western Himalayan region.

It was scattered over Madhya Pradesh, East Rajasthan, the West Coast and the coastal areas of Orissa and West Bengal.

#### CONVECTIVE CLOUDS

Satellite pictures on Tuesday showed the presence of convective (rain-bearing) clouds over parts of the Western Himalayas, north-west, East and Northeast India, the Bay of Bengal, Andaman Sea and north-east Arabian Sea.

## LOW PRESSURE AREA

An IMD outlook for Tuesday indicated the possibility of a feeble low-pressure area materialising over north-west and adjoining West-central Bay of Bengal under the influence of a persisting upper air cyclonic circulation.

Forecast for the next three days said that fairly widespread rain or thundershowers would occur over the Western Himalayan region during the next 24 hours and increase in intensity thereafter.

## WIDESPREAD RAIN

Fairly widespread rain or thundershowers would occur over East Uttar Pradesh, Bihar, Konkan, Goa, Coastal Karnataka, Kerala, Sub-Himalayan West Bengal, Sikkim, the north-eastern States and the Andaman and Nicobar Islands.

## EXTENDED FORECAST

Scattered rain or thundershowers has been forecast over Punjab, Haryana, Delhi, West Uttar Pradesh, Central and East India during next 24 hours before scaling up in intensity.

Extended forecast until Sunday said that widespread rainfall with isolated heavy to very heavy fall would occur over the Western Himalayan region and adjoining northern plains.

Fairly widespread rainfall has been forecast for Central and East India.

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**Back Cardamom arrivals may increase next week; prices firm at auctions**

G.K. Nair

Kochi, Aug 10

Arrivals at the cardamom auctions this week are expected to be at reasonable levels and they will be better from next week as the harvesting of the commodity will be in full swing.

At the auctions held last week in Kerala and Tamil Nadu by all the auctioneers except for one last Monday, total arrivals stood at 92 tonnes and the entire quantity was sold out. The individual auction average price remained at levels above the previous weekend.

The Cardamom Planters Association (CPA) conducted its first auction for the current season on Monday at Bodinayakannur. Total arrivals were eight tonnes and the entire

quantity was sold out. The maximum price fetched was Rs 1,453.50 a kg and the minimum was Rs 1,304 a kg.

Auction average price was at Rs 1,366.60 a kg, trade sources in Bodi told Business Line. Since the current crop is estimated to be at the previous season's levels, there is likely to be a squeeze in availability this season also, trade sources said.

According to them, the supply from Guatemala, the other major producer in the world, will be less this year too, due to poor crop there.

At the same time Indian production continues to be stagnant without any significant increase corresponding to the rise in demand, resultant from increasing per capita consumption, market sources said.

As the prices ruled high last season, the dealers did not build inventories as it involved heavy investment. They were, therefore, buying only hand-to-mouth to meet immediate requirements. Consequently, the demand from upcountry during the festival season beginning next month is likely to be strong, and that in turn is expected to push up prices.

“Prices are likely to stabilise at Rs 1,200-1,300 a kg in the coming 2-3 months,” Mr P.C. Punnoose, General Manager, CPMC, told Business Line.

According to him, the weather conditions at present were good for the crop. Given this situation, the total output would have been better than that of last season, he said.

The arrivals at the Sunday auction held by the Kumily-based KCPMC stood at 24 tonnes and the entire quantity was sold out.

The maximum price was Rs 1,505 and the minimum Rs 1,100 a kg. The individual auction average was at Rs 1,351 a kg, up from the previous Sunday's Rs 1,343.21 a kg, he said.

Total arrivals from August 1 to August 8 stood at 112 tonnes. Of this, 110 tonnes of cardamom were sold. Arrivals and sales in the same period the previous season were 122 tonnes and 120 tonnes respectively.

Weighted average price as on August 8, the closing day of the previous season was at Rs 1,354.85 a kg, up from Rs 675.38 a kg same day last year.

Prices for graded varieties remained unchanged on Monday and they in Rs/kg were: AGEB 1,620-1,630; AGB: 1,500-1,510; AGS: 1,480-1,490; AGS1: 1,460-1,470.

Prices quoted in the local market in Bodinayakannur were: AGEB: 1,605-1,615; AGB: 1,480-1,490; AGS: 1,465-1,475; AGS 1: 1,440-1,455. Bulk was being sold at Rs 1,075-1,190 a kg.

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**Back Retail demand lifts groundnut oil**

Our Correspondent

Rajkot, Aug 10

Groundnut oil prices rose at the oils and oilseeds market on Tuesday due to good demand from retailers, ahead of the upcoming festive season. In the last three days, groundnut oil has increased by Rs 30 a tin.

At Rajkot, groundnut oil traded at Rs 1,445-1,450 for 15 kg tin and 15-litre new tin was quoted at Rs 1,345-1,350.

The price for loose oil was Rs 870-875 for 10 kg.

In Mumbai, groundnut oil gained by Rs 5 for 10 kg to Rs 865 from yesterday's closing level of Rs 860.

Local traders said: "Festivals are coming and for that fresh buying is there in the market, so groundnut oil prices have risen since the last three days. It may also increase further as raw material is not easily available to the millers."

A Jamnagar based miller said: "Groundnut oil will increase more from this level but the price will not stay at higher levels for long as other edible oils, mainly, cottonseed oil is almost half that of groundnut oil. With this, people prefer to consume cottonseed oil as it is healthier and cheaper than groundnut oil."

Cotton oil price in Rajkot is Rs 815-825 for 15 litre tin; cotton wash price is Rs 480-483 for 10 kg.

Moreover, according to market sources, the new groundnut crop will be ready within a month or after mid-September. The production is expected to be good as sowing has increased in the Saurashtra region by 10-15 per cent.

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**Back Low arrivals from M.P. perk up wheat**

Our Correspondent

Karnal, Aug 10

Low arrivals lifted the wheat market by Rs 10-15 a quintal, after closing on the season's lowest at Rs 1,170 last weekend.

On Tuesday, wheat prices ruled around Rs 1,180 a quintal, while mill delivery was quoted at Rs 1,190.

On the other hand, low arrivals from Madhya Pradesh pushed the prices of desi wheat varieties up. Tohfa variety of Madhya Pradesh ruled at Rs 2,215, Lokwan was quoted at Rs 1,825, kitchen queen new marka at Rs 2,120, Angoor variety between Rs 2,130 and Rs 2,150 a quintal, Nano variety was quoted at Rs 2,070 and the Kangan and Parle-G variety ruled at around Rs 2,185.

Mr Subhash Chand, a wheat trader, told Business Line that following the poor buying in the market, arrivals from Uttar Pradesh dropped, but local stockists took advantage and offloaded their stock in the market.

He said that traders were expecting the Food Corporation of India to declare the prices for open market sale of stocks with it to bulk users such as flour millers last week.

Around 300 quintals were offloaded by local stockists here on Tuesday.

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**Back Festival season gives sugar a leg-up**

Our Correspondent

Mumbai, Aug 10

Sugar prices on the Vashi wholesale market ruled marginally higher on Tuesday with the rise of Rs 5-10 on fresh retail demand for the holy Shravan month. Naka delivery rates were up by Rs 5-10 a quintal.

Mills delivery tender rates were up by Rs 10 . Market players expect upward price movement on increasing retail demand .

On Monday evening, about 1-1.25 lakh bags (100 kg each) of sugar were sold by Maharashtra's mills in the range of Rs 2,430-2,480. A Kolkata broker purchased one rake at



the rate of Rs 2,443 from Maharashtra mills and 5 rakes from Karnataka mills.

On Tuesday, arrival at the Vashi market was 38-40 truckloads,(10 tonnes each), and lifting was at 48-50 truckloads. Mills offered tenders at the rate of Rs 2,410-2,440 a quintal (including excise) for S-grade and Rs 2,450-2,480 for M-grade.

Spot rates were Rs 2,500-2,565 (Rs 2,500-2,570) for S-grade and Rs 2,520-2,621 (Rs 2,520-2,620) for M-grade. The naka delivery rate for S-grade was Rs 2,490-2,510 (Rs 2,490-2,500) and for M-grade Rs 2,530-2,590 (Rs 2,530-2,560).

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### **Back Bumper crop hopes pull down pulses**

Our Correspondent

Indore, Aug 10

Hopes of a bumper harvest and increase in coverage of pulse seeds by 16 per cent this year continued to drag the price of pulses lower.

Optimism based on good monsoon and increase in coverage is also causing stockists to keep away from building inventories, as they hope that pulse prices will decline further once new crops arrive in the market.

Tur dal that was ruling at a record level of Rs 6,000 a quintal in the wholesale market at the beginning of this year has come down to Rs 5,600 a quintal.

This has also led to a dip in the prices of other pulses. Chana dal was quoted at Rs 2,600 a quintal (down by Rs 50) on Tuesday.

Similarly masoor dal fell by Rs 25 to Rs 3,750 a quintal, urad dal quoted at Rs 5,500-5,600 a quintal, down Rs 200 and moong dal quoted at Rs 6,200-6,300 a quintal, also down Rs 200.

The downtrend in the wholesale market also had an impact on the retail market where tur dal is sold at Rs 70 a kg, urad dal at Rs 85 a kg, moong dal at Rs 82 a kg, masoor dal at Rs 50 a kg and chana dal at Rs 33 a kg.

**Date:11/08/2010 URL:**

**<http://www.thehindubusinessline.com/2010/08/11/stories/2010081150602000.htm>**

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## **Back Spot rubber improves on supply concern**

Aravindan

Kottayam, Aug 10

Spot rubber prices turned better on Tuesday. The market gained strength mainly on supply concerns. Sheet rubber recovered to Rs 186 from Rs 185 a kg, though there were no fresh enquiries from major consuming industries. The Board's rate was steady at Rs 184 a kg for RSS 4. The trend was mixed. According to reports, India is likely to import 1,10,000 tonnes of rubber, up from the initial estimate of 70,000 tonnes during 2010–11 as record-high local prices forced tyre makers to source more raw materials from abroad.

### **FUTURES IMPROVE**

The August series for RSS 4 improved to Rs 190.75 (189.57), September to Rs 174.65 (174.55), October to Rs 165.10 (164.93) and November to Rs 162.50 (162.29) a kg on the National Multi Commodity Exchange. The August futures for RSS 3 improved to ₹323.3/Rs 174.48 (₹321.5) during the day session but slipped to ₹321.1 (Rs 173.31) a kg during the night session on the Tokyo Commodity Exchange. The grade (spot) closed at Rs 150.97 (Rs 150.38) a kg at Bangkok.

Spot rates were (Rs/kg): RSS-4: 186 (185); RSS-5: 177 (175); ungraded: 166 (166); ISNR 20: 157 (157) and latex 60 per cent: 109.50 (107.50).

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**hindustantimes**

Wed, 11 Aug 2010

### **Weather**

Chennai

Chennai - INDIA

Today's Weather



**Wednesday, Aug 11**  
Max Min

Tomorrow's Forecast



**Thursday, Aug 12**  
Max Min

Cloudy 36.0° | 26.7°  
Rain: 00 mm in 24hrs Sunrise: 05:49  
Humidity: 56% Sunset: 18:35  
Wind: Normal Barometer: 1003.0

Cloudy 36° | 26°

#### Extended Forecast for a week

Friday Aug 13	Saturday Aug 14	Sunday Aug 15	Monday Aug 16	Tuesday Aug 17
				
35°   27° Rainy	34°   28° Rainy	33°   28° Rainy	33°   27° Rainy	34°   27° Rainy

#### Airport Weather

Chennai

Chennai

Rain: 00 mm in 24hrs Sunrise: 05:49  
Humidity: 56% Sunset: 18:35  
Wind: Normal Barometer: 1003



### Press Trust Of India

Hyderabad, August 07, 2010

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### RBI may hike rates in Sept if high inflation persists: PMEAC

The Prime Minister's economic think-tank today said the RBI may go for another rate hike in its mid-quarterly review next month if inflation does not come down in the next four weeks from the present level of 10.55 per cent.

"I think the RBI will take a decision. But that depends on how inflation continues to behave in the next four weeks.

Therefore, they will make some decision towards next month," said C Rangarajan, the Chairman of the Prime Minister's Economic Advisory Council (PMEAC).

If inflation persists at double-digit levels, action will probably be required, he told reporters on the sidelines of

his lecture on 'Globalisation and the International Financial Crisis' at the University of Hyderabad.

In its quarterly review last month, the RBI had raised the short-term borrowing and lending rates by 50 and 25 basis points, respectively, to curb inflation.

For the first time, the RBI will come out with a mid-quarterly review on September 16.

Food inflation declined moderately to 9.53 per cent for the week ended July 24 from 9.67 per cent a week ago as fruits and vegetables became cheaper. Overall inflation stood at 10.55 per cent in June.

Rangarajan, however, said that a good monsoon may ease inflationary levels.

"Our own projections say as a result of a good monsoon, the agriculture output will go up between 4 and 5 per cent this year and it will have a favourable affect on the availability of foodgrains. This will also dampen the inflationary expectations," he said.

The former RBI Governor said the central bank is not hawkish and is doing what is appropriate to bring down inflation levels.

"We have inflation at uncomfortable high levels and (this) needs to be addressed. The RBI is taking the appropriate action. It is following a series of small steps rather than a big step. The RBI move is in the right direction," he added.

<http://www.hindustantimes.com/StoryPage/Print/583590.aspx>

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