THE HINDU

Online edition of India's National Newspaper

Friday, August 27, 2010

Date:27/08/2010 URL:
http://www.thehindu.com/2010/08/27/stories/2010082760610200.htm

---

Groundwater level goes up, thanks to southwest monsoon

Metrowater launches awareness meetings on rainwater harvesting structures

---

CHENNAI: The average groundwater level in the city has gone up by 0.2 metre since July. The level was 3.5 metre in June, senior officials of Chennai Metrowater said here recently and attributed the increase to the southwest monsoon.

They were speaking at the launch of a series of awareness meetings on rainwater harvesting structures and their maintenance, at the Metrowater area offices till September 17.

The launch function was held at the Area office II in Washermenpet. Each area office would hold meeting on an allocated day as part of the rainwater harnessing campaign.

Inaugurating the programme, Metrowater's Managing Director Shiv Das Meena said that earlier the city received major share of annual rainfall between October and December. This year, there seems to be a change in the pattern and southwest monsoon has been vigorous.

Besides reducing evaporation loss in the reservoirs, the rainfall has also helped in relatively less drawal from the waterbodies for the city supply. People must maintain their RWH structures round the year to reap benefits of the showers, he said.

M. Soundararajan, Metrowater's gydrogeologist, spoke on the importance of harnessing rainwater. Pointing out that nearly 60 per cent of the rainwater could be saved with proper RWH structures, he said their maintenance was a simple process and required only an hour. It involves cleaning of the terrace, drain pipe and filter materials.

Metrowater officials would provide free guidance over phone (28454080) or visit the locality in person.

Rain Centre's director Sekhar Raghavan said residents must check the soil profile to determine the depth of the RWH structure. Instead of recharge pit that is similar to a borewell, people must install recharge well, which is easy for maintenance.

He said it is sufficient to fill one-third of the filter chamber with materials. Several people opt to close the unused shallow wells. But, it can be converted into recharge wells.

Observing that most open spaces particularly in apartment complexes have been paved, Mr.Raghavan said besides rooftop water, the runoff water around the house could also be harnessed by putting a gutter near the entrance.

Pamphlets about rainwater harvesting and water conservation were distributed to the participants. Apart from clarifying their doubts, participants suggested various measures by which Metrowater could create awareness.

Date:27/08/2010 URL:
http://www.thehindu.com/2010/08/27/stories/2010082751330300.htm

---

Water level in Athoor dam declines to six feet

Staff Reporter

In low-lying areas, water is supplied once in 10 days

DINDIGUL: With very meagre rain in the catchments in July and early August, water level in Athoor Kamarajar Dam has touched rock bottom, forecasting the worst drinking water crisis in the coming months in Dindigul town.

At present, water level has gone down to six feet in dam. Water supply is being made once in 10 days in low-lying areas where pumping was not required and once in 12 days on the outskirts of Dindigul.

Scorching sun near the dam site accelerates evaporation of water manifold. With a patch of water in one corner, vast areas of the dam bed wear a desert look and have become grazing ground for cattle and horses.

If storage falls further, Dindigul Municipality cannot draw water from the dam and will have to depend on supply wells near the dam site.

Cleaning and de-silting of these wells were done when R. Thiagarajan was Collector in 2002. Timely desilting of all these wells prevented water shortage then.

The municipality had leased out maintenance of pumping station on an annual contract for Rs. five lakh.

With no adequate security to the dam and the pumping station, one or two workers have been operating the pumps.

“We pump five million litres per day (mld) of water to Dindigul,” says one worker.

Two mld of water come to the main tank from Cauvery Drinking Water Scheme once in a week and five mld from Athoor Dam, says an official at pumping station near Rock Fort.With this quantity, the municipality can manage the supply efficiently. But failure to plug breaches in several places including the main pipe line, just 300 metre away from the dam drains makes the job of officials tough. Thousands of litres of drinking water drain into a private coconut farm every day.Sporadic rain did not improve ground water table, said locals. Plugging of breaches and replacement of damaged pipe lines alone will help the common man.

Date:27/08/2010 URL:
http://www.thehindu.com/2010/08/27/stories/2010082753501200.htm

---

Food security — by definition

P. Sainath

Maharashtra ended famine forever by passing an Act that deleted the word ‘famine' from all laws of the State.

Maybe the government, the National Advisory Council and other assorted enthusiasts of the Food Security Bill can learn from Maharashtra about moving towards ending hunger altogether.

In 1963, the government of Maharashtra ended famine forever in the State. It did this without adding a morsel to anyone's diet. It did so simply by passing an Act in the Legislature that deleted the word ‘famine' from all laws of the State. No kidding. This was called ‘The Maharashtra Deletion Of The Term “Famine” Act, 1963” (And was dug up after decades by an independent researcher from Bangalore.)

The basis for this? Let the Act explain itself. It asserts that “there is now no scope for famine conditions to develop.” Why so? Because “the agricultural situation in the State is constantly watched by the State government.” And “relief measures as warranted by the situation are provided as soon as signs of scarcity conditions are apparent.” Goodbye Famine.

The next para says the term ‘famine' “ has now become obsolete, and requires therefore to be deleted” (emphasis added) from “other laws on the subject in their application to the State.” It decrees that “for the words ‘famine or acute scarcity' the word ‘scarcity' shall be substituted,” in all laws of the State. Lucky Maharashtra — it can't ever have acute scarcity either.

By slaying famine and acute scarcity on paper, a government kills its own responsibility towards citizens, mainly poor and hungry ones, in times of crisis. Its burden becomes less. It can concentrate (especially in Maharashtra) on boosting the Indian Premier League and its billionaires.

This approach essentially defines a problem out of existence. You can't fight famine — so abolish it. It's a proud tradition the State still hews to. Can't stop farmers' suicides, so redefine who a farmer is. Then redefine what a suicide is. Maharashtra has done both.

Why not have a law banning the word ‘farmer' or ‘suicide' or both? Solves an annoying problem in a State that has seen, in official count, over 44,000 farm suicides since 1995.

This is an Act in a State with a gosh-awful record in food production for years. That includes a 24 per cent fall in 2008-09. A rich State that has seen far more child hunger deaths than many poorer ones. A State that added greatly to its hungry with 2 million people losing their jobs between 2005-06 and 2007-08. That's over 1800 each day — and that's before the global meltdown of September 2008, according to the State's own economic survey.

The 1963 Act casts its shadow to this day. By legal definition, we cannot have a serious crisis in Maharashtra. So when there is one, we respond to it on a much lower scale than needed. No matter how deadly the crisis, relief work will never be up to the mark because it is not required by law to be so.

The Union government and the NAC can learn from this. Why not just abolish the word ‘hunger' by law? Replace it, maybe, with ‘a mild craving for calories' (mild, not ‘acute,'). Or words to that effect. End of hunger. We've started down that road. The NAC's idea of ‘universal PDS in 150 districts” is similar. It re-defines the word ‘universal.' Death by definition has been routine for decades in India — consider the poverty line debates, for instance.

Meanwhile, say the ‘experts,' the millions of tonnes of grain rotting in open yards present a “golden opportunity” for India to export this in bulk “and seize on the high prevailing global prices of grain.” That is also what the government hopes to do. Its affidavit in response to a slap from the Supreme Court speaks of liquidating the excess stocks by open market sale (read exports).

Leave aside for a moment the appalling insensitivity of exporting grain when there are, as the Supreme Court says, many “admittedly starving people” at home. Just look at the logic of it. You have a gigantic pile up of grain. You have these admittedly starving people. You say the production is not enough to go for a universal system in PDS — even while boasting we have so much grain, we can cash in on high global prices. Remember that the government has bragged of “recording the highest ever production of about 235 million tonnes of food grains in 2008-09 …" So much so that we cannot store half of it and it is rotting.

Who will you export it to? Are there good global prices for rotting grain? Grain that even when in best condition was not of superior quality? What you will do is flog it at rock bottom prices to traders who know you won't consider any other option — like letting the hungry eat it — and can knock your prices through the floor. And then the traders can export it as cattle feed — like India has done before in this very decade. About the only thing Iran and Iraq could agree on in 30 years was that the grain exported to them from India was unfit for human consumption. Both rejected shipments early this decade. But there are always, never fear, European cattle. Talk of sacred cows — these will be subsidised by some of the hungriest humans on the planet.

The government knows this is how it will end up — and is not at all averse to that happening. Apart from the juicy avenues of corruption it presents to many connected to the Food Ministry and the trader lobbies linked to them, it makes "sound economic sense" in their worldview. One in which the hungry count for little. The National Democratic Alliance did the same thing in 2001-03 and paid the price for it in 2004. The United Progressive Alliance feels confident the elections are far off. And there are no pesky Leftists to restrain them in this innings. This is the time to ram through 'hard decisions.'

Meanwhile, even as we talk of 'exportable surpluses,' we look around for ways to make up our production shortfall. Indian companies are buying land in parts of Africa to grow foodgrain. This finds approval with the Working Group on Agricultural Production set up by the Prime Minister and chaired by Haryana Chief Minister B.S. Hooda. Its report says "We should seriously consider these options for at least 2 million tonnes of pulses and 5 million tonnes of edible oil for 15-20 years."

Indeed, the Hooda report wants us to spread our net further. It says "Indian companies can be encouraged to buy lands in countries like Canada, Myanmar, Australia and Argentina for producing pulses under long-term supply contracts to Indian canalizing agencies." (Thereby eyeing four continents besides Africa). So even as we convert more and more food crop land to cash crop or to non-farm use at home, Indian companies (doubtless with handsome government support) will buy land and grow grain in poorer countries (which is where it will mainly happen). Why? So we can create worse food crises in even poorer nations? But what if the locals get restless? They might resent the food they hunger for being shipped to India? No worries. What are we building a Blue Water Navy for, anyway?

A dismal debate all around. Yet, in the next few weeks, the government, the NAC, Parliament, and the judiciary will all be called upon to take major decisions, even vital steps, on the food security of the Indian people. They might want to remember that there is existing legislation to draw from. Legislation far superior to and of a very different kidney from the "Maharashtra Deletion of the Term 'Famine' Act, 1963." That is, the Directive Principles of State Policy — that give us the vision and soul of the Indian Constitution.

Of course, the moment we speak of the Directive Principles, up pops the point: "but these are not enforceable!" Yet, the very line of the Constitution which says they are not enforceable goes on to say they are "fundamental in the governance of the country and it shall be the duty of the state to apply these principles in making laws." How the state — and others — perform their duties will be on display in the next fortnight.

Will the courts say anything about the notion of shipping grain abroad when millions go hungry at home? Will the government say something other than 'no' to the needs of the hungry? Will the NAC rethink its stand on a universal PDS? Will Parliament accept fraudulent definitions of food security? Will anyone speak for the Directive Principles of State Policy and how policy must work towards strengthening them? It would, of course, be silly to expect a government of this sensitivity to care a fig for the Directive Principles. But perhaps we can hope that the Supreme Court does?

Date:27/08/2010 URL:
http://www.thehindu.com/2010/08/27/stories/2010082759211500.htm

---

Growth in spices export

KOCHI: A total of 1,93,875 tonnes of spices and spice products, valued at Rs.2,084.96 crore was exported from the country during April-July 2010 as against 1,72,510 tonnes, valued at Rs.1,775.39 crore in the corresponding period last year. This is an increase of 12 per cent in volume and 17 per cent in rupee terms.

During April-July 2010, the export of pepper, chilli, ginger, celery, fennel, garlic, tamarind, asafoetida, etc registered an increase in volume and value terms compared to the 2009 period.

The export of value-added products like curry powder and spice oils and oleoresin also registered an increase.

Cardamom (small), turmeric, fenugreek, nutmeg and mace could register a rise in value terms alone. The export of coriander increased in terms of quantity. The exports of cardamom (large), cumin, mint products and other seeds decreased in volume and value terms. The spices export target for 2010-11 is 4,65,000 tonnes (Rs.5,100 crore). The achievement in April-July 2010 is 42 per cent in terms of quantity and 41 per cent in value terms a release said here.

Date:27/08/2010 URL:
http://www.thehindu.com/2010/08/27/stories/2010082754451600.htm

---

Food inflation eases

NEW DELHI: In a downtrend for the second week in a row, food inflation eased further to 10.05 per cent for the week ended August 14 from 10.35 per cent in the previous week, mainly owing to a fall in prices of vegetables such as potatoes and onions.

With food inflation much higher at 13.45 per cent during the same week last year, the moderation in the price spiral is explained by the fact that on a year-on-year basis, potatoes turned cheaper by over 50 per cent and onions by 7.29 per cent. On the whole, vegetable prices have come down by 14.23 per cent, according to the official data.

Despite the expected decline in food inflation during the last quarter of the current calendar year, it is the high non-food inflation that continues to remain the primary concern. Even as the overall WPI based inflation, which includes manufactured goods, has eased to single digit at 9.97 per cent in July, it is still beyond tolerable limits and the government expects it to stabilise at around six per cent by the end of December.

Published: August 26, 2010 12:19 IST | Updated: August 27, 2010 00:04 IST New Delhi, August 26, 2010

Food inflation falls to 10.5 per cent

AP Labourers unload sacks of onion at a market on the outskirts of Allahabad. Annual food inflation fell for the second straight week, to 10.05 per cent for the week ended August 14, as prices of vegetables like onion declined. File photo

In a downtrend for the second week in a row, food inflation eased further to 10.05 per cent for the week ended August 14 from 10.35 per cent in the previous week, mainly owing to a fall in prices of vegetables such as potatoes and onions.

With food inflation much higher at 13.45 per cent during the same week last year, the moderation in the price spiral is explained by the fact that on a year-on-year basis, potatoes turned cheaper by over 50 per cent and onions by 7.29 per cent. On the whole, vegetable prices have come down by 14.23 per cent, according to the official data.

Despite the expected decline in food inflation during the last quarter of the current calendar year, it is the high non-food inflation that continues to remain the primary concern. Even as the overall WPI based inflation, which includes manufactured goods, has eased to single digit at 9.97 per cent in July, it is still beyond tolerable limits and the government expects it to stabilise at around six per cent by the end of December.

hindustantimes

Indo-Asian News Service
New Delhi, August 26, 2010
First Published: 13:28 IST(26/8/2010)
Last Updated: 13:30 IST(26/8/2010)

Food inflation down for second straight week to 10.05 per cent

Food inflation eased to 10.05 per cent for the week ended Aug 14 from 10.35 per cent a week earlier, official data released on Thursday showed.The government's decision to freeze exports of food grains and good monsoon rains have had a sobering effect on prices for the second successive week. The fuel prices index, however, stayed steady at previous week's level of 12.57 per cent, data released by the commerce ministry showed. The primary articles index rose at a slower rate at 14.75 per cent, compared to the previous week's increase of 14.85 percent. Following are the rise and fall in prices of some of the main commodities that form the sub-index for food articles over the past 52 weeks:

Cereals: 7.1 per cent

Rice: 7.72 per cent

Wheat: 7.61 per cent

Pulses: 15.99 per cent

Vegetables: (-) 14.23 per cent

Fruits: 15.24 per cent

Milk: 18.22 per cent

Potatoes: (-) 50.04 per cent

Onions: (-) 7.29 per cent

According to recently released data, wholesale price inflation, the measure for overall increase in prices, was at 9.97 per cent in July. The rise in inflation has forced the Reserve Bank of India to turn hawkish in its monetary policy action. It had raised key interest rates by 25 basis points in its quarterly review in June. The still high inflation could force another hike, something that the central bank has said it would not shy away from.

http://www.hindustantimes.com/StoryPage/Print/592008.aspx

Weather

Chennai - INDIA

Today's Weather

Partly Cloudy	**Friday, Aug 27**
	Max Min
	29.6º |23.7º
Rain: 00 mm in 24hrs	Sunrise: 5:57
Humidity: 79%	Sunset: 18:24
Wind: Normal	Barometer: 1003.0

Tomorrow's Forecast

Rainy	**Saturday, Aug 28**
	Max Min
	31º | 25º

Extended Forecast for a week

Sunday	Monday	Tuesday	Wednesday	Thursday
Aug 29	**Aug 30**	**Aug 31**	**Sep 1**	**Sep 2**
32º | 26º	32º | 26º	31º | 27º	29º | 25º	31º | 26º
Rainy	Rainy	Rainy	Rainy	Rainy

Deccan Chronicle On The Web
Published on Deccan Chronicle (http://www.deccanchronicle.com)

Food inflation slips on cheaper fruits and pulses

Aug 27 2010

Aug. 26: India’s food inflation continued to ease in mid-August, while fuel inflation was flat on the week, but concerns over emerging demand-side pressures on prices will likely see a hawkish central bank hike key rates by 25 basis points when it reviews policy next month.

Analysts say food inflation would further moderate due to good monsoon rains, release of government foodgrains and as the impact of earlier rate hikes trickle through. Data released on Thursday showed the food price index, which has a weightage of over 15 per cent in the WPI, rose an annual 10.05 per cent in the week to August 14, slower than its 10.35 per cent rise in the previous week, as the prices of fruits and pulses have come down.

Food price inflation in India’s widely watched monthly wholesale price index (WPI) eased to 10.29 per cent in July, from near-20 per cent level last December.

“Food inflation is expected to moderate due to good monsoon rainfall and may stabilise around 6 to 7 percent by March,” said Mr N.R. Bhanumurthy, an economist at the National Institute of Public Finance and Policy, a Delhi-based think tank, before the release of data.

Source URL:
http://www.deccanchronicle.com/business/food-inflation-slips-cheaper-fruits-and-pulses-782

express buzz

By G Saravanan

27 Aug 2010 03:51:40 AM IST

Rains bring down veggie prices only at Koyambedu

CHENNAI: The unexpected pre-monsoon rains, coupled with a good harvest, have brought the down prices of vegetables at the Koyambedu wholesale market, though the good news for the consumer has failed to translate into lower prices at retail shops across the city.
The cost of vegetables like onions, tomatoes, carrots, beans and green peas has dropped significantly thanks to incessant rains, which have given the growers a sense of optimism.
V R Soundararajan, a member of the Koyambedu Market Management Committee, said unexpected rains in the southern states for the past few weeks have helped the vegetable growers to get a good harvest this time around.
On Thursday, carrots were being sold at Rs 28, beans at Rs 25, green peas at Rs 78, drumsticks at Rs 28 and onions at Rs 13 per kg at Koyembdu market, he said.
Though the prices of most of the highly consumed vegetables had come down from Rs 7 to Rs 10 per kg, it had not reflected in retail sales as P Vanitha, a regular at the Perambur vegetable market pointed out.
“Except for the prices of tomato, which had recorded a drop of about Rs five per kg a few days ago, other vegetables, including onion and carrot still sold at Rs 20 and Rs 40 respectively,” she said.
A few days ago, overcast conditions due to the incessant rains had led to a fall in the prices of all vegetables to a minimum of Rs 8 to Rs 10 per kg.

However, on Thursday, these prices had stabilised.
For the past four months, prices of vegetables had skyrocketed due to unfavourable climatic conditions.
After the arrival of a fresh harvest a few days ago, the rates of vegetables which had initially tumbled, had now stabilised, Soundararajan said.

THE ECONOMIC TIMES
Fri, Aug 27, 2010 | Updated 10.51AM IST

Garlic export jumps on smaller Chinese crop

27 Aug, 2010, 04.25AM IST, PK Krishnakumar,ET Bureau

KOCHI: Garlic export from India is growing at a good pace this year thanks to a crop shortfall in China, the largest producer. Exports of the bulb at 10,975 tonne valued at Rs 41.3 crore for the April-July 2010 period have shown a 1,184% rise in quantity and a 1,957% jump in value.

Shailesh Shah, director of Mumbai-based Jabs International, a garlic exporter, said the Indian garlic is priced at around $2,000 per tonne now compared to a range of $,2600 to $3,200 per tonne from China.

“The good news is that the prices of Chinese garlic may not come down in the near future as traders are holding cargo expecting higher price,” he said. Malaysia, Indonesia, Philipines, Bangladesh are the major buyers in the international market.

Almost a major share of India’s garlic production of about 10 lakh tonne goes for domestic consumption. Exports totalled 10,750 tonne in 2009-10, which have been overtaken during the four-month period this fiscal.

Garlic, cultivated mostly in Madhya Pradesh, Uttar Pradesh and Himachal Pradesh, is harvested during March in India and in July in China. But this time Indian farmers have gone for an early harvest as the local prices are high due to higher consumption and lower productivity.

The local prices have increased to Rs 75 -100 per kg depending on the size from around Rs 50 per kg. But exporters say the decision of the commerce ministry to deny them the benefit of Vishesh Krishi Upaj Yojana will hit shipping in the coming months.

This incentive of 5% duty credit on FOB value of exports for each licensing year was available to all spices except pepper and chillies. “The exporters are at a disadvantage when it comes to forward contracts,” said Philip Kuruvila, chairman of All-India Spices Exporters Forum.

Punjab cotton prices rise on weather woes

27 Aug, 2010, 04.23AM IST, Madhvi Sally,ET Bureau

CHANDIGARH: Continuous rain in north India is forcing Punjab farmers to harvest cotton crop earlier than usual period. It could also push up raw material costs for textile makers and exporters if it hurts standing crop in the region.

“Over 25 quintal of cotton arrived in the Abohar mandi in Ferozepur district of Punjab. The farmer got Rs 3,500 per quintal. If the weather remains favourable, cotton arrivals will pick up,” said Bathinda-based North India Cotton Association president Rakesh Rathi.

He added that the previous year farmers were getting Rs 2,900-Rs 2,950 per quintal for J-34 variety in the beginning of the season. Most of the crop is either in the ball formation stage or in the flowering stage in the northern region. Punjab Agriculture University’s plant breeding section head MS Gill said that infestation of whitefly on cotton has been observed in the cotton belt of Punjab.

Ginned cotton in north was selling for Rs 3,400-Rs 3,500 per maund (one maund = 37.32 kg). Gujarat's Shankar-6 (28 mm) variety was ruling at Rs 33,400 to Rs 34,000 per candy.

"There is aggressive purchase by exporters in the spot and forward market," said a Coimbatore-based trader Narendra Dave. He added that over 3,500 bales of Shankar-4 variety at spot market were purchased by exporters for Rs 34,000 per candy.

With the Centre allowing cotton exports from October 1, Cotton Association of India president Dhiren Sheth said that the farmers will get a better price. "The crop is looking good and with the much-needed rains, the yield is expected to increase," he said.

The increase in cotton prices over the past one year is a matter of concern for most of the textile mills and yarn manufacturers. Ludhiana-based Nahar Group, which consumes 10 lakh bales annually, has only a month's cotton stock since its last purchase was in March this year.

"In August 2009, the Shankar 6 was selling for Rs 28,000 per candy whereas it is ruling now at Rs 34,000 per candy. We don't expect prices to fall with international merchants making huge purchases," said Nahar Group general manager Ashok Kapoor.

Guar, chana hit contract low on output view

26 Aug, 2010, 02.12PM IST,REUTERS

MUMBAI: India's guar futures fell to a fresh contract low on Thursday on lacklustre demand due to estimates of higher production after area under guar seed increased in key cultivating regions and favourable weather in those areas, analysts said. "Estimates of higher production are pushing the market down. Trend is bearish and prices are likely to continue to fall," said Chowda Reddy, analyst at JRG Wealth Management, adding intra-day support for September contract is seen at 2,000 rupees. Acreage in guar seed is up 10 percent in top producer Rajasthan, which accounts of 80 percent of the country's output of the crop, boosting hopes of higher output this year.

At 1:50 p.m, the most-traded September guar seed on National Commodity and Derivatives Exchange (NCDEX) was down 0.69 percent to 2,028 rupees per 100 kg, after hitting a contract low of 2,018 rupees earlier in the session. India's guar seed output is likely to jump over 3-fold to nearly a million tonnes in 2010/11 after farmers expanded area under the crop and as monsoon rains remained conducive, industry officials said on Aug. 20.

India's key monsoon rains are expected to be 29 percent above normal in the week to Aug. 25, as against 6 percent below normal rainfall in the previous week, sources at the weather office said on Thursday.

CHANA: India's chana futures hit a fresh contract low on mounting stocks, higher area under kharif pulses and as fresh arrivals of moong started in spot markets, analysts said. Hopes of good sowing of chana due to sufficient moisture in the soil as the major cultivating states received good rainfall, also weighed on sentiment, analysts added.

Madhya Pradesh, Maharashtra, Rajasthan, Uttar Pradesh and Karnataka are the main chana producing states and the sowing begins from October. "Chana sowing is expected to be higher because soil has sufficient moisture. Acreage under kharif pulses have also increased," said Reddy of JRG Wealth Management. At 1:50 p.m., the most traded September chana contract on the NCDEX was down 1.77 percent to 2,164 rupees per 100 kg after hitting a contract low of 2,155 rupees earlier in the session.

Fresh arrivals of moong have gradually started picking up in the spot markets of Karnataka, Andhra Pradesh and Maharashtra. As on Aug. 19, area under kharif pulses stood at 10.58 million hectares, compared to 8.8 million hectares a year ago. According to the fourth advance estimates, the production of chana in 2009/10 is likely to be 7.35 million tonnes against 7.06 million tonnes last year, official data showed.

Wheat edges higher; stocks restrict gains

26 Aug, 2010, 03.30PM IST

MUMBAI: India wheat futures edged higher on Wednesday afternoon on technical buying after the grain shed about 2 percent in the past five sessions, analysts said. But, high stocks and a government decision to retain export restrictions kept the upside limited.

"There is a bit of buying today after days of fall, prices may be in the range of 1,220-1,250 (rupees) for next two sessions," said Veeresh Hiremath, senior analyst with Karvy Comtrade. September wheat on the National Commodity and Derivatives Exchange (NCDEX) was trading 0.60 percent higher at 1,235.00 rupees per 100 kg at 3:09 p.m., after hitting a low of 1,221.4 rupees.

"Wheat was very well supported at 1,222, so there is buying happening at support levels," said Chowda Reddy, senior analyst with JRG Wealth Management. India is not planning to lift a ban on exports of wheat and non-basmati rice as food inflation levels have made it necessary to prop up domestic availability, trade minister Anand Sharma said on Monday.

Wheat sowing beginning from October is likely to benefit from recent rains in northern India, the key wheat growing region in the country, the Angel analyst said. Indian government estimated in mid-July India's wheat harvest at a record 80.71 million tonnes.

Business Standard

Friday, Aug 27, 2010

Port closure seen hurting soymeal exports

Reuters / Mumbai August 27, 2010, 0:28 IST

India's soymeal exports in August are likely to fall short by about 50,000 tonnes compared to July, despite higher crushing as a closure of a key port in western India cut shipments, two oil millers and one port official said.

Operations at Mumbai port were affected for nearly a fortnight in August after two Panamanian ships collided just off Mumbai's coast on August 7.

"Orders were good, soybean crushing was also higher than July due to better margins but Mumbai port's problem restricted exports," said an oil miller based in western Maharashtra state.

"If you compare with July, soymeal exports are likely to be about 50,000 tonnes lower this month," the miller said.

India had exported 166,632 tonnes of soymeal in July.

In April-July the country's soymeal exports stood at 385,871 tonnes and more than half of that was handled by Mumbai port. "A few oil millers diverted quantity to Kandla port, but it wasn't possible for all. Some millers in Maharashtra and Madhya Pradesh preferred to postpone their shipments," said an oil miller based in Gujarat.

Asian countries Vietnam, Japan and Thailand are among key importers of Indian soymeal. A senior manager at Mumbai port's traffic division confirmed lower exports of soymeal, but said it is difficult to provide an exact figure of exports in August.

“This is a short-term setback. Port operations have now normalised. Those who postponed orders will deliver soymeal in September. So hopefully we will see good exports in September,” said dealer based in Indore, Madhya Pradesh.

Palm oil may hit 3,000 ringgit: Mistry

Reuters / Kuala Lumpur August 27, 2010, 0:24 IST

Malaysian crude palm oil futures may rise about 20 per cent to trade close to 3,000 ringgit in the second half of 2010 as erratic weather slows output growth and demand strengthens, a top industry analyst said on Thursday.

Godrej International’s head of vegetable oil trading Dorab Mistry said there has been a strong catch-up rally in vegetable oil prices, particularly palm oil that currently trades at around 2,500 ringgit on the Bursa Malaysia Derivatives (BMD).

Palm oil gained 6 per cent in July, after dropping for two straight months before that.

“CPO (crude palm oil) on the BMD will trade close to 3,000 ringgit and then perhaps even climb above that target depending on how production shapes and the world economy performs,” Mistry said in a speech to be delivered in Brazil.

Top producers Indonesia and Malaysia are facing lacklustre production after El Nino-driven drier weather sapped yields and stunted the development of oil-rich female palm flowers in the first half of 2010.

This was followed by the La Nina weather pattern, which could deal another blow to production as it brings more rains and stalls harvest of palm fruit bunches in certain areas.

Planters are concerned that heavy rains may cause floods towards the end of the year and complicate the task of transporting palm oil to refineries and ports. “I stand by my forecast of Malaysian CPO production in 2010 at 17.2 million tonnes. Indonesian CPO production has also disappointed and I feel compelled to reduce my forecast of growth to just 500,000 (from 1 million tonnes),” Mistry said.

Mistry's forecast for Malaysian production is lower than government's revised target of 17.8 million tonnes. Indonesia had earlier aimed to produce 22.5 million tonnes of palm oil this year, from 20.6 million tonnes in 2009.

"CPO production during the Ramadan period will be flat to lower and recovery will have to wait until October," he said, referring to the Muslim holy month of fasting in mid-August that will see Indonesian plantation workers taking leave.

RIVAL SOYOIL

Palm oil's key rival, South American soyoil, could rise 21 per cent to $1,050 free on board (FOB) Argentina as demand from emerging markets as well as top vegetable oil consumers India and China will outpace production, Mistry said.

Marine products to have zero export duty

George Joseph / Kochi August 27, 2010, 0:21 IST

The marine sector is now included in the zero duty list of the Export Promotion Capital Goods (EPCG) scheme. The latest foreign trade policy review has extended this benefit to this sector as capital goods import is very essential for the upgradation of the processing units in order to meet the quality standards set by the European Union (EU) and the US.

According to Anwar Hashim, president, Seafood Exporters Association of India (SEAI) the inclusion in the zero duty list is a welcome move and would be highly beneficial to the industry as requirement of imported capital goods is on a rise.

The sector has to export five times of the waived import duty within a period of eight years. He said that this condition would not be a big issue as marine products export has increased in recent years.

Recently EU had imposed strict quality checking of imported items. Thus, export to the region suffered a setback. EU had imposed testing of 20 per cent of the containers and compulsory catch certificates for fishing vessels. EU is the largest importer of Indian seafood items for the last three-four years. In order to cope up with the quality standards, imported testing equipment and machinery are a must now. So it's a welcome move by the commerce ministry. Technology upgradation is the need of the hour and capital goods import is essential for this, he added.

He also said that the two per cent interest subvention to SME sector would also benefit the seafood export industry as more than 90 per cent of the export units will come under this category. Extension of DEPB scheme till June, 2011 is also a welcome move as far as seafood export sector is concerned.

ISO sees sugar surplus this year as output in India rises

Reuters / London August 27, 2010, 0:19 IST

The International Sugar Organization forecast on Wednesday there would be a global sugar surplus in 2010-11 with a rise in production in India turning the world's top consumer into an exporter.

"After two years of a large statistical deficit, the world sugar economy is facing a season with a production surplus over consumption," the ISO said in a quarterly market outlook.

The ISO, in its first assessment of the world sugar balance for 2010-11, forecast a global surplus of 3.22 million tonnes in 2010-11 (October/September) compared with a deficit of 4.95 million in 2009-10.

Production was seen rising by more than seven percent to 170.38 million tonnes and consumption climbing more slowly by around two per cent to 167.15 million tonnes. The bulk of production increase was seen in India.

"To a large extent, the projected increase in the Asian giant's production of nearly seven million tonnes, as against last season, dwarfs the dynamics in other producers," the organisation said.

The ISO forecast that India would have net exports of 945,000 tonnes compared with net imports of 3.3 million tonnes in 2009-10.

Export availability for raw sugar was expected to exceed import demand by nearly 1.9 million tonnes while for white sugar they were practically equal.

"The market may face a physical supply tightness of white sugar," the ISO said.

The ISO said the bearish pressure of the projected global surplus should be mitigated by the low level of stocks.

“Major downward price corrections would be a surprise. On the other hand, a surplus is a surplus....and further price advances are likely to be capped.

Centre to finalise quota for cotton exports next week

BS Reporter / New Delhi/mumbai August 27, 2010, 0:15 IST

The Union government will liberalise the rules for export of cotton but impose quantitative restrictions on shipments out of the country.

Commerce secretary Rahul Khullar told reporters that the quantity of tax-free export will be decided next month after assessing overall production and demand. Last week, the government had issued a notification to lift the ban on export and also end the export tax from October 1.

“Officials from the ministries of textiles, commerce and agriculture will meet on September 1 to decide how much would be the cotton produce this year and what is the domestic requirement and based on that, we will derive the amount of exportable surplus,” Khullar said.

He said the government would allow export of cotton up to the quantity decided without the export duty. “Once the limit (that will be decided) is reached, a prohibitive tax regime will come in.”

He said the cap on exports would ensure “orderly exports and adequate domestic availability and at the same time ensure that domestic prices remain stable”.

The government had placed cotton under the restricted exports list earlier this year after a surge in exports was thought to have resulted in a rise in local prices. Items in the restricted list need an export licence from the Directorate General of Foreign Trade (DGFT).

Gujarat’s benchmark cotton variety, Shankar-6, was around Rs 33,000 per candy (356 kg) on Thursday. In the forward market, it is Rs 32,500 a candy for next-month delivery. Exporters are booking cotton in the forward market, too.

Sources also said the textile ministry has called a meeting of exporters and textile mill representatives on Saturday to gauge the situation. Expectations in the cotton market is that when government representatives meet on September 1, an initial quota of five million bales (a bale is 170 kg) of exports may be fixed for the season. Alternatively, this may be limited to just a million bales per month.

Arun Dalal, a cotton dealer in Ahmedabad, said, “Government seems wise this time in allowing exports, as last season’s high exports led to a spurt in prices and then the suspending of exports.”

Pepper declines 1.40% on profit booking

Press Trust of India / New Delhi August 26, 2010, 15:50 IST

Amid profit-booking by speculators, pepper continued its slide in futures trade today as prices fell by Rs 296, or 1.40 per cent, to Rs 20,913 per 100 kg.

On the National Commodity and Derivatives Exchange counter, pepper for September delivery dipped by Rs 296, or 1.40 per cent, to Rs 20,913 per 100 kg, with an open interest of 14,259 lots.

The spice for delivery in October-month also traded lower by Rs 288, or 1.35 per cent, to Rs 21,085 per 100 kg, with an open interest of 3,374 lots, while November delivery fell by Rs 289, or 1.34 per cent, to Rs 21,250 per 100 kg, with a turnover of 453 lots.

Analysts attributed the fall in pepper futures to profit -booking, as prices surged nearly 9 per cent in the past few sessions but rise in exports restricted the downside in prices.

Meanwhile, India's pepper exports in April-July 2010 rose 2 per cent to 6,750 tonnes from the same period a year ago.

Business Line

Business Daily from THE HINDU group of publications

Friday, August 27, 2010

Date:27/08/2010 URL:
http://www.thehindubusinessline.com/2010/08/27/stories/2010082752411600.htm

---

Food inflation falls for second week in a row

New Delhi, Aug. 26

Food inflation fell for the second straight week to 10.05 per cent in the week ended August 14, lower than the 10.35 per cent year-on-year increase recorded in the week ended August 7.

The softening in food inflation is being attributed to a drop in prices of vegetables, including potatoes and onions. Annual fuel prices during the period increased 12.57 per cent, the same level of annual rise reported in the earlier week, data released by the Ministry of Commerce and Industry, on Thursday, showed.

Primary articles

Prices of primary articles increased 14.75 per cent from a year earlier, lower than the 14.85 per cent increase seen in the week to August 7.

For the week ended August 15, 2009, the prices of primary articles saw a 7.74 per cent increase.

The wholesale price index (WPI) for primary articles went up by 0.1 per cent to 308.1 (provisional) from 307.8 (provisional) for the previous week.

For the week ended August 14, 2010, potatoes were cheaper over 50 per cent on an annual basis, and vegetable prices declined 14.23 per cent. While onion prices fell 7.29 per cent on a year-on-year basis, cereal prices rose 7.1 per cent, mainly on account of higher prices of pulses, rice and wheat. Meanwhile, milk prices soared by 18.22 per cent and fruits became dearer by 15.24 per cent.

Non-food articles inflation for the week ended August 14 rose 22.20 per cent. Mineral prices grew 45.69 per cent on a year-on-year basis for the week under review. While fibre prices grew 13.86 per cent, oil seeds prices also saw an increase of 10.29 per cent on a year-on-year basis for the week ended August 14, 2010.

krsrivats@thehindu.co.in

Date:27/08/2010 URL:
http://www.thehindubusinessline.com/2010/08/27/stories/2010082751661800.htm

---

Quality logo for Indian seafood launched

May help small, medium players to establish themselves.

Nila Seafoods of Tuticorin has become the first Indian manufacturer-exporter to be awarded the MPEDA quality logo.

C.J. Punnathara

Kochi, Aug 26

With the objective of obtaining greater credibility and confidence for Indian seafood products in the international markets, the Marine Products Export Development Authority (MPEDA) has launched its export quality logo.

The introduction of the new logo is expected to improve and extend the market for Indian seafood products, Mr Anwar Hashim, President of the Seafood Exporters Association of India (SEAI), said.

The affixing of the quality logo would enhance the appeal of the product among the buyers.

Gaining authenticity

This backing by a Government authority would facilitate the small and medium players to better establish themselves in the global markets. It has been registered with the Trade mark/Copyright and Registration in India as well as in the three major markets of the US, the EU and Japan. In terms of quality, the logo-affixed products are expected to have uniform superior quality and also abide by higher standards in organoleptic and bacteriological standards.

Nila Seafoods of Tuticorin has become the first Indian manufacturer-exporter to be awarded the MPEDA quality logo. While constantly striving to improve their infrastructure and their products, the company has one of the most sophisticated and best processing plants in India. The logo is expected to give a shot in the arm to Nila, a major exporter to the Japanese seafood markets.

Reaching out

MPEDA for its part will initiate logo promotion programmes in Japan through its trade promotion office in that country. The promotion in expected to assist the wholesalers and retailers in the Japanese markets in projecting this product among the customers, thus enabling superior quality right from the catch to the table. Nila specialises in sea-caught white and flower shrimp grades.The flower caught from the Tuticorin seas commands a premium price in the international markets. Caught in the wild, these products are preferred by several top-end customers in the big supermarket chains and their prices were found to remain relatively steady even when the prices of other common grades fluctuated. Soon the Indian pink brown, known to be tasty and widely used by the Tempura chain of restaurants, is expected to be packed by Nila with the quality logo.

Date:27/08/2010 URL:

http://www.thehindubusinessline.com/2010/08/27/stories/2010082752491700.htm

---

Forward buy helps cotton top Rs 33,000/candy

Rajkot, Aug. 26

Forward trading in cotton for November and December has boosted prices in the last few days with prices increasing by Rs 200-300 a candy (356 kg).

Cotton traded at Rs 33,000 a candy for Shankar-6 variety for delivery in November and December under the non-transferrable specific delivery. About 10 lakh bales have been contracted for the forward delivery this month.

In the spot market, the price quoted was Rs 32,500-32,700, while in Maharashtra it ruled at Rs 32,000- 32,300.

A Rajkot-based broker, Mr Samir, said: “Currently, stock levels are very low and mill demand is good. Therefore, prices will not come down in the near future. Moreover, export demand may come in after 15-20 days.”

Textile industry representatives said that export of 85 lakh bales of quality cotton would bring down the closing stock to around 38.5 lakh bales this season ending September.

The stock-to-use ratio has also been brought down to 15 per cent against the world average of 33 per cent. The Cotton Advisory Board had earlier estimated the closing stock at about 40.5 lakh bales, pegging exports at 83 lakh bales.

Pakistan's devastating floods may have destroyed up to a fifth of the country's cotton crop, analysts say. This presents an opportunity to exporters in India. Cotton growers will seek to take advantage of a government decision last week to lift a ban on exports to help meet demand from Pakistan's textile industry.

Armed with a bumper crop after a good monsoon, exports to Pakistan are likely from October.

Date:27/08/2010 URL:
http://www.thehindubusinessline.com/2010/08/27/stories/2010082752501700.htm

---

Egg continues to rule flat

Gayathri G

Chennai, Aug. 26

Wholesale egg prices continued to rule flat this week with the Namakkal-based National Egg Coordination Committee's zonal committee deciding to maintain the same Rs 2.30 a piece at its meeting held on Thursday. Last week, it was Rs 2.40 a piece.

FESTIVE DOWNTURN

The current reduction in the wholesale rate has come amidst trade's concern over the falling consumption of egg in the northern markets in view of the approaching austere festivities, including Janmashtami and Ganesh Chathurthi.

With the onset of the austere season, the poultry layer farmers are a worried lot. The poultry layer market in Namakkal — the hub of India's poultry trade, may see some taming in table egg and layer prices in the coming weeks.

FEED PRICES

Besides the slowdown in consumption, stabilising soyameal prices across also have pulled down the egg prices in the State in the last few weeks.

The previous highest wholesale rate for the shell egg in the State was in June this year at 272.57 for 100 eggs when the rate was Rs 2.70 a piece.

Prices of soyameal — key ingredient of poultry feed — have declined from Rs 19,000 a tonne to Rs 17,400 in a month, because of a drop in exports due to poor demand from consuming countries.Stable feed prices are likely to keep prices of chicken and eggs flat in the coming days, poultry sources said.NECC has maintained the rates for its layer birds at Rs 33/kg (Rs 35/kg) price band for the past six days.Broiler Coordination Committee has fixed the prices of live chicken to Rs 56/kg throughout this week from last week's Rs 53.

Date:27/08/2010 URL:
http://www.thehindubusinessline.com/2010/08/27/stories/2010082751671800.htm

---

First-ever cloned male buffalo calf born at NDRI

Karnal, Aug 26

The National Dairy Research Institute (NDRI) has achieved another landmark by facilitating the birth of the world's first cloned male buffalo calf, which was born through normal delivery.

Born early Thursday morning, the calf weighing 41 kg was named Shresth.

Dr A.K. Srivastava, Director, NDRI, said the calf was born through the new and advanced ‘hand-guided cloning technique'. This calf is different from previous clones in several respects. The surrogate mother had normal delivery, while the previous two cloned births were through caesarean section. The calf was cloned from the ear somatic cell of a two-week-old buffalo calf, while foetus cells and embryonic stem cell, respectively, were used earlier, he said. Further, the embryo remained frozen for a week at -196 degrees Celsius in liquid nitrogen before returning to life on thawing at room temperature. The hand-guided cloning technique developed at NDRI is an advanced modification of the conventional cloning technique, said Dr Srivastava.

The cryopreservation of embryos can be used to transport them to other places, NDRI scientists said.

Four days ago, on August 22, NDRI produced the world's second cloned buffalo calf, weighing 32 kg, which was named Garima-II. It had produced the first cloned buffalo calf on February 6, last year and another on June 6 the same year.

While the first calf died due to pneumonia six days after birth as she was slightly heavy at 50 kg, the other calf, Garima, born on June 6 is India's longest surviving cloned calf. One other clone was aborted prematurely in the seventh month.

Dr S. Ayyappan, Secretary DARE and Director General, Indian Council of Agricultural Research said the new hand-guided cloning technology for buffaloes may lead to a new era in faster multiplication of elite germplasm to meet the growing demand for milk.

Date:27/08/2010 URL:
http://www.thehindubusinessline.com/2010/08/27/stories/2010082751631800.htm

---

Cotton prices seen ruling firm till March

Coimbatore, Aug 26

While industry associations have started voicing their protest over the Government's decision to export cotton from October, cotton farmers can look forward to a favourable cotton year.

The Domestic and Export Market Intelligence Cell (DEMIC) functioning at the Centre for Agricultural and Rural Development Studies, Tamil Nadu Agricultural University, has advised farmers to begin cotton cultivation during September-October and benefit from the current trend.

Market survey

DEMIC's survey of the cotton markets in Tirupur and Konganapuram has confirmed that the price of the long staple varieties will rule around Rs 3,100-3,300/quintal, between November and March 2011.

“If exports increase, then there is a likelihood of a further increase in the estimated price levels,” a DEMIC source said.

In March this year, DEMIC predicted that the price of the long staple varieties will rule around Rs 3,300-3,500/quintal up to September 2010. “This matched with real time prices,” State farm varsity sources said.

Citing a crop assessment study conducted by the International Cotton Advisory Council (ICAC), a TNAU release said that global cotton production is expected to drop in the 2010-11 season, by around 5 per cent, to 21.86 million tonnes (mt) against 23.35 mt in 2009-10.

The world cotton acreage has been estimated at 29.94 million ha as against 30.67 million ha during 2009-10, and the global cotton mill use forecast to grow by 3 per cent in 2010-

11, to 24.46 mt against 23.39 mt in 2009-10.

Cotton production

The United States Department of Agriculture (USDA) has forecast India's cotton production during the 2010-11 season, at 295 lakh bales, and consumption at 250 lakh bales.

While acreage is expected to go up in States such as Gujarat and Maharashtra, in Tamil Nadu, the officials did not foresee any increase in the area under cotton cultivation. The crop is sown in August and harvested in January-February.

Date:27/08/2010 URL: http://www.thehindubusinessline.com/2010/08/27/stories/2010082752561700.htm

---

Buying interest perks up spot sugar

Mumbai, Aug. 26

Spot sugar prices on the Vashi wholesale market increased Rs 8-10 on fresh buying by retailers and stockists. Traders expect that prices may rise further on retail and upcountry demand in view of the upcoming festival. In line with the cash market, naka and tender delivery rate also rose Rs 10-15 a quintal.

Mills are not keen to sell at current levels as they have sold most of the current month's quota. The Mills sector is expecting some positive steps from the Government in the forthcoming meeting, which is to be held on September 1 at Delhi. Traders are eagerly waiting for the September's free sale quota.

The sentiment was bullish, said Mr Ashok Kataria of Ashokkumar and Sons. Currently, purchasing by neighbouring States in Maharashtra is low. Only Gujarat is buying. But other States will come forward once demand picks up, he said. Maharashtra mills have already sold most of this month's quota.

Mills came with fresh offer of tenders with increased rates. Response to them from traders/stockist was encouraging. Mills have sold about 30,000/ 35,000 bags on Wednesday, traders said.

Total arrivals

On Thursday, total arrivals at the Vashi market was at 28–30 truckloads (10 tonnes each) and lifting was 32–45 truckloads. Mills were offering tenders at the rate of Rs 2,450-2,575 for S-grade and Rs 2,490-2,530 for M-grade (including excise) a quintal.

According to the Sugar Merchants Association on Thursday spot market rate was: S–grade Rs 2,565-2,600 (Rs 2,555-2,610); M–grade: Rs 2,580-2,640 (Rs 2,575-2,640). Naka delivery rate: S–grade Rs 2,530-2,550 (Rs 2,525-2,540) and M grade Rs 2,560-2,580 (Rs 2,560-2,580).

Date:27/08/2010 URL:
http://www.thehindubusinessline.com/2010/08/27/stories/2010082752581700.htm

---

Low demand drags chana in spot, futures

Our Correspondent

Indore, Aug. 26

Chana prices crashed on the futures market on Thursday. The prices plummeting to a record contact low.

Chana September futures on the National Commoditeis and Derivatives Exchange closed at Rs 2,165 a quintal. October futures slid to Rs 2,241 a quintal. With demand declining and coverage of pulse seeds increasing, chana also tumbled in the spot market with prices on Thursday quoting down Rs 50 at Rs 2,200-2,210 a quintal.

Similarly, Dollar or Kabuli chana (chickpea) prices also fell in the spot market by Rs 100 at Rs 4,600-4,700 a quintal following continuous decline in export demand and low arrivals. Indore mandi on Thursday saw an arrival of a meagre 700 bags of dollar chana, which was almost half of its arrival few days back.

MOONG SLUMPS

With the arrival of new moong in the market gaining momentum, its prices also witnessed a downtrend.

Prices in the spot market ruled Rs 200 lower at Rs 2,800-3,600 a quintal.

A total of 1,300 bags of new moong arrived at the Indore mandi on Thursday.

Traders hope the downtrend in pulse seeds and chana could continue further following the arrival of new crops of pulse seeds in the market.

New urad will start arriving in the local mandi by September.

MAY OPEN WEAK

Reuters reports: Analysts expect chana futures to open weak in the next session also.

“Chana sowing is expected to be higher because soil has sufficient moisture. Acreage under kharif pulses have also increased,” said Mr Chowda Reddy of JRG Wealth Management.

Date:27/08/2010 URL: http://www.thehindubusinessline.com/2010/08/27/stories/2010082752481700.htm

---

Uptrend in rice market continues

Karnal, Aug. 26

The rice market continued to witness an uptrend following export demand, especially from Iran. Prices of basmati and aromatic varieties increased Rs 100 a quintal and touched the

Rs 5,500 levels, highest for the season.

Pusa-1121 (steam) ruled at Rs 5,300-5,500 a quintal. Pusa-1121 (sela) quoted at Rs 4,300-4,400, while Pusa-1121 (raw) quoted at Rs 5,300-5,500. Pusa (sela) quoted at Rs 3,300-3,400 a quintal and Pusa (raw) ruled at between Rs 4,100-4,200.

Basmati sela ruled at Rs 6,200-6,300 a quintal, while basmati raw was quoted at Rs 7,300-7,400.The Sharbati sela variety ruled between Rs 2,800 and Rs 2,900 and Sharbati steam quoted at Rs 3,000-3,100. Permal (PR) sela ruled around at Rs 2,250; PR (raw) at Rs 3,300-3,350; and PR (steam) at around Rs 2,400. Brokens such as Tibar ruled around Rs 3,750 a quintal, Dubar at around Rs 3,000 and Mongra at Rs 2,250.

Mr Parveen Kumar, a rice miller, told Business Line that because of export demand the uptrend in the market was anticipated.Traders expectthe rally to continue as due to the floods in Pakistan, the Indian rice traders have got received some of the neighbouring country's contracts, while some old contracts are yet to be completed, he said.On Thursday, around 1,000 bags (60 kg each) of Govinda paddy arrived in the market. The early variety paddy was quoted at Rs 1,010 a quintal. Arrivals and procurement of the paddy was badly hit by the uncertain weather and heavy rainfall.

Date:27/08/2010 URL: http://www.thehindubusinessline.com/2010/08/27/stories/2010082752571700.htm

---

Edible oils gain with global cues

Mumbai, Aug 26

Edible oil prices gained sharply towards close on Thursday on global cues and retail support in view of the forthcoming festival season.

Palmolein up

At the beginning, despite firm reports from Malaysia, prices were range-bound. But by the end of the day, with the higher closing in Malaysia, prices increased Rs 2–3 in palmolein.

Cotton refined oil increased Rs 2 on firm cotton prices. Other oils ruled steady.

The benchmark November contract on the BMD in Malaysia ended 44 ringgit higher.

Meanwhile in last one week, about 50,000 tonnes of imported oils arrived at Mumbai ports and it has eased the supply position.On Wednesday, another steamer carrying 12,000 tones of crude palm oil and palmolein arrived at the port.The volume of trade picked up in the second session and 120-140 tonnes of palmolein were traded as resale in the price range of Rs 452–456. About 250 tonnes palmolein was traded at Rs 463. Indore NBOT soya oil September futures rose sharply to Rs 489.30 (Rs 483.60).On Mumbai commodity exchange spot rates were: Groundnut oil Rs 845 (Rs 845), soya refined oil Rs 473 (Rs 477), sunflower expeller refined Rs 525 (Rs 525), sunflower refined Rs 575 (Rs 575), rapeseed refined oil Rs 572 (Rs 573), Rapeseed expeller refined Rs 542 (Rs 543), Cotton refined Rs 495 (Rs 493) and Palmolein was at Rs 460 (Rs 460) for 10 kg.

Date:27/08/2010 URL:
http://www.thehindubusinessline.com/2010/08/27/stories/2010082751841900.htm

---

Pepper futures crash on bearish overseas reports

G.K. NairKochi, Aug. 26

Pepper futures were double floored on alleged international propaganda to pull the pepper prices down.

All the contracts on the NCDEX fell sharply.

Bearish reports were being spread that Brazil might reduce its pepper prices.

Indonesia was also offering lower.

Meanwhile, selected processors were ready to sell exchange warehouse delivered pepper at Re 1 below September contract price.

September contract on NCDEX fell Rs 848 to close at Rs 20,361 a quintal.

October and November contracts were down Rs 854 and Rs 861 respectively to close at Rs 20,519 and Rs 20,678 a quintal. Total turnover dropped 3,030 tonnes to 25,136 tonnes. Total open interest fell by 1,013 tonnes to 18,198 tonnes.

Spot prices in tandem with the futures market dropped by Rs 500 to close at Rs 19,600 (un-garbled) and Rs 20,100 (MG 1) a quintal. There were no sellers below Rs 200 a kg on the spot.

Meanwhile, on the traders' apprehensions about the quality of pepper delivered by the exchange Mr Srikant Ambati and Ms Uma Mohan – Executive Vice-President, Products, told Business Line today that “the Exchange has not received any complaint on any quality issues in pepper. Further, to ensure market integrity and faith in the delivery system, the Exchange has implemented processes to ensure quality of goods during deposits and storage at the warehouses. The exchange ensures that the buyer is absolutely satisfied with the quality of goods and if case of any doubts/concerns, they could represent to the Exchange”.

Date:27/08/2010 URL:
http://www.thehindubusinessline.com/2010/08/27/stories/2010082751681800.htm

---

One out of every 4 kg tea imports came from Nepal

P.S. SundarCoonoor, Aug 26

India imported the largest volume of 2.35 million kg of tea from Nepal during the first half of calendar 2010, reveals an analysis of the latest data of origin-wise import available with Tea Board and the importers. This meant that one out of every four kg imported came from Nepal. In effect, Nepal supplied 25.54 per cent of the total volume of 9.20 million kg India imported.

However, the volume imported from Nepal was lower than the 3.04 million kg imported during January-June 2009. India picked up a lower volume because Nepal demanded a higher price – India paid an average price of Rs 90.48 a kg – Rs 9 more than last year.

India imported the second highest volume of 1.96 million kg (last year: 1.92 million kg) from Vietnam because of the low price of Rs 65.96 a kg (Rs 57.02). Iran was the third largest supplier of tea to India at 1.18 million kg (0.18 million kg). Although the price increased by Rs 20 a kg to average Rs 50.40, more teas managed to enter Indian borders.