

Published: July 16, 2010 02:26 IST | Updated: July 16, 2010 02:26 IST NEW DELHI, July 16, 2010

Food inflation creeps up to 12.81 %



Marking a break from the declining trend during the second-half of June, food inflation inched up yet again to 12.81 per cent for the week ended July 3 from 12.63 per cent in the previous week following supply disruptions owing to heavy rains in some of the producing States coupled with a partial effect of the hike in fuel prices.

Curiously, however, the WPI (wholesale price index) data revealed a fall in inflation for the 'fuel and lubricants' category to 14.27 per cent for the week from over 18 per cent a week ago — ostensibly on account of a high base effect — even as the full impact of the hike in fuel prices, especially diesel, is likely to get reflected in the next few weeks of July.

Apart from higher fuel costs, disruption in movement of food items owing to transportation bottlenecks resulted in most edibles turning costlier.

Prices of rice, wheat, pulses and onions, which had been dipping in recent times, went up by 0.03-3.80 per cent on a week-on-week basis.

Potatoes and fruits, however, turned marginally cheaper.

Commenting on the WPI data, Prime Minister's Economic Advisory Council member Govinda Rao said: "The marginal jump [in food inflation] was expected. The hike in fuel prices has definitely led to a jump in the transportation costs. The fuel price hike will take time to be reflected fully."

In agreement with this view, economic think-tank ICRIER Director Rajiv Kumar noted that the effect of the fuel price hike has not got reflected fully and that will happen during the next few weeks.

For the present, the "Rise [in food inflation] is due to seasonal factors like rain and transportation hassles during the monsoon. The new crop is also yet to come...We expect prices to moderate by October when the new crop comes into the market and the low base of last year is over, he said."

With the overall inflation level pegged at 10.55 per cent for June, the Reserve Bank of India is expected to hike the short-term lending and borrowing rates by another 25 basis points each on July 27, having done so earlier this month by the same margin in its bid to contain the price spiral.

Published: July 15, 2010 17:27 IST | Updated: July 15, 2010 17:27 IST July 15, 2010

Natural vinegar from matured coconut water

Diversification in the utilization of coconut is the strategy being advocated to overcome the present constraints in stabilizing the coconut prices which is required by both the consumers and the producers.

A large quantity of coconut water is being wasted in copra production yards, desiccated coconut industries, temples etc.

It is estimated that one desiccated coconut mill will release about 10,000 litres of matured coconut water per day.

Natural preservative

Simple technology is now available for the production of natural vinegar from matured coconut water.

Vinegar made from coconut water can be used as a natural preservative and flavouring agent in the preparation of pickles, salads, sauces and many other condiments.

Naturally fermented coconut vinegar is rich in minerals and vitamins such as beta carotene, calcium, iron, magnesium, phosphorous, potassium and sodium and is a healthier alternative to synthetic vinegar.

A pilot plant for the production of natural vinegar from matured coconut water has been established at Dr. Mahalingam College of Engineering & Technology, Pollachi, with the financial assistance from Department of Science and Technology, New Delhi.

Sugar percentage

The matured coconut water which contains 2-3 per cent sugar and is concentrated to 10 per cent by fortifying with sugar.

The fortified coconut water is then fermented by inoculating the solution with yeast, *Saccharomyces cerevisiae*.

After subjecting to alcoholic fermentation for about 7 days, the clear liquid is inoculated with mother vinegar containing acetobacteria.

The alcoholic ferment is then oxidized to natural vinegar (4 per cent acetic acid), aged and bottled.

This technology can be well-adopted in rural areas, since the process involved is simple, and also no expensive equipment is required for the production of vinegar.

Dr V.V.Sreenarayanan S.Ayyappan

& N.Muthukkannan

Dr. Mahalingam College of Engineering and Technology Udumalai road Pollachi, Tamil Nadu



Press Trust Of India

New Delhi, July 15, 2010

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Food inflation up at 12.81 per cent on seasonal, fuel effect

Transport disruptions due to monsoon showers and high fuel cost increased food inflation to 12.81 per cent for the week ended July 3, heightening the likelihood of RBI raising short-term rates in its July review.

However, inflation for fuel and related items fell to 14.27 per cent in the week compared to over 18 per cent in the previous week due to base effect.

Since inflation is calculated year-on-year, relatively higher figures last year make the prevailing prices look smaller in comparison.

Economists attribute the 0.18 percentage point rise in food inflation from 12.63 per cent in the previous week to transport hassles and the hike in fuel prices. This broke the two-week declining trend in food inflation.

Rice, wheat, pulses, onions--all turned costlier in the range of 0.03-3.80 per cent on week to week basis.

However, potatoes became cheaper by 0.85 per cent and fruits by 0.91 per cent.

Tomatoes, which have become exorbitant over the period, however, did not see any change in prices.

Prime Minister's Economic Advisory Council member Govinda Rao said, "The marginal jump (in food inflation) was expected. The hike in fuel prices has definitely led to a jump in the transportation costs. The fuel price hike will take time to be reflected fully." Economic think tank ICRIER director Rajiv Kumar said the effect of the fuel price hike has not come fully and one has to wait for the next few weeks to see it arrive. "Rise (in food inflation) is due to seasonal factors like rain and transportation hassles during the monsoon. The new crop is also yet to come," he said.

Yesterday, Finance Minister Pranab Mukherjee had expressed hope that inflation would ease after Kharif season is over.

Kumar also said, "We expect prices to moderate by October when the new crop comes into the market and the low base of last year is over."

He expected RBI to go for a 25 basis points hike in the short-term lending and borrowing rates at its July 27 meet. The central bank upped these rates by 25 basis points earlier this month to tame inflation. The overall inflation shot up to 10.55 per cent in June from 10.16 per cent in the previous month.

Analysts say July figure can be much higher if the upward trend in food and manufactured items continues for the rest of the month.

<http://www.hindustantimes.com/StoryPage/Print/572800.aspx>

Weather

Delhi - INDIA

Today's Weather



Partly Cloudy

Friday, Jul 16

Max Min
36.6° | 29.5°

Rain: 9.0 mm in 24hrs

Humidity: 75%

Wind: Normal

Sunrise: 05:32

Sunset: 19:21

Barometer: 1001.0

Tomorrow's Forecast



Rainy

Saturday, Jul 17

Max Min
35° | 28°

Extended Forecast for a week

Sunday Jul 18	Monday Jul 19	Tuesday Jul 20	Wednesday Jul 21	Thursday Jul 22
42° 31°	44° 32°	45° 32°	44° 33°	40° 31°
Partly Cloudy	Rainy	Partly Cloudy	Rainy	Rainy

Fuel index eases, food gets dearer

Jul 16 2010

July 15: India's fuel inflation eased on lower industrial fuel prices, but food inflation snapped a two-week easing trend in early July, reinforcing expectations for a 25-basis points hike in the central bank's July-end policy review. The headline inflation in June was 10.55 per cent, data released on Wednesday showed.

The fuel price index rose 14.27 per cent compared with the previous week's 18.02 per cent, while food price index rose an annual 12.81 per cent in the year to July 3 against its 12.63 percent reading in the previous week.

Food inflation edged up marginally because of higher rice and wheat prices, data showed. The Reserve Bank of India is widely expected to raise key policy rates by 25-bps in its policy review later this month, after three rate hikes this year, including a 25-bps raise in key policy rates on July 2. Analysts say the sharp revisions in the headline inflation number in March and April have maintained the case for further monetary tightening by the central bank on July 27 and even after that.

The RBI could raise the repo rate, the rate at which it lends to banks by another 50 bps by the end of December, a Reuters poll of 21 economists showed. Key policy makers have been advocating that the food prices will moderate by the end of this year, betting on good monsoons and strong harvest to cool the prices from the high levels touched towards the end of last year, when the worst drought in 37 years hit farm output.

Source URL:

<http://www.deccanchronicle.com/business/fuel-index-eases-food-gets-dearer-240>

By PTI

15 Jul 2010 02:55:41 PM IST

Food inflation rises to 12.81 percent



NEW DELHI: Transport disruptions due to monsoon showers and high fuel cost increased food inflation to 12.81 percent for the week ended July 3, heightening the likelihood of RBI raising short-term rates in its July review. However, inflation for fuel and related items fell to 14.27 percent in the week compared to over 18 percent in the previous week due to base effect.

Since inflation is calculated year-on-year, relatively higher figures last year make the prevailing prices look smaller in comparison. Economists attribute the 0.18 percentage point rise in food inflation from 12.63 percent in the previous week to transport hassles and the hike in fuel prices.

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Yesterday, Finance Minister Pranab Mukherjee had expressed hope that inflation would ease after Kharif season is over. Kumar also said, "We expect prices to moderate by October when the new crop comes into the market and the low base of last year is over.

" He expected RBI to go for a 25 basis points hike in the short-term lending and borrowing rates at its July 27 meet. The central bank upped these rates by 25 basis points earlier this month to tame inflation. The overall inflation shot up to 10.55 percent in June from 10.16 percent in the previous month. Analysts say July figure can be much higher if the upward trend in food and manufactured items continues for the rest of the month.

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THE ECONOMIC TIMES

Guar gains on export demand; chana on low-level buying

15 Jul 2010, 1412 hrs IST, REUTERS

MUMBAI: India's guar seed futures rose more than 1 per cent on Thursday, bolstered by export demand for guar gum, weak arrivals and concerns over the monsoon, analysts and traders said. Most of the guar cultivating areas of Rajasthan have received insufficient and delayed showers, hampering sowing and hurting the growth of the sown crop, they added. (Watch)

Planting of guar commences from beginning of June in the irrigated areas, while farmers in non-irrigated areas sow after mid-June, when monsoon rain reaches Rajasthan. "Sowing operations are slow in northern Rajasthan as farmers are still waiting for good showers. This is the main factor that is driving the market up," said Chowda Reddy, senior analyst from JRG Wealth Management.

The most-traded August guar seed on NCDEX was up 1.27 per cent at Rs 2,548 per 100 kg. Industrial guar gum is the most sought after guar product, and accounts for about 45 per cent of the total demand. Industrial gum is used as a controlling agent in oil wells to facilitate easy drilling and prevent fluid loss. In the Jodhpur spot market, guar seed gained Rs 42 to Rs 2,443 per 100 kg.

CHANA: India's chana futures moved up in the afternoon trade on buying interest near support level after falling for 2 straight sessions and on some inquiries from millers, analysts said. "Prices are not likely to go

below Rs 2,265 (August contract) as it is a very good support level. Lower level buying may support prices," said an analyst from JRG Wealth Management.

August futures contract on the National Commodity Derivatives Exchange was up 0.31 per cent to Rs 2,291 per 100 kg. "Demand is steady. Millers are showing interest. Prices are likely to move up," said a trader from Delhi. Demand for chana dal and flour usually goes up during monsoon months as supply of vegetables drops in wet weather and also due to the start of the festival season in August.

In the Delhi spot market, chana inched down Rs 2.5 to Rs ,185.50 per 100 kg. According to the third advance estimates, the production of chana in 2009/10 is likely to be 7.38 million tonnes against the actual production of 7.05 million tonnes last year, official data showed.

Pepper, jeera hit contract highs; turmeric up

15 Jul 2010, 1557 hrs IST,REUTERS

MUMBAI: India pepper futures made a fresh contract high on Thursday tracking bullish cues from the spot market, restricted supplies and some inquiries from overseas buyers, analysts said. "Trend is bullish. Prices may continue to shoot up on the back of bullish fundamentals. Availability of black pepper is very weak," said an analyst from a local brokerage.

The most active August pepper was up 0.21 percent to 19,929 rupees per 100 kg, after hitting a contract high of 20,070 rupees earlier in the day. Spot pepper rose 166 rupees to 19,544 rupees per 100 kg in Kochi, a major trading hub in Kerala. India's pepper exports fell 7 percent to 2,850 tonnes in April-May 2010 from the same period a year ago, and traders said there has been a pick-up in shipments since.

JEERA: India's benchmark August jeera futures hit fresh contract highs on good demand in the home market and a supply shortage as stockists awaited better prices, analysts said. "Arrivals are gradually declining in the market. Demand from local market may push prices higher in coming sessions," said an analyst from Mumbai based brokerage.

The most active August jeera contract was up 1.46 percent to 14,411 rupees per 100 kg, after hitting a contract high of 14,469 rupees earlier in the day. Jeera exports in April-May 2010 fell 12 percent to 8,300 tonnes from the same period a year ago. At Unjha, the benchmark spot market in Gujarat, jeera gained 140 rupees to 13,790 rupees per 100 kg.

TURMERIC: India's turmeric futures traded nearly 1 percent higher after falling for 2 straight sessions on

improved spot demand, good overseas inquiries and poor stocks, analysts said. The most active July turmeric was up 0.70 percent to 15,204 rupees per 100 kg.

In Nizamabad, a major spot market in Andhra Pradesh, turmeric gained 63.5 rupees to 15,110.50 rupees per 100 kg. India's turmeric exports rose 8 percent to 10,350 tonnes in April-May 2010 from the same period a year ago.

Sugar ends flat for 2nd day as mills hold prices

15 Jul 2010, 1835 hrs IST,REUTERS

MUMBAI: Indian spot sugar ended flat for a second straight day on Thursday as millers held on to prices although demand was very weak, dealers said.

"For last 2-3 days mills in Maharashtra were quoting same price though demand was weak. Demand will remain weak for next 8-10 days," said Ashok Jain, president of the Bombay Sugar Merchants Association (BSMA).

Demand from bulk buyers, typically beverage and ice cream makers, reduces by the end of summer as lower temperatures and the onset of rains cut demand for these products. Open market sales by millers are lower than last month as India made available only 1.45 million tonnes of non-levy sugar for July, down 15 percent compared to the 1.7 million tonnes it had released in June.

In Kolhapur, a key market in top producer Maharashtra, the most traded S-variety sugar was steady at 2,600 rupees (\$55.79) per 100 kg. For nearly two weeks the price has been hovering near 2,600 rupees. India, the world's largest sugar consumer, is likely to export around 500,000 tonnes of sugar in 2010/11 because of rising domestic output, the International Sugar Organization said on Wednesday.

The country plans to seek reforms for its tightly-controlled sugar sector within three months, the farm minister said on Tuesday, which could include more open market sales and letting firms build larger stocks. India is likely to produce 24-25 million tonnes in 2010/11, higher than the local demand of 23 million tonnes, Vivek Saraogi, president of the Indian Sugar Mills Association (ISMA), told Reuters in an interview earlier this month.

Business Standard

Friday, Jul 16, 2010

Desai Fruits to replicate success in TN

Press Trust Of India / Mumbai/ Tiruchirapalli (tn) July 16, 2010, 0:40 IST

Gujarat based Desai Fruits and Vegetables, a major exporter, is all set to replicate its success in Tamil Nadu, with plans for large-scale contractual farming and banana export.

The company would commence operations within three to four months in Tamil Nadu "as the state has the right ingredients to make the Desai model a success," Ajit J. Desai, CMD of the company told PTI.

DFV, he said, offers a total solution package, addressing everything from tissue cultivation, crop protection and crop warranty to innovations in technology, training and support. Desai claimed that DFV, founded in 2001 as Desai Cold Storage Pvt Ltd., is now the largest banana contract farming company in the country having increased business volume manifold .

The company has already identified and initiated preliminary work to embark on contractual farming and MOUs with progressive farmers in southern Districts of Tamil Nadu.

The company has chosen 'Grand Naine' variety of banana in Cumbum and Theni Districts which have heavy demand in foreign markets.

"In the next phase, the company will go in for outsourcing bananas in delta districts of Tiruchirapalli and Thanjavur for similar activities, for which many farmers have shown interest," Pradeep Harchandani, CFO of the company said. Desai said the company would establish standard format outlets in major cities in US and Europe to market Indian fruits and vegetables.

Mills to have enough sugar to meet export obligation

Press Trust Of India / New Delhi July 16, 2010, 0:36 IST

Sugar mills could export up to one million tonnes of the sweetener in the 2010-11 crop year, starting October, to fulfill their export obligation, as the country's production is expected to outstrip demand, an industry body said.

"We will have enough sugar to fulfil the export obligation under the Advance Licence Scheme (ALS) in the 2010-11 crop year," Indian Sugar Mills Association (Isma) Chairman (Policy Advisory Group) Gautam Goel said.

It is unlikely that country would have enough sugar to undertake regular exports beyond this obligation, he added.

Under ALS, mills had imported 2.075 million tonnes of raw sugar at zero duty in the 2004-05 crop year, as there was a shortfall in production then. Out of the total quantity of imported sugar, an export obligation of 967,000 tonnes still remains. The deadline for export of this quantity of refined sugar is March, 2011.

Goel said: "Export obligation can be fulfilled as about 29.5 million tonnes of sugar (including an expected production of 25 million tonnes and carry-over stock of 4.5 million tonnes) is likely to be available in the next crop year, against the annual demand of 23 million tonnes."

Even though mills situated in southern India are demanding that they should be allowed to fulfil their export obligation now, the government is not permitting them to ship the sweetener till Diwali in November, fearing a price rise during the festive season.

According to the Isma, sugar production in the ensuing 2010-11 crop year is pegged at 25 million tonnes against 19 million tonnes in the 2009-10 crop year.

According to the data released by the Agriculture Ministry, there has been an increase of 13.3 per cent in acreage under sugarcane cultivation, at 4.74 million hectares as on July 2, compared to 4.18 million hectares on the same date last year.

Sugar mill gate prices softened by upto Rs 10 a quintal in the national capital today on ample supply amid reduced offtake. However, sugar spot prices ended around overnight levels on little doings. Marketmen said increased arrivals from mills along with reduced offtake by stockists, mainly pulled down mills sugar prices. In mill gate section, sugar mawana and doralia dropped by Rs 10 each to Rs 2,670 and Rs 2,650 a quintal.

Sugar millgate price eases on selling pressure

Press Trust of India / New Delhi July 15, 2010, 17:04 IST

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In mill gate section, sugar mawana and doralala dropped by Rs 10 each to Rs 2,670 and Rs 2,650 per quintal.

Kinnoni and asmoli also eased by Rs 10 each to Rs 2,720 and Rs 2,715 per quintal.

Following are today's rates in Rs per quintal:

Sugar ready M-30 2,800-2,900 and S-30 2,790-2,890

Mill delivery M-30 2,650-2,725 and S-30 2,640-2715

Sugar mill gate prices (excluding duty): Kinonni 2,720, Asmoli 2,715, Mawana 2,670, Titabi 2,650, Thanabhavan 2,630, Budhana 2,620 and Doralala 2,650

Monsoon 24% below normal, quick revival unlikely

Reuters / New Delhi July 16, 2010, 0:34 IST



India's monsoon rains, vital for farm output gains after last year's drought, were 24 per cent below normal in the past week and unlikely to rebound in the week ahead, the weather office said, raising fears of crop loss.

The relatively dry spell has not yet hurt agriculture, but is a matter of concern as July is the most important month for sowing key crops such as soybean, rice, cotton, cane and corn.

"It is not a healthy situation," said S Raghuraman an analyst with Agriwatch, a New Delhi-based consultancy. India is counting heavily on good monsoon rains this year after last year's drought hit crop output and triggered a sharp rise in inflation and provoked widespread protests. India's inflation rose to 10.55 per cent in June, remaining in double digits for the fifth straight month and reinforcing expectations for a 25 basis points hike in the central bank's July policy review. Food inflation edged up because of higher rice and wheat prices. The dry spell may hurt soybean planting in India, the world's top importer of vegetable oils, said Rajesh Agrawal, coordinator of the Soybean Processors' Association, said from the

central city of Indore. Soybean planting had suffered in June, when the rainfall weakened but a sharp spurt in rainfall early this month had rectified the situation. "There is still good moisture in soil. But if it does not rain after 7-10 days, then re-planting has to be initiated and initial growth would be retarded," Agrawal said.

No quick rain revival

The weather office does not expect rains to bounce back soon. "It will not be a major revival next week," B P Yadav, director and spokesman at the India Meteorological Department said. Rainfall in the soybean-growing central state of Madhya Pradesh was barely a third of normal in the past seven days. The August soyoil contract in India's National Commodity and Derivatives Exchange erased early losses and hit a contract high of Rs 466.1 per 10 kg, while soybean futures rose about 0.9 per cent. The weather office had forecast that rainfall in July would recover to 98 per cent of normal in July after falling 16 per cent short of average last month. Although rainfall was low, the weakest after the 25 per cent deficit in the last week of June, weather officials said the rain had been well distributed and the soil moisture was adequate after heavy showers in early July. Analysts said good distribution of rains would help even if total rainfall was 24 per cent below normal. In the week ended July 9, the monsoon rains were 2 per cent above normal due to the revival in central India after a two-week lull in mid-June.

Centre ropes in pvt sector to construct warehouses

Sanjay Jog / Mumbai July 15, 2010, 0:03 IST



Govt incentivises storage creation to cope with record procurement.

Scarcity of warehouses and increased foodgrain production has prompted the Centre to rope in private players to construct storage facilities under a seven year guarantee scheme. The government has already approved a capacity of 12.76 million tonnes under the programme.

Union Minister for Agriculture Sharad Pawar told Business Standard, "Reports from states are encouraging. The Food Corporation of India (FCI) will guarantee seven year charges."

The Centre's move was crucial following the acute storage of warehouses over the last few years with the Food Corporation of India procuring 20-25 million tonnes of wheat every year.

CAPACITY ALLOTTED	
State	Storage capacity
Andhra Pradesh	36,000
Bihar	300,000
Chhattisgarh	5,000
Gujarat	45,000
Haryana	3,880,000
Himachal Pradesh	142,550
J&K	361,690
Jharkhand	175,000
Karnataka	205,000
Kerala	15,000
Maharashtra	99,500
Punjab	7,125,000
Tamil Nadu	345,000
Uttarakhand	25,000
West Bengal	5,000
Total	12,764,740
Figures in tonnes	
Source : Ministry of Consumers Affairs, Food & Public Distribution	

This season, FCI has procured over 50 million tones of food grain — 25 million tonnes each of rice and wheat. While the existing wheat stock with FCI is 33.6 million tonnes, nearly 17 million tonnes are lying in the open and 12 million tonnes in Punjab due to unavailability of godowns.

The recent flood in Punjab and Haryana has affected the wheat stock lying in open. An FCI spokesperson said they are yet to make an assessment of the losses due to flood because the area is still submerged under flood waters. The quantum of damage would depend on the level of water because the foodgrain has been stored over two feet above the surface. The Centre has sent a team for assessing the impact of flood on such stocks.

When the FCI chairman met private warehouse owners, they assured him of building new warehouses provided they their services are used for at least seven years. Earlier, FCI was not in a position to provide such a guarantee because there was no certainty of such a huge procurement year after year.

Anil K Choudhary, MD and CEO of National Bulk Handling Corporation (NBHC) said, "The move to incentivise storage creation has come at the right time. Foodgrain procurement has been increasing every year and with the Food Security Act in place it will only increase. India needs huge storage capacities that could now be possible."

NBHC manages 473 warehouses with a two-million tonnes capacity. The ISO-accredited company offers storage, testing-grading, fumigation and pest management, warehouse audit and commodity valuation services.

The Centre has allocated Rs 149 crore, out of which Rs 125 crore would be released to FCI as equity for construction of storage godowns. The remaining Rs 24 crore would be released as Grants-in-Aid to the North East, Sikkim and Jammu & Kashmir for construction of godowns.

The Central Warehousing Corporation and State Warehousing Corporations can also construct warehouses at the approved locations but the FCI has to provide a guarantee for the same.

Monsanto looks for partnerships with states to reach out to farmers

Komal Amit Gera / Chandigarh July 15, 2010, 0:05 IST



Monsanto Holdings, a leading global provider of technology-based agricultural products aimed to improve farm productivity and food quality, is scouting for partnerships with state governments to reach target groups of farmers.

The company has signed public-private partnership agreements with the governments of Karnataka, Gujarat and Rajasthan for distributing seeds of cotton and maize to farmers. Talking to Business Standard, Christopher Samuel, the company's director, public affairs, said India had large tracts of fields under cultivation. To raise the yield, better quality seeds should be complemented with technology and good agronomic practices. He said their collaboration with state governments would enable farmers to use high-yielding seeds with state-of-the-art agronomic practices.

He added that Monsanto created direct linkages with 100,000 farmers across India with a team of 450 agriculture scientists. The company currently has six-seven per cent of the market for hybrid seeds in India and plans to be among the top five in the market.

More than marketing, he said, the research and development of better-quality seeds conducive to the soil and climatic conditions were required to consolidate its position. Monsanto has earmarked an annual fund of Rs 5,000 crore for biotech research for its global operations and each market draws 10 per cent of the total sales from this fund.

The company has five seed research breeding facilities in India. Samuel said the advantage of being a global operator was access to quality seeds in various parts of the world. "We can extract the best qualities of seeds from different countries and develop the one most suitable for Indian conditions to raise the yields of different crops," he said. Since so much of agriculture in India is rain-fed, seeds with less water absorption might help, he noted.

THE HINDU Business Line

Business Daily from THE HINDU group of publications

Friday, July 16, 2010

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<http://www.thehindubusinessline.com/2010/07/16/stories/2010071654032000.htm>

Food inflation inches up to 12.81%

New Delhi, July 15

The annual food inflation, based on the Wholesale Price Index, rose 12.81 per cent for the week ended July 3, marginally above the previous week's year-on-year rise of 12.63 per cent. Fuel inflation eased to 14.27 per cent during the latest week, mainly due to a decline in prices of furnace oil, compared with a rise of 18.02 per cent for the week ending June 26.

Data released by the Commerce Ministry on Thursday showed inflation in pulses increased 29 per cent, and milk 16 per cent during the latest week, even as vegetables dipped by six per cent. The index for primary articles was up at 16.25 per cent compared with 16.08 per cent a week-ago, while the sub-index for non-food items was up 18.85 per cent from previous week's 18.6 per cent increase.

Primary articles

On a sequential basis, the Primary Articles group index gained 0.1 per cent even as the index for 'Food Articles' group declined 0.1 per cent due to lower prices of fruits and vegetables (two per cent) and tea and masur (one per cent each). However, the prices of bajra (three per cent), fish-inland and mutton (two per cent each) and eggs, wheat and maize (one per cent each) moved up.

The index for 'Non-Food Articles' group rose by 0.4 per cent due to higher prices of raw rubber (four per cent), raw jute (two per cent) and castorseed and groundnut seed (one per cent each). However, the prices of linseed (two per cent) and sunflower (one per cent) declined.

The Fuel index dipped 0.1 per cent on a week-on-week basis due to the decline in price of furnace oil (one per cent). However, there was rise in price of aviation turbine fuel (four per cent).

Date:16/07/2010 **URL:**

'Sea-level rise may worsen monsoon floods in India'

Vinson Kurian

Thiruvananthapuram, July 15

Indian Ocean sea-levels are rising unevenly and threatening residents in some densely populated coastal areas and islands, according to a new study.

Led by scientists at the University of Colorado at Boulder and the National Centre for Atmospheric Research, the study finds that the sea-level rise is at least partly a result of climate change.

FUTURE IMPACT

Sea-level rise is particularly high along the coastlines of the Bay of Bengal, the Arabian Sea, Sri Lanka, Sumatra and Java, the authors found.

The rise — which may aggravate monsoon flooding in Bangladesh and India — could have future impacts on both regional and global climate.

The key player in the process is the Indo-Pacific warm pool — an enormous, bathtub-shaped area spanning the tropical oceans from the east coast of Africa to the International Date Line in the Pacific.

The warm pool has heated by about 0.5 degrees Celsius in the past 50 years primarily because of human-generated emissions in greenhouse gases.

If future anthropogenic warming effects in the Indo-Pacific warm pool dominate natural variability, mid-ocean islands such as the Mascarenhas Archipelago, coasts of Indonesia, Sumatra, and the north Indian Ocean may experience significantly more sea-level rise than the global average, says the study.

WIND PATTERNS

While a number of areas in the Indian Ocean region are experiencing sea-level rise, in others it is lowering.

The study indicated that the Seychelles Islands and Zanzibar off Tanzania's coast show the largest sea-level drop.

The patterns of sea-level change are driven by the combined enhancement of two primary atmospheric wind patterns known as the Hadley circulation and the Walker circulation.

The Hadley circulation in the Indian Ocean is dominated by air currents rising above strongly heated tropical waters near the equator and flowing pole-ward at upper levels, then sinking to the ocean in the subtropics and causing surface air to flow back towards the equator.

The Indian Ocean's Walker circulation causes air to rise and flow westward at upper levels, sink to the surface and then flow eastward back toward the Indo-Pacific warm pool.

COMBINED IMPACT

The combined enhancement of the Hadley and Walker circulations forms a distinct surface wind pattern that drives specific sea-level patterns, the study said.

This may also affect precipitation by forcing even more atmospheric air than normal down to the surface in Indian Ocean subtropical regions.

This may favour a weakening of atmospheric convection in subtropics, which may increase rainfall in the eastern tropical regions of the Indian Ocean (eastern India coast and Southeast Asia) and drought in the western equatorial Indian Ocean region, including east Africa.

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Guarseed trade looks for direction, awaiting rains

Global buyers adopt 'wait and watch' policy.

M.R. Subramani

Chennai, July 15

The guarseed and gum trading scenario has entered an interesting phase with the main growing regions in Rajasthan awaiting rains and global buyers adopting "a wait and watch" policy.

"Only the rain-fed areas in Haryana have got rains. But the main areas in Rajasthan, such as

Hanumangarh and Ganganagar, are yet to receive any rains,” said Mr Jeevan Gandhi, an exporter.

DEFICIENT MONSOON

Though the India Meteorological Department has said that monsoon has covered the entire country, it is deficient in Madhya Pradesh, western Uttar Pradesh, Bihar and parts of Rajasthan.

“The problem in Rajasthan is that rainfall has been scattered so far,” Mr Gandhi said.

The monsoon woes have resulted in guarseed being an outperformer on the futures exchanges, gaining nearly eight per cent week at Rs 2,466 a quintal for the July futures. It has made further gains this week before dropping a tad on Thursday to Rs 2,478. August and September futures were quoted at Rs 2,512 and Rs 2,538 respectively.

RESISTANCE

According to Angel Broking, guarseed will face resistance at Rs 2,560 and above that at Rs 2,590.

Guargum, a derivative of guarseed, has also gained in tandem with July contracts rising to Rs 5,560 a quintal on Wednesday before falling to Rs 5,528. August and September contracts were quoted at Rs 5,594 and Rs 5,660 respectively. Guar or cluster beans is a legume crop that grows in the semi-arid regions of the country during the kharif season.

“If the growing areas in Rajasthan receive rainfall after June 15, the farmers are unlikely to go in for bajra like last year. It is too late to go in for bajra now and therefore, they will go in for guar,” Mr Gandhi said.

PUT OFF

“However, if the monsoon repeats last year’s pattern then guar will be in trouble. Buyers abroad, too, will have to pay higher prices for gum,” he said. Currently, the prices have run up so fast that the overseas buyers have been put off. They are looking for the prices to stabilise before making any commitment to buy.

“No clear view can be taken now on guar. It will be late August or early September before we can reach a conclusion on the crop prospects,” said Mr Gandhi. But if the monsoon plays truant, then guarseed and gum prices could soar.

“Though last year we had a poor crop, the carryover stocks came in handy to tide over the situation.

This year, we need to have a good crop. Otherwise, there will be an acute short supply," he said.

Last year, guarseed production dropped to 2.25 lakh tonnes (lt) against 10 lt the previous year. "This year, there is export demand for 2.5 lt guar gum, while domestic consumption will be some 50,000 tonnes. To meet this, we need a crop of 10 lt," Mr Gandhi said.

Angel Broking said technically, prices have broken out at Rs 2,430 on the upside. Prices have a strong support at Rs 2,450 and below it at Rs 2,400.

"The demand for guarseed is good. With crude oil prices ruling above \$75 a barrel, demand is likely to be strong from the oil drilling sector," a trader said.

Guar is primarily grown in Rajasthan, besides Haryana, Punjab, Gujarat and Madhya Pradesh.

Guar is a raw material for producing guar gum.

Guar gum is used as a thickening agent and additive in food products such as instant soups, sauces, processed meat products, baked goods, milk and cheese products, yoghurt and ice-creams. It has industrial applications in the paper and textile sectors, ore flotation, explosives manufacture and fracturing of oil and gas formations.

India is the major producer of guar seed and gum, accounting for 80-85 per cent of the total global supply.

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Batting for agriculture

SHARAD JOSHI



The Agriculture Minister, Mr Sharad Pawar.

It is unusual for a politician to voluntarily seek curtailment of his powers. Mr Sharad Pawar, Minister for Agriculture, did it. Soon after assuming the responsibilities of the President of the International Cricket Council (ICC), he called on the Prime Minister to indicate his willingness to accept a reduced work burden.

When UPA-I was being forged, it was known that Mr Pawar had insisted on getting, along with the agriculture portfolio, the Ministry of Consumer Affairs, Food and Public Distribution.

No minister of agriculture in the past had demanded or obtained additional charges of these ministries. It appeared that Mr Pawar wanted to make a fresh beginning.

WHAT A BURDEN

Agriculture is a state subject. There is a huge Ministry of Agriculture at the Centre employing around 30,000 people.

This army of employees makes little contribution to the production side of agriculture. Its functions are limited to coordinating the work of research and promoting a balance between the consumers' and the farmers' interests.

The two Ministries —Agriculture and Consumer Affairs, Food and Public Distribution — are functionally intertwined. However, they together represent an enormous burden on the minister(s) in charge.

Since 2004, I have never heard any senior officer of these ministries complaining of any lack of attention or application on the part of Mr Pawar.

Everyone knows that he bears the burden not only of two large Ministries, but also presides over a huge financial empire of cricket in India.

They are also aware of the fact that the Minister has considerable interest in many industries and businesses, all of which are running smoothly. It is also well known that no decisions affecting the cooperatives or sugar are taken without consulting Mr Pawar.

To cut a long story short, the additional burden of the ICC could not have been a reason for Mr Pawar seeking a reduction in the burden of his work.

CONGRESS HOSTILITY

No doubt, many leaders in the Congress party are unhappy about Mr Pawar's rise in the field of cricket, as they are about the kind of mandate he runs in Maharashtra's politics.

Congressmen try to pass the entire blame for price hike and food shortages on to him.

There are jokes doing the rounds about Mr Pawar being the right person for the Ministry of Sports, particularly to handle the Commonwealth Games and cricket.

The bitterness among Congressmen came out typically in a recent report of the Estimates Committee of the Parliament.

The committee is chaired by the former Goa chief minister, the Speaker of the State Assembly and the incumbent president of the Pradesh Congress Committee, Francisco Sardinha.

In its report, the committee has lambasted both the Meteorological Department and the Ministry of Agriculture for their failure to foresee the drought and take adequate preventive and corrective measures.

It has attacked the Ministry of Agriculture for its handling of the drought situation and price rise. Further, the Committee has pulled up some officials in these two organisations with an acerbity that is rarely seen in the reports of Parliamentary committees. If Mr Pawar is up against Congressmen, he also has to deal with pressure from members of his own Nationalist Congress Party.

They want him to end the masquerade of running an independent national party with a single-point agenda of opposing a prime minister of alien origin. Why not go back to the Congress, some of them could well wonder.

Meanwhile, the Prime Minister is reported to have promised serious consideration of Mr Pawar's request to lighten his burden.

It is not known how the Prime Minister intends to come out of this politically embarrassing situation.

However, it presents him with an opportunity to knock down two birds with one stone — resolve a political problem while also carrying out a long overdue reform of the agriculture bureaucracy.

AGRICULTURE SERVICE

Agriculture demands considerable attention and still there is nothing like an All-India Agriculture Service. Even forestry, which is only a branch of agriculture, has an Indian Forest Service, but not agriculture.

Even more important is the matter of coordination between various ministries, some 14 at the last count that have stakes in agriculture. The Ministries of Commerce, Water Resources and Fertilisers often work at loggerheads with Ministry of Agriculture, on the one hand, and that of Food and Consumers' Affairs, on the other.

In the 1990s, when Devi Lal was both minister of agriculture and the deputy prime minister under V. P. Singh, a proposal was mooted to put all agriculture-related ministries under the control of the deputy prime minister. The V. P. Singh government fell before the proposal was seriously examined.

The present embarrassment for both the Congress and the NCP could be resolved by resurrecting that proposal.

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Spices export records 30% rise in April-May

Value of shipments exceeds Rs 1,000 crore.

Chilly continued to be the biggest export earner both in volume and value.

C.J. Punathara

Kohi, July 15

Spices export recorded considerable growth in volume and value during the first two months of the current fiscal. While the volume of exports has grown 30 per cent to 1,06,315 tonnes (81,950 tonnes), value realisation was up 30 per cent to Rs 1,025.30 crore (Rs 788 crore). Foreign currency earnings have moved up 42 per cent to \$227.22 million (\$159.83 million).

Although not very significant in the total volume and value, export of individual items such as garlic and ginger showed remarkable growth during the period. Export of garlic grew 2240 per cent in

volume over last year to 8425 tonnes and realisation grew 2339 per cent to Rs 29.88 crore against Rs 1.22 crore last year. This rapid growth was recorded mainly by increased global demand rather than by growth in unit value.

Ginger exports

Volume of ginger exports grew by 376 per cent to 2,500 tonnes while value realisation grew by 162 per cent to Rs 15.67 crore.

The growth in value was recorded despite a steep fall in unit value realisation from Rs 113.75 a kg last year to Rs 62.70. Chilli continued to be the biggest export earner in volume and value.

Chilli export volumes increased 54 per cent to 39,750 tonnes, while the realisations were up 51 per cent at Rs 240.46 crore. There was not much growth in unit value realisation for chilli. However, almost one fourth of the total export realisation came from chilli exports.

Value-added products such as mint, mint products, spice oils, oleoresins, curry powders and paste were the other major export earners in the basket. Mint and mint product exports grew 32 per cent to 2,500 tonnes and fetched Rs 166.84 crore.

Although there was slight decline in unit value realisation to Rs 667 a kg, enhanced volume jacked up the total realisations. Exports of spice oils and oleoresins were up 10 per cent in volume and 17 per cent in value as the unit value realisation moved up. The country exported 1,100 tonnes of spice oils and oleoresins to fetch Rs 124.93 crore.

Turmeric

Flaring international prices of turmeric in the global markets ensured that the total value realisation from this spice perked up. While the unit value realisation virtually doubled from Rs 62.43 to Rs 123.52 a kg, the total value realisation were up 113 per cent to Rs 127.84 crore. Volumes, however, registered a smaller growth rate of eight per cent to 10,350 tonnes. Prices of small cardamom also almost doubled from Rs 630 a kg last year to Rs 1,136.

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Edible oils rule firm

Mumbai, July 15

The edible oil markets continue to rise on global cues. The higher closing in Malaysia and the upward trend in the Chicago markets fuelled the firm trend in the prices.

On Thursday, the main varieties all rose by Rs 5 for 10 kg. Groundnut oil touched a new high of Rs 805 for a 15-kg tin.

Traders expect the prices to scale up further on the back of lean supply and oncoming festive season.

Imported edible oils such as palmolein and soya refined oil gained Rs 5 for 10 kg.

Cotton and sunflower refined oil also rose by a similar margin. Rapeseed oil increased by Rs 7 for 10 kg. Local retailers and stockists were active today. About 1,400 to 1,500 tonnes of palmolein were traded. Most of the sale was made by importers — Liberty and Ruchi — in the price range of Rs 407 to Rs 409. After Malaysia's closing, importers increased their rate by Re 1-Rs2. In the evening, sentiment turned more bullish on the back of enquiries from stockists. Volumes in sunflower oil were about 100 to 150 tonnes, said market sources.

Malaysian palm oil up

In the international markets, Malaysia's BMD crude palm oil futures ended higher by 36–58 ringgits on higher exports. Malaysian palm oil exports rose 16 per cent during the July 1-15 period to 708,384 tonnes, cargo surveyor SGS (Malaysia) Bhd. said on Thursday.

Crude palm oil futures on Malaysia's derivatives exchange rose 1.6 per cent to a three-week high as investors covered their short positions amid talk of weaker growth in July palm oil production, trade sources said.

Malaysia's BMD crude palm oil future August-10 closed at 2459 ringgits, September-10 at 2439 ringgits. Indore NBOT soya oil futures also rose sharply.

Soya forecast

Meanwhile, the Brazilian Vegetable Oils Industry Association or Abiove on Wednesday raised its forecast for soya exports to 29.5 million tonnes from the 2009-10 crop season.

This compares with its prior estimate in May of 29.2 million tonnes and 28 million tonnes a year ago.

In the spot market, soya refined oil rose to Rs 445, sunflower expeller refined to Rs 440, sunflower refined to Rs 490, rapeseed refined oil to Rs 552 and rapeseed expeller to Rs 522, cotton refined to Rs 455 and palmolein to Rs 411.

Oil extraction markets, rice bran extraction rose by Rs 250 to Rs 7,500 a tonne whereas soya meal declined by Rs 150 to Rs 16,350 a tonne. Other varieties were steady.

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U.P. warehouses may spoil Bengal potato party

Kolkata, July 14

The demand from other States for West Bengal potatoes is likely to drop after August when the cold storages in Uttar Pradesh (U.P.) will start releasing potatoes into the market.

West Bengal is currently sending large quantities of potatoes to Bihar, Jharkhand, Orissa, Andhra Pradesh and the north-eastern States, particularly Assam. "Cold storages across the various parts of Uttar Pradesh have been holding on to their stocks in anticipation of a possible increase in price of potatoes they hold. This is one of the primary reasons why Bengal potatoes have found a good market in other States," said Mr Patit Paban De, Member, West Bengal Cold Storage Association.

Close to 28 per cent of the potatoes stored in cold storages across West Bengal amounting to about 16 lakh tonnes have already been released into the market. An estimated 58 lakh tonne of potatoes have been stored in the 403 odd cold storages across the state this year.

"About seven lakh tonne out of the 16 lakh tonnes of potatoes released from cold storages have been transported to other States. Another 12-13 lakh tonnes of potatoes have been directly transported by farmers to other States post harvest, thereby taking the total quantity of potatoes transported to about 20 lakh tonnes till date," Mr De told Business Line.

Cheaper Bengal

The release of potatoes from various zones of UP have been relatively lower this year. While Agra has released about 28 per cent, Farukhabad released only about 11-12 per cent and the Eastern

zone released about 15-16 per cent as on date. "The quality of their potatoes is better than that of ours but their prices are higher at about Rs 450-500 a quintal (Rs 400 in Bengal) so there is a demand for Bengal potatoes," he said.

However, the release of potatoes from these belts would begin in the second week of August as cold storages would find it difficult to hold on to their stock beyond that. "Once that happens (release of UP potatoes into the market) then Bengal potatoes will not find a market," he said.

However, that would not have a significant impact on prices as the domestic consumption was expected to pick up post August, he added.

The potato traders' association in the State were also mulling to go on an indefinite strike starting July 16 in order to mark their protest against certain charges imposed by cold storages. Wholesale prices of potatoes (Jyoti variety) were stable at Rs 380-400 a quintal.

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Pepper futures ease on liquidation by investors

Kochi, July 15

Pepper futures, on Thursday, was easier on liquidation and bearish reports from overseas markets.

Investors were liquidating farm-grade pepper held by them at Rs 2 below the July contract price and simultaneously buying back their sales.

This liquidation by investors helped to fulfil buyers' demand and that, in turn, was exploited by bearish operators to pull the market down.

Bearish reports that Vietnam was easier were spread, market sources told Business Line. However, there were also bullish reports that the availability in India and Vietnam was tight and hence prices are expected to touch \$5,000 a tonne. Consequently, the market was highly volatile. Good quantities of farm grade pepper was traded on Thursday.

However, not much activity was reported from the primary markets, as there were no sellers. Karnataka was reportedly quoting Rs 205 a kg and this shows that there is a squeeze in the availability of ready pepper, they said.

July contract on NCDEX dropped by Rs 87 to close at Rs 19,467 a quintal. August and September fell by Rs 138 and Rs 164 respectively, to close at Rs 19,750 and Rs 20,000 a quintal. Total turnover fell by 7,972 tonnes to 25,422 tonnes. Total open interest also fell by 874 tonnes to 19,246 tonnes. July open interest fell by 785 tonnes to 1,950 tonnes, while that of August and September declined by 104 tonnes and 17 tonnes respectively, indicating liquidation of good quantities. Spot prices were steady at previous levels on matching demand and supply position at Rs 18,800 (ungarbled) and Rs 19,300 (MG 1) a quintal. Indian parity in the international market declined to \$4,400 a tonne (c&f) and remained nearly competitive with other origins.

Vietnam prices indicated on Thursday, according to a local report, were at 500 GL \$3,990 and 550 GL \$4,250 (fob) HCMC and white double washed at \$5,750 a tonne.

A report from the US said that all other origins, except India, were more or less steady while buyers appear to be on a wait-and-watch mode. Prices quoted by different origins for a tonne in dollars (c&f) New York July/August were: MG 1 asta - 4,550-4,650; Vietnam asta - prefers to work firm bids; Lampong asta - 4,300-4,400 - depending on suppliers/resellers; Sri Lanka 500 GL - 4,000 (fob); Brazil B1 560 GL - 4,100 (fob) August/September; Brazil asta - 4,200 (fob) August/September. Vietnam white pepper was quoted at \$6,050-\$6,100 (c&f) - will respond to firm bids, it said.

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Cloves prices may rise on tight supply

G.K. Nair

Kochi, July 15

Limited availability in India and other origins, coupled with stoppage of fraudulent imports and high costs, is likely to push up cloves prices in the coming days. The prices may exceed Rs 400 a kg, according to market sources. Very low stocks are also expected to push up the prices, they said.

As far as the availability in the international cloves markets is concerned, Indonesia is reported to have lower crop, and hence, no imports are coming to India. The prices, at present, are in the range of \$6,000-\$6,500 a tonne. Prices in Zanzibar, Madagascar and Comoros are at \$4,800-\$5,500 a tonne.

Colombo cloves are available at \$6,000 a tonne. The crop there also is reportedly lower. "Since the Indian market used to remain dull during June-August, imports of cloves have been limited," trading sources told Business Line. But, the demand will pick up from mid-August till February, which is the festival/marriage season.

"Markets are moving up in India now from Rs 300 to upwards and will soon go up to above Rs 400 a kg on a mismatch between demand and supply with the former outweighing the latter," they said.

Indian cloves production continues to hover around 2,000 tonnes. Due to its superior quality, aroma and high oil content, it is sold at a premium. The current price ranges between Rs 400 and Rs 450 a kg, some Bangalore-based dealers told Business Line.

Meanwhile, to facilitate more imports to meet the demand and to arrest under-invoicing and other malpractices, the Centre has reduced the duty for imports from Madagascar and Zanzibar to around 25 per cent from the existing 36 per cent vide Notification No 67/2010-Customs New Delhi, dated June 8, 2010.

Importers said that the strict vigil enforced by the Customs department authorities on imports of cloves, poppy seeds, ginger, aniseeds, mace, nutmeg and so on, following complaints from the farmers recently, there was some transparency in the imports of these goods. This phenomenon, on the one hand, and favourable weather conditions coupled with lack of buffer stocks on the other, has pushed up cloves prices, market sources said.

According to importers, there was good demand for Madagascar and Zanzibar cloves as this year new crop is projected to be small in all major growing countries, including Indonesia, Comoros and Brazil. Madagascar new crop will arrive only by January 2011, a long way to go for its arrival, while Zanzibar crop will arrive in November. But, as the demand is strong here the prices will cross Rs 350 a kg for Colombo cloves and Rs 400 for that from Zanzibar, they claimed.

Indonesian crop this year is only 60 per cent. The cigar companies are buying locally there at \$6,200 a tonne. Also, these companies said to have already bought the entire Comoros crop at \$4,800-\$5,200 a tonne. As a result, the world markets are facing a shortage at present in supply, they said.

An Indian importer was quoted by the PL as saying that Comoros was a highly expensive option. Similarly, India "cannot import from Indonesia" as local prices were a lofty \$6,200 a tonne, meaning Indonesian players were actually looking to import at \$4,500 to \$5,000 a tonne to supply and create

buffer stocks for the country's cigarette producers.

Because of the non-remunerative prices the Indian farmers had given up its cultivation long back and as a result, the Indian cloves output vacillated between 1,500 tonnes and 2,000 tonnes. The current crop has been comparatively good at above 2,000 tonnes, growers in Kerala and Tamil Nadu said. Lack of support from the authorities is also a major dissuading factor, they said.

The domestic demand for cloves is growing given the change in food habits following the economic growth and consequent rise in the living standards of the people, of late. The total demand is estimated at over 15,000 tonnes a year and much of it is met by imports, official sources said.

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Bumper harvest hopes put pressure on moong

Indore, July 15

Amidst hopes of a bumper harvest, moong witnessed a declining trend. Price of moong dal have dropped almost Rs 400 a quintal in the past week.

Moong, sold at Rs 8,000 a quintal a week ago, saw the spot rate drop to Rs 7,400- 7,600.

Similarly, moong also witnessed a similar trend with prices slumping to Rs 4,700-5,500 a quintal against Rs 4,800-5,500 last week.

The reason for decline in demand for moong in the local mandi is primarily being attributed to hopes of a bumper harvest.

According to traders, the rising trend in prices of other pulses will continue as stockists are busy building inventories.

In the spot market here, chana dal was quoted at Rs 2,550-2,800 a quintal, urad at Rs 7,800-8,500 a quintal, while chana raw (kanta) at Rs 2,160-2,170 a quintal.

Soyabean up

With delay and the fear of erratic monsoonsoyabean continued to gain.

In the last 10 days, soyabean price has increased Rs 50 a quintal. Plant purchasing of soyabean saw high and low of Rs 1,930-1,900 a quintal.

Increased purchasing by plants at higher rates is another reason for spurt in soya rate. Indore mandi saw arrivals of about 5,000 bags against 95,000 bags at the State-level.

Amidst uncertainty of erratic monsoon and delay in sowing of soyabean crop, traders foresee further rising tendency in soyabean.

Arrival of mustard seeds has declined to about 70,000 bags.

In Indore mandi, mustard seeds were sold at Rs 2,150 a quintal and Raida at Rs 2,250 a quintal. Similarly, soya oil prices gained further on Thursday with soya solvent selling at Rs 433-435 for 10 kg, up Rs 3 from the previous day. On the other hand, soya solvent was sold at Rs 407-411.

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Demand, low arrivals from UP lift wheat

Karnal, July 15

Low arrivals and fresh demand from small flour millers lifted wheat prices to Rs 1,210 a quintal on Thursday. Wheat (dara) prices were quoted at Rs 1,190-1,210 a quintal. Price at retail outlets ruled between Rs 1,270 and Rs 1,290 a quintal.

Mr Seva Ram, a wheat trader, told Business Line that the market witnessed an increase due to low arrivals from Uttar Pradesh. Small flour millers (aata chakki) demand is also a reason behind the increase as the millers solely depend on Karnal grain market terminal. He said that while the small scale millers depend on the arrival from Uttar Pradesh, big players of the industry are procuring directly from Uttar Pradesh. In the last two days, around 220 quintals of wheat have arrived at the Karnal grain market. On Wednesday, arrivals were 150 quintals. However, on Thursday the arrivals slid to 70 quintals. The whole lot of arrivals was bought by aata chakki owners. Traders said heavy rain is also a reason behind the low arrivals. The increase on Thursday comes after the market witnessed a drop of Rs 20 a quintal at the beginning of this week. Traders expect that the rally will continue as a huge stocks of wheat have been washed away by the floods and rain in Haryana and Punjab.

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Castor futures rise on fresh buying

Rajkot, July 15

Castor futures increased Rs 55 a quintal on the Rajkot Commodity Exchange on fresh buying after witnessing profit taking earlier in the day. The weather condition is also supporting the uptrend in the market. RCX castor September contract increased to Rs 3,716 against Wednesday's close of Rs 3,661 a quintal after hitting a high of Rs 3733. Spot castor ruled unchanged at Rs 3550.50 a quintal in Saurashtra. Castor arrival at different mandies in Gujarat was 15,000-16,000 bags (60 kg each). The castor was priced at Rs 705-720 for 20 kg. Arrival in Saurashtra was 1200 bags and they were quoted at Rs 690-716. Castor seed prices remained unchanged at Disa mandi with rates at Rs 3720 a quintal. The vice-president of RCX, Mr Bharat Vasa, said: "Market has turned speculative as rain has been irregular at the production centres. Prices have an inverse relation to the rain. This situation is likely to continue for some time." He said: "In between profit taking, correction will also be seen in the market. Overall, the market will be range-bound. A movement of Rs 30-40 up and down will be there in routine trading."

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IISR meet on bioinformatics in horticulture

Kozhikode, July 15

The Bioinformatics Centre of the Indian Institute of Spices Research (IISR) will hold a national consultative meet on bioinformatics in horticulture on October 9 and 10. The meet, styled 'Hortinformatics 2010', is intended to facilitate a forum to assess and review the present status of use of bioinformatics in horticulture research, according to IISR spokespersons. It has been pointed out that bioinformatics, an emerging and ever-evolving branch of science, is one of the keys to unlock the information encoded in the flood of data generated by genome revolution. However, horticulture in India is yet to take full advantage of the advances in genomics and bioinformatics.

The meet will identify avenues for bioinformatics initiatives in the horticulture sector and attempt to prioritise the research areas. It will also familiarise the participants with various bioinformatics tools

and techniques relevant to agricultural research.

The meet is intended for scientists, researchers and faculty members and students of research institutions, universities and colleges who are keen to apply bioinformatics in their own domains.

The meet will have four technical sessions: Bioinformatics – An Overview; Genomics and Proteomics; Cheminformatics; and Biodiversity Informatics. In each technical session, there will be three to four oral presentations by people of eminence.

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Cotton gains on millers' demand

Erode, July 15

Cotton prices continued to gain on bulk buying by millers at the Bhoodapady regulated market in Bhavani taluk this week. The Surabi variety fetched Rs 42.20 a kg against Rs 36-39 a kg last week.

Nearly 8,000 bags (of 35 kg each) of Surabi variety were sold in bulk at the sale, conducted on Wednesday and Thursday. MCU-5 was unchanged at Rs 35-38 a kg this week also. Bt Cotton showed a slight increase and it was sold at Rs 32-35 a kg on Wednesday against Rs 30-35 sold in the last week sale. "The cotton brought to the Bhoodapady market contains correct micronaire of three per cent and the spinners bought all the 8,000 bags in bulk." "The prices were also encouraging", said Mr Eswaran, Supervisor of the Bhoodapady Regulated market..

In the Anthiyur regulated market, where the sale was conducted on Monday and Tuesday, the Surabi variety fetched Rs 34-38 a kg and Bt Cotton Rs 30-34. About 1,000 bags Surabi variety arrived and sold in the market and the remaining were Bt cotton. In the Sathyamangalam Cooperative Marketing Society, the cotton auction was conducted on Wednesday, where the RCX variety was sold at Rs 32.70-34 and about 900 bags were sold. Our Rajkot Correspondent reports: Cotton price elsewhere in the country ruled steady. Cotton price in Gujarat Shankar-6 was Rs 29,200-29,500 a candy (356 kg). While in Maharashtra the price stood at Rs 28,500-29,000 a candy. Raw cotton price was Rs 705-720 / 20 kg. Forward trading was at the level of Rs 29,000-29,200 a candy.