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Scientists modify rice to grow well on saline soil

The Hindu Farmers transfer rice saplings. Rice needs specific soil and water conditions to grow. New varieties, which might thrive in saline soil, would be highly valuable. File photo

Scientists have successfully used genetic modification (GM) to improve the salt tolerance of rice, often grown on salty soil.

“Rice is the staple food for billions of people around the world,” says Darren Plett, who led the study. “Rice is often grown on land that is prone to high levels of salinity. Lands that accumulate salt have lower crop yields.”

“This has made salinity tolerance an increasingly important factor in the efforts to secure global food production,” says Mr. Plett, a research associate with the Australian Centre for Plant Functional Genomics (ACPFG), in a media release.

The research team has used a new GM technique to trap salt in the root of the rice plant, reducing the amount of toxic salt building up in the plant and increasing its tolerance to salinity, reports the journal Public Library of Science ONE.

This new research into rice builds on previous work into the salt tolerance of plants led by scientists from the ACPFG. It has been conducted with scientists now based in universities in Cairo, Copenhagen and Melbourne.

Mr. Plett says the new GM technique is an “efficient and robust bio-technological approach” in helping rice grow in saline conditions.

Work is now underway to transfer the technology to wheat and barley.

Published: September 13, 2010 19:10 IST | Updated: September 14, 2010 00:01 IST New Delhi, September 13, 2010

Inflation will fall to 6% by Dec. :Montek

The Hindu A file photo of Montek Singh Ahluwalia

Planning Commission Deputy Chairman Montek Singh Ahluwalia on Monday said inflation figures would remain high but would start declining in the subsequent months to reach a level of 6 per cent by December-end.

“The WPI data for August will be high as usual due to base effect. The effect of the monsoon was felt in the last week of August," Mr. Ahluwalia told reporters here.

The government is slated to announce the inflation data for August on Tuesday. The inflation, based on movement in wholesale prices, was 9.97 per cent in July. It had been in double digits for five months till June. Food inflation had also been in double digits for most of the year, barring a fortnight in July, and clocked 11.47 per cent for the week ended August 28.

Mr. Ahluwalia said that the overall inflation was likely to dip from September and fall to around 6 per cent by December. “You will see the downward trend in WPI inflation in the September data which will come out in the middle of October. And I know that by December the WPI would be close to 6 per cent," he said. He also said there was no need to revise the GDP growth target of 8.5 per cent for this fiscal, despite the surprisingly good growth in industrial production during July.

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KOLKATA, September 14, 2010

Kaushik Basu sees lower food inflation

GDP will rise sharply in the third quarter

The Chief Economic Adviser to the Union Finance Ministry, Kaushik Basu, expects food inflation to drop by one per cent this week. At 11.47 per cent, food inflation is high, he said.

Addressing the members of the Bharat Chamber of Commerce here on Monday, he said the government's management of inflation in a gradual and calibrated manner had been good. “I am expecting food inflation to be one per cent less in the weekly report on Thursday,” he said.

While striking a critical note on the management of foodgrains, he expressed optimism that a downward trend in food price inflation would be evident over the next couple of months.

Pointing out that inflation was not fully understood and it came from a variety of sources, he said that there was no hard and fast rule to estimate inflation. “Sources of inflation could be multiple and the easiest way to control is to suck out money, but this cannot be done as then factories would close and unemployment would rise.”

On growth rates, Dr. Basu said that while the current quarter growth rate might be lower than 8 per cent, it was expected to show a sharp rise in the third quarter with 2010-11 ending with a rate of around 8.5 per cent, “which would be very good.”

Explaining the slowdown projected in this quarter, he said that there were three reasons behind this. First, the comparison would be to the same quarter of the previous year when the economy was taking off after a lull. Second, while agriculture was showing signs of bouncing back, its effect would be felt only in the last two quarters. The third reason behind the slowdown was the performance of the services sector which was doing well by international standards but not by “our own standards”, when a growth rate of 11 per cent was clocked against 8 per cent now.”

Dr. Basu, however, said that the third quarter growth would show a sharp rise and the year would end with a growth of around 8.5 per cent. He also felt that it was possible for India to clock a 10 per cent growth rate within two to three years. “It is not impossible for India to join the ranks of industrialised countries by the late 2030s,” he said.

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Distribute, procure, store and sow

M.S. Swaminathan

The goal of food for all can be achieved only through sustained efforts in producing, saving and sharing foodgrains.

The Supreme Court of India has rendered great service by arousing public, professional and political concern about the co-existence of rotting grain mountains and mounting hungry mouths. In several African countries hunger is increasing because food is either not available in the market, or is too expensive for the poor. Food inflation is showing no sign of abating. In our country, chronic hunger is largely poverty induced. The progress made in achieving the targets of U.N. Millennium Development Goal No. 1, namely reducing hunger and poverty by half by the year 2015, is being reviewed this month in New York. The available data indicate that we may have years and years to go before we achieve this target. Globally, the number of persons going to bed hungry has increased from 800 million in the year 2000 to over one billion now. The position is likely to get worse in the near term, since the prices of wheat, rice and maize are going up in the global market. Adverse growing conditions in Russia, Canada and Australia are partly responsible for the recent escalation in grain price. Nearer home, Pakistan is still recovering from serious flood. According to a recent U.N. report, 3.2 million ha of standing crops and 2,00,000 heads of livestock have been lost. Pakistan may need large quantities of wheat seed for rabi sowing for which we are the only suitable source. In our country, Jharkhand, Bihar and West Bengal had until recently experienced deficit in rainfall. Often, early drought is accompanied by severe flood during September-October and hence we need both drought and flood codes to be put into operation at different times during the S.W. Monsoon period, particularly in Bihar and Assam. Local level seed and grain banks should be built to ensure crop and food security under conditions of unpredictable monsoon.

Among the steps needed to address concurrently the alleviation of hunger and safeguarding farmers' income, the following four need urgent attention:

Distribute the grains for which there is no safe storage facility: Gandhiji emphasised that hunger should be overcome without eroding human dignity. He wanted every Indian to have an opportunity to earn his or her daily bread. There are however seriously disadvantaged sections of our population like orphans, street children, widows, old and infirm persons, pregnant women suffering from anaemia, children in the age group 0 to 2 belonging to poor families, and those affected by leprosy, tuberculosis and HIV/AIDS, who need to be provided with food free of cost. In the case of diseases like leprosy, TB and HIV/AIDS, we need a food cum drug approach since many of the patients suffering from such ailments tend to be undernourished, thereby reducing the beneficial impact of the drug. A National Committee I chaired had made this recommendation nearly 30 years ago in the case of leprosy. The recent decision of the Government of India to provide 25 lakh of additional foodgrains for BPL families is a welcome step. This should be supplemented by providing free food to those suffering from extreme destitution and poverty through delivery systems like community kitchens run by agencies not likely to be affected by corruption.

Food stocks exposed to rain and consequently having high moisture content are likely to get infected with Aspergillus sp., leading to the development of mycotoxins. Hence, they should not be distributed among the poor, without prior testing by institutions like the National Institute of Nutrition, Hyderabad, and the Central Food Technological Research Institute, Mysore. We should not add to the nutritional problems of the poor by offering them grains containing aflatoxins. Food losses due to poor storage should be measured both in quantitative and qualitative terms. Subject to such screening, foodgrains fit for human consumption are best distributed free among the most deprived sections throughout the country. To begin with, about 5 million tonnes of wheat and rice could be allotted for this purpose from the stocks for which good storage conditions are not available.

Procurement of Kharif Crops: The recommendation of the National Commission on Farmers (NCF) that the minimum support price (MSP) should be C-2 (that is, total cost of production) plus 50 per cent is yet to be implemented. The government has, however, been moving in the direction of an MSP which is relatively fair to the farmers. The MSP announced for rice and pulses is reasonably attractive and, consequently, the production of pulses, rice, jowar, bajra, maize and oilseeds is likely to be good. Over 20 million tonnes of rice will have to be procured during the next three months. Hence, no further time should be lost in making arrangements for the safe storage of the purchased grains. Also, the procurement by the Central and State agencies should extend to pulses and crops like jowar, bajra, ragi and maize, so that there is a diversification of the food basket. Procurement at remunerative price is the key to keeping up farmers' interest in farming. Unlike the Right to Information Act which can be implemented with the help of files, the Right to Food can be implemented only with the help of farmers.

The gap between potential and actual yields is high in pulses, oilseeds and the other crops sown in rainfed areas. Instead of going to Canada and Australia for producing pulses for us, the State and Central governments should procure them directly from our farmers, as is being done in the case of wheat and rice. The 60,000 pulses and oilseed villages in rainfed areas, for which provision of funds has been made in the Union Budget for 2010-11, should be designed on a systems approach with concurrent attention to all the links in the production, protection, procurement and consumption chain, as envisaged under the Rajiv Gandhi Pulses and Oilseed Missions of the 1980s.

Safe storage: From the Vedic period, food has been invested with an aura of respect and reverence. It is sad that this respect has been destroyed by those in charge of procurement and storage, particularly when we are classified as a nation with the largest number of under- and malnourished children, women and men in the world. I have frequently pointed out that the future belongs to nations with grains and not guns. Our farmers are confronted with the challenge of producing food for 1.2 billion human beings and over 1 billion farm animals. The demoralising impact of the indifference shown to the safe storage of grains produced by hard labour in sun and rain by millions of farm women and men can only be imagined. The sense of national shame now prevailing because of the projection by the media of the sad state of storage conditions, should spur both the Centre and the State governments into action. The storage can start in every village in the form of grain banks and rural godowns and extend to strategic locations (hunger hotspots) throughout the country. It is time we invested in a national grid of ultra-modern storage structures.

Rice, wheat and other grains can help to address protein-calorie under-nutrition. But only attention to horticulture, milk and eggs can help to overcome hidden hunger caused by the deficiency of micro-nutrients like iodine, iron, zinc, vitamin A, vitamin B12, etc. For example, drumstick or Moringa provides most of the micronutrients needed by the body. There are horticultural remedies for every nutritional malady and hence nutrition should be mainstreamed in the National Horticulture Mission. Home Science College students well-versed in nutrition should be inducted into the Mission. Like Ashas in the case of the National Rural Health Mission, they should become Nutrition Messengers in both rural and urban areas. A Siksha Food Park (a Training Food Park) should be established by the Ministry of Food Processing in major Home Science colleges to train women's self-help groups in the science and art of food processing and preservation. Attention to the preservation of perishable commodities is as important as attention to the safe storage of foodgrains.

Sow extensively during the rabi season: The rabi season is around the corner and it will be prudent to review the arrangements for the supply of the needed inputs like credit, insurance, seed, fertilizer and extension. Special efforts will have to be made to mount compensatory production programmes in areas affected by unfavourable weather during kharif. Rabi pulses and oilseeds need particular attention from the point of view of choice of variety, soil health enhancement and plant protection. The aim should be to achieve a higher per-day and per-crop productivity so that even if there is a premature rise in night temperatures in March, yields do not go down.

To sum up, we had paid considerable attention to grain storage during our “ship to mouth” existence days, as evident from the grain storage structures built in major ports. Home-grown grains however failed to receive as much attention as the imported ones. Similarly, the Save Grain campaign which was launched when we were food deficit was abandoned at a time when we needed it the most. It is to be hoped that the prevailing widespread interest in saving and sharing grains will lead to an effective “distribute, procure, store and sow” movement. Without this pre-requisite, it will be difficult to implement a legal right to food for all.

(The author is Chairman, M.S. Swaminathan Research Foundation & Member of Parliament, Rajya Sabha.)

Date:14/09/2010 URL: http://www.thehindu.com/2010/09/14/stories/2010091457351100.htm

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How right you are, Dr. Singh

P. Sainath

When we have policies trample on people's rights, and people go to courts seeking redress, what should the courts do, Prime Minister?

Dear Prime Minister,

I was delighted to learn that you said, while also “respectfully” ticking off the Supreme Court, that tackling food, rotting grain etc., — are all policy matters. You are absolutely right and it was time somebody said so. With that, you brought a whiff of honesty so lacking in the United Progressive Alliance's public blather. It is for your government, not the court, to decide what to do with the grain now rotting in millions of tons. If policy dictates that it go bad rather than let hungry people eat it, that's no business of the court. The “realm of policy formulation,” as you put it, is yours. It feels good to have the nation's leader accept — well, sort of, anyway — that growing hunger, falling nutrition, rotting grain, lack of storage space, all these arise from policy. (They were certainly not caused by any Supreme Court rulings I know of.)

A lesser man would have copped out, blaming it all on the opposition, the weather or the mysterious (but ultimately beneficial) workings of the Market. You don't do that. You clearly locate it in policy. And policies are far more deliberate, far less abstract than markets.

Storage space for foodgrains

It was, after all, a policy decision to spend almost nothing for years on building additional public storage space for foodgrain. Governments have the money to subsidise the building of new cities, malls and multiplexes across the country. By “incentivising” private builders and developers. But none for building storage space for the nation's foodgrain.

The ‘new' idea, instead, is to hire privately-owned space. Which does raise the question sir, of why your government decided, by policy, to de-hire a few million metric tons worth of hired space between 2004 and 2006. That was done on the paid-for advice of an expensive multinational consulting firm. Re-hiring space now will surely mean much higher rental costs, bringing cheer and joy to the hungry, starving rentiers. (Maybe even to the MNC which could now be paid for giving you the opposite of the advice it did the last time.)

More so, since your latest policies “incentivise” things further for the rentiers. Pranab da's budget speech (Point 49) hiked the guaranteed period of space hire from five to seven years. Actually, it's been upped to 10 years since then. (A word of caution from a well-wisher: the reports of that expensive MNC consulting firm have been the kiss of death for any government dumb enough to act on them. Ask Mr. Naidu in Andhra Pradesh.) There was always the option of building foodgrain storage space on government-owned land. As Chhattisgarh is now doing. It would cost much less in the long run and curb profiteering from our need to tackle hunger. These being policy matters, that's just a suggestion, not an order.

As your message makes clear to the Supreme Court, the rotting grain is none of their business. As the nation's most important Professor of Economics, I'm sure you have well-thought out policies on what to do with the grain, rotting or about-to-rot, in open spaces and bad godowns. I just wish someone of your erudition would explain these policies to an increasingly aggressive rat population which thinks it can do anything it likes with that grain and simply ignores the courts altogether. (Maybe we need to incentivise the rodents to lay off the grain.)

Meanwhile, a Bharatiya Janata Party (BJP) spokesperson has all but admitted that the National Democratic Alliance (NDA) government had paid the price on this very issue. A wipe-out at the 2004 polls. Amazing what a consensus there is on all these being policy matters. Even the Supreme Court seems to agree.

Nine years ago, Dr. Singh, the apex Court in the very same, ongoing Right to Food case, had this to say (August 20, 2001). “The anxiety of the Court is to see that the poor and the destitute and the weaker sections do not suffer from hunger and starvation. The prevention of the same is one of the prime responsibilities of the Government — whether Central or the State. How this is to be ensured would be a matter of policy which is best left to the government. All that the Court has to be satisfied ... is that the foodgrains ... should not be wasted ... or eaten by rats...What is important is that the food must reach the Hungry.”

The farmers who have been committing suicide in tens of thousands also agree with you totally, Prime Minister. They know it was policies, not the law courts, which drove them to take their lives. That's why several who left behind suicide notes addressed those to you, to the finance minister, or our own beloved Maharashtra chief minister (busy, even as we speak, Saving the Tiger in a TV studio). Ever read any of these letters, Dr. Singh? Has the government of Maharashtra, led by your own party, ever given you a single one of them? They speak of debt, credit, rising input costs and falling prices. Of governments that do not hear their cries. These are not even addressed to their families, but to you, Dr. Singh, and your colleagues. Yes, they understood the role of policy in their misery — and therefore addressed the authors of those policies in their notes.

Farmer distress

Ramakrishna Lonkar of Wardha put it simply in his suicide note after your historic visit to Vidarbha in 2006. He said: “After the Prime Minister's visit and announcements of a fresh crop loan, I thought I could live again.” But “I was shown no respect” at the bank, where nothing had changed. Ramachandra Raut of Washim was so keen to be taken seriously by his Prime Minister, that he not only addressed his suicide note to you, the President and your colleagues, he even recorded it on Rs. 100 non-judicial stamped paper. He was, by his lights, trying to make his protest ‘legal.' Rameshwar Kuchankar's suicide note in Yavatmal blamed the procurement price of cotton for the farmers' distress. Even those letters not addressed to you, speak of policies. Like Sahebrao Adhao's farewell note which paints a Dickensian portrait of usury in the Akola-Amravati belt.

All highlighted policy. And how right they were! Recent revelations (see TheHindu , August 13, 2010), show us that almost half the total “agricultural credit” in the state of Maharashtra in 2008 was disbursed not by rural banks, but by urban and metropolitan bank branches. Over 42 per cent of it in the financial farming-heartland of Mumbai alone. (Sure, the city has large-scale farming, but of a different kind — it cultivates contracts.) A handful of big corporations seem to hog much of this “agricultural credit.” No wonder Lonkar, Raut et al found it so hard to access credit. You can't have a ‘level playing field' (to borrow one of your favourite phrases) with billionaires.

While these are outflows of policy, the exclusive realm of your government, I confess to being a little flummoxed. The astounding price rise of several years is surely the well-foreseen outcome of government policies? This year, as you lectured world leaders in Toronto on inclusive growth, your government decontrolled petrol prices fully and diesel partially, while hiking kerosene prices, too.

When policies force hundreds of millions to cut their already meagre diets, can they be discussed? When they trample on people's rights, and people go to courts seeking redress, what do the latter do, Prime Minister? You are right that the Supreme Court should not make policy. But what do they do when confronted with the consequences of yours? Policies are made, as you know better than I, by people. In your case by many distinguished economists including those who have fought attempts to ban child labour. One who even wrote an article in The New York Times titled “The Poor Need Child Labour” (November 29, 1994). Where he admitted to having had a 13-year-old work in his home. (And who also favoured the decontrolling of fuel prices — to tackle the price rise, no less. And perhaps to help child labour, too?)

What too, does the Supreme Court do when the government's 2006 promise of a new Below Poverty Line (BPL) Survey to be completed before the start of the Eleventh Plan never materialises? What do they or anyone do when the government sets grain allocations to the states based on poverty estimates of year 2000 based on the 1991 Census. Twenty-year-old data which result in 70 million fewer people getting BPL/Antyodaya Anna Yojana (AAY) grain than should be the case.

I humbly suggest that while the Supreme Court copes with those dilemmas, we reconsider your policies. I would also be most grateful if you could forward a copy of this letter to your Food and Agriculture Minister if you remember who he is and where he is.

Yours sincerely

P. Sainath

Business Standard

Tuesday, Sep 14, 2010

Onion exports dip 53% in August on high prices

Press Trust Of India / New Delhi September 14, 2010, 0:50 IST

Higher export prices dragged down the country’s onion exports by 53 per cent to 87,428 tonnes in August, the fifth consecutive month of decline, according to onion export regulator Nafed.

India’s onion exports stood at 1,86,144 tonnes in the same period last year, it said.

“Neighbouring countries such as Pakistan and China have gained as their prices were lower by $40-50 at $170-180 a tonne last month as against the Indian price of $220 a tonne,” said a senior official with agri-cooperative Nafed, which is the government’s agency for regulation of onion exports.

The minimum export price (MEP) for onions was fixed higher at $220 a tonne in August to augment domestic supplies and curb the price rise, the official said.

According to Nafed data, the country's onion exports declined sharply in value terms in August as well. Onion exports during August, 2010, amounted to just Rs 93.39 crore, compared to Rs 221.17 crore in the year-ago period.

Overall, onion shipments during the April-August period of the 2010-11 financial year stood at 6,86,061 tonnes, down from 9,79,817 tonnes in the same period last year, it added. In the wake of rising domestic prices, Nafed has further increased the onion MEP for September by $55 to $275 a tonne. As a result, onion exports are expected to be lower in the current month as well.

Groundnut oil flares up to all time high

Press Trust of India / Mumbai September 13, 2010, 18:03 IST

Groundnut oil prices continued to surge to hit an all time high at the oilseeds market here today due to hectic buying by stockists and retailers amidst ongoing festive demand.

Refined palmolein, remained steady on lack of worthwhile buying activity.

Castorseeds bold and castoroil commercial also jumped on sustained demand from industrial users as well as soap industries. Castorseeds futures strengthened owing to rise in export orders.

Linseed oil maintained its stable trend in the absence of market moving factors.

In the edible oil section, groundnutoil shot up by Rs 13 per 10 kg to Rs 898, from last Thursday's closing level of Rs 885, while, refined palmolein closed unaltered at Rs 467 per 10 kg.

Castorseeds bold spurted by Rs 85 per 100 kg to Rs 4,050 from Rs 3,965 and castoroil commercial also rose by Rs 17 per 10 kgs to Rs 840, as against Rs 823 previously. Linseedoil ended unchanged at Rs 550 per 10 kg.

Moving to futures section, castorseed's October contract resumed higher at Rs 3,940 and rallied further to Rs 3,969 before closing at Rs 3,941, as against Rs 3,910 previously, showing a smart rise of Rs 31 per tonne.

Sugar closes quiet in thin trade

Press Trust of India / New Delhi September 13, 2010, 17:08 IST

The wholesale sugar prices remained flat in the national capital today on sufficient stocks position against retailers buying for the festival season.

Marketmen said the demand among retailers and bulk consumers such as softdrink and ice-cream makers matched with the stocks positions in the market, kept sugar prices unaltered.

Following are today's rates in Rs per quintal:

Sugar ready M-30 2,750-2,850 and S-30 2,740-2,840

Mill delivery M-30 2,575-2,725 and S-30 2,565-2715

Sugar mill gate prices (excluding duty): Kinonni 2,690, Asmoli 2,680, Mawana 2,640, Titabi 2,630, Thanabhavan 2,600, Budhana 2,600 and Dorala 2,630

Wheat, bajra rise on increased offtake

Press Trust of India / New Delhi September 13, 2010, 16:51 IST

Wheat dara and bajra prices rose up to Rs 10 per quintal in the wholesale grains market today on fresh buying activity against less arrivals.

Traders said increased offtake by flour mills to meet the festive and marriage season demand mainly led to a rise in wheat dara prices.

Wheat dara (for mills) inched up by Rs 5 to Rs 1,215- 1,220 per quintal. Atta chakki delivery followed suit and edged up by the same margin at Rs 1,220-1,225 per 90 kg.

Bajra also gained Rs 10 to Rs 990-1,000 per quintal.

Following are today's quotations in Rs per quintal:

Wheat MP (deshi) 1,650-1,750, wheat dara (for mills) 1,215-1,220 chakki atta (delivery) 1,220-1,225, atta Rajdhani (10 kg) 175, Shakti bhog (10 kg) 175, Roller flour mill 630-650 (50 kg)

Maida 750-780 (50 kilos) and Sooji 875-895 (50 kg) Basmati rice (Lal Quila) 9,300, Shri Lal Mahal 9,300, Super basmati rice 9,000, Basmati common 5,500-5,600, rice Pusa-(1121) 4,500-5,000

Permal raw 2,000-2050, Permal wand 2,075-2,225, Sela 2,300-2,350 and Rice IR-8- 1,825-1,850, Bajra 990-1,000, Jowar yellow 1,200-1,300, white 2,300-2,350, Maize 1,100-1,110, Barley (UP) 1,080-1,100 and Rajasthan 1,080-1,090

Select copra rallies on rising demand, supply constraints

Press Trust of India / Mumbai September 13, 2010, 16:02 IST

Copra Alapuzha, copra Kozhikode and copra edible prices spurted at the spices market here today due to bullish retail as well as ongoing festive demand.

Restricted arrivals from key producing regions also aided the uptrend.

Meanwhile, copra Rajapur declined sharply on the back of heavy offloading by stockists.

Copra office Alapuzha and copra office Kozhikode shot-up by Rs 150 per quintal each to Rs 4,350 and Rs 4,250 from last Thursday's closing level of Rs 4,200 and Rs 4,100.

Copra edible Mumbai rose by Rs 100 per quintal to Rs 5,400 from Rs 5,300.
However, copra Rajpur Mumbai tanked by Rs 300 per quintal to Rs 6,500, as against Rs 6,800 earlier.
Other spices closed steady in the absence of necessary buying activity.
Following are today's closing rates in rupees, with the previous rates in brackets:

Black Pepper (per kilo) 215/225 (215/225), ginger bleached (per kilo) 240 (240), ginger unbleached (per kilo) 255 (255), copra office Alapuzha (per quintal) 4,350 (4,200), copra office Kozhikode (per quintal) 4,250 (4,100), copra Rajapur Mumbai (per quintal) 6,500 (6,800) and copra edible Mumbai (per quintal) 5,400 (5,300).

Mustardseed futures up on fresh buying

Press Trust of India / New Delhi September 13, 2010, 13:35 IST

Mustardseed prices strengthened by Rs 2.55, or 0.48 per cent, to Rs 538.40 per 20 kg in futures trade today, as traders enlarged their positions on better demand in physical markets.

Marketmen said, pick up in demand and fall in supply at spot markets, led to a rise here in futures prices of mustardseed.

Better offtake by mustard oil and other edible-oil making industries for the festival season mainly influenced the trading sentiment, they added.

At the National Commodity and Derivatives Exchange platform, mustardseed for current-month September contract rose Rs 2.55, or 0.48 per cent, to Rs 538.40 per 20 kg, with an open interest of 77,030 lots.

Near-month October contract also followed and gained Rs 2.60, or 0.48 per cent, to Rs 546.60 per 20 kg, with an open interest of 87,400 lots.

Tea, coffee output to dip on bad weather, pest attack

Debasis Mohapatra / Coonoor September 14, 2010, 0:43 IST

India's tea and coffee output is likely to fall in the 2010-11 crop season due to excess rainfall in certain regions of the country along with pest attacks.

While overall production of coffee is expected to be lower by 2.6 per cent than the previous estimate of 308,000 tonnes in the 2010-11 season, it is likely to see a slight drop of 1.5 per cent against 990 million bags estimated earlier for this year.

"With heavy rainfall in some key growing zones of Karnataka and recent pest attacks, coffee output is likely to be around 300,000 tonnes in this crop season," a top Coffee Board official said on the sidelines of the United Planters Association of Southern India (Upasi)'s annual conference here.

Coffee Board of India had, earlier, estimated coffee output at 308,000 tonnes.

The official, however, said Coffee Board would release the post-monsoon production estimates in November.

According to industry sources, heavy rainfall in Coorg, which is one of the key coffee growing region of Karnataka, will see fall in output, dragging the overall figures. However, the official said the damage would be limited to robusta variety while there would be no impact on the arabica variety output. India, the third-largest producer of Coffee, is estimated to produce 289,000 tonnes in the current crop year ending September, up by 10 per cent over last year.

According to the Coffee Board, the country exported 208,114 tonnes coffee in the January-September period, up by 57 per cent over the same period last year.

Similarly, tea output is likely to fall by 10-15 million kg in the 2010 season due to adverse weather.

“All indications show that tea output will be lower by 10-15 million kg in the current year on account of adverse weather conditions,” Roshni Sen, deputy chairman of the Tea Board of India said. India produced 979 million kg tea as compared to 980 million kg in the previous year. The production of tea in July fell three per cent to 123.2 million kg, a 3.2 per cent drop over the corresponding period last year, due to lower production in Assam and West Bengal.

However, Sen said the domestic consumption is witnessing an upward trend, reducing dependency on exports. Tea Board is also exploring possibilities of introducing futures in the next five-year plan in a bid to have better price discovery of the commodity, she added.

hindustantimes

Tue,14 Sep 2010

Weather

Chennai - INDIA

Today's Weather

Partly Cloudy	**Tuesday, Sep 14** Max Min 29.6° | 23.7°
Rain: 00 mm in 24hrs	Sunrise: 5:58
Humidity: 59%	Sunset: 18:12
Wind: Normal	Barometer: 1002.0

Tomorrow's Forecast

Rainy	**Wednesday, Sep 15** Max Min 33° | 24°

Extended Forecast for a week

Thursday	Friday	Saturday	Sunday	Monday
Sep 16	**Sep 17**	**Sep 18**	**Sep 19**	**Sep 20**
31° | 26°	31° | 26°	31° | 26°	31° | 26°	32° | 26°
Rainy	Rainy	Rainy	Rainy	Rainy

THE ECONOMIC TIMES

Tue, Sep 14, 2010 | Updated 08.27AM IST

14 Sep, 2010, 12.30AM IST, Jayashree Bhosale,ET Bureau

Cane farmers may earn less this year

PUNE: Maharashtra's sugarcane farmers who reaped a bonanza in 2009-10 due to surging sugar prices may have to settle for a 25-30% loss of income in the upcoming sugar year October 2010-September 2011. Farmers are expecting to be paid at least the Central government-fixed fair remunerative price. But with an estimated 22% jump likely in cane production, it may well become a buyer's market with mills calling the shots.

"I expect farmers to deliver cane to my factory without knowing what price I am going to pay them for the cane," said the managing director of a factory in Solapur district.

This contrasts with last year when mills waged a price war with each other to woo farmers holding cane that was in short supply. Factories ended up paying `2,500-2,800 per tonne.

"We will be able to pay `300-400 per tonne above the FRP to farmers if sugar prices remain stable in the range of `2,450-2,500 per quintal. It means cane rate of up to `2,000 including harvesting and transport cost (H&T) will be possible without jeopardising our profits," said the managing director of a Kolhapur-based cooperative mill.

Maharashtra Cooperative Sugar Factories Federation managing director Prakash Naiknavare said, “My estimate is that the cane prices in the state will be about `300-400 per tonne higher than the state’s average FRP of `1,684. Those who do not pay the FRP will be legally punishable.”

But some millers are hoping to work around the FRP. “I would like to wait till December to declare my factory’s cane rate because if the central government decides to decontrol the sugar industry then, sugar prices may crash. If this happens, it will help me give less cane price,” said the managing director of the Solapur-based mill. Namdev Mete, a farmer from Indapur taluka of Pune district, said, “The production cost of the cane per tonne about `1,000. Hence a rate of `1,800-2,000 per tonne, though less than last year, would be profitable for me.”

Farmer leaders are trying to gain mileage by questioning estimates of a bumper crop. Raju Shetty, leader of the Swabhimani Shetkari Sangathana and an MP, said “Firstly, we don’t accept the FRP declared by the central government. A picture of excess cane production is being created deliberately.

Though there is an increase in cane acreage, the overall cane production is likely to remain at par with the previous year. This is because the tonnage will be less this year due to the late sowing of Adsali (an 18-month duration variety) cane due to prolonged rains in 2008. Also the intense summer has affected cane growth in south Maharashtra.”

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Back **Rising demand**

— K.K. Mustafah

Tapioca at all-time high prices: A vendor arranging tapioca for sale at a wholesale outlet in Thrissur, Kerala. Tapioca (cassava) prices are rising on surging demand. Sold at Rs 10 a kg two months ago, the tuber now costs up to Rs 16 a kg which is an all-time high in Kerala. Shift in pattern of farming and increasing rodent attack have led to fall in tapioca production over the years. Renewed interest by hotels, including star hotels and resorts, have also increased the demand, thereby creating shortage, according to traders.

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Back **Groundnut oil at a record Rs 900/10 kg level**

Our Correspondent

Mumbai, Sept. 13

Prices of imported oils were steady despite closing higher in Malaysia. Groundnut oil rose sharply by Rs 13 to a record high of Rs 900. Cotton refined increased Rs 3 for 10 kg on reports of crop loss in Gujarat due to heavy rains.

Retail demand was also not as expected and refineries continued to offer ready delivery, arresting fresh buying of the stockist. Refineries were quoting palmolein at Rs 465/Rs 470 and soya refined oil at Rs 475/Rs 479 for 10 kg.

Resale rate was less than that, said a wholesaler. About 80/100 tonnes of palmolein were traded as a resale in the price range of Rs 460 / Rs 467. Malaysia's higher closing had no effect on the local market. Soyabean futures at Dalian Commodity Exchange were weighed down by continuing reports of massive imports.

In Desi oils, export demand for groundnut and expectation of late arrivals of new crops and report of some damage to the crops, kept spot market in a shortage mode in groundnut oil. Retail demand has worsened the situation further. At the producing centre, cotton refined oil was also in demand as cheaper oil.

Malaysian Exchange and NBOT

At Malaysia's BMD CPO futures October closed 37 ringgits higher at 2,737 (2,700) Malaysian ringgits a tonne. Indore NBOT soya oil Octoberfutures were at Rs 489.10

against Rs 493.

Mumbai commodity exchange spot rates were: Groundnut oil Rs 898 (Rs 885), Soya refined oil Rs 476 (Rs 478), Sunflower expeller refined Rs 525 (Rs 520), Sunflower refined Rs 575 (Rs 575), Rapeseed refined oil Rs 574 (Rs 570), Rapeseed expeller refined Rs 544 (Rs 540), Cotton refined Rs 508 (Rs 505) and Palmolein Rs 467 (Rs 467) for 10 kg.

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Back **Nine factories told to clear Rs 63-cr cane arrears**

Notices to be served through Deputy Commissioners.

Our Bureau

Bangalore, Sept. 13

The State Government on Monday instructed managements of nine sugar factories to pay dues to the tune of Rs 63 crore to sugarcane growers in the next 15 days.

Addressing newspersons here, the Minister for Sugar and Agriculture Marketing, Mr Shivaraj S. Tangadagi, said factories had not paid dues to growers, who had supplied cane in 2009-10. Notices through Deputy Commissioners would be served on nine factories to clear all dues of growers in the next 15 days, he said.

The Naranja Sugar Factory (Bidar) has to pay Rs 12.40 crore, Raitha Cooperative Sugar Mills, Mudhol Rs. 2.98 crore, Badami Sugars Limited (now defunct) Rs 7 crore, Bhavani Khandasari Sugar Pvt Ltd (Bidar) Rs 2 crore, Bilagi Sugar Mills Ltd, Bagalkot Rs 50 lakh, Jnanayogi Sugar Mills (Bijapur) Rs 5.49 crore, Godavari Sugar Mills (Bijapur) Rs 2 crore, India Cane Power Ltd, Mudhol Rs 9 crore, and NSL Sugars, Mandya Rs 7 crore to growers, he said.

The total arrears are in the region of Rs 90 crore. Of this amount, sugar units have not cleared Rs 63 crore dues for the cane supplied in 2009-10. Cases were pending before courts for clearing the rest of the amount, he said.

The Minister said the funds have been released for upgradation of technology and other works in the Pandavapura Sugar Factory in Mandya district and the Mysugar factory in Mandya. The cane price at Mysugar factory has been fixed at Rs 1800 per tonnes in 2010-11, Mr Tangadagi said.

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Back **Pepper futures up on strong demand**

G.K. Nair

Kochi, Sept. 13

Pepper futures after remaining highly volatile, as usual, closed much above the previous close despite concerted efforts by bear operators to pull the market down sharply.

The bull operators, smelling the weakness and the intentions of some section of the trade to crash the market, pushed it up on the basis of fundamentals.

Bearish sentiments

The bear operators tried to create strong bearish sentiments and hoped that there would be more sellers and a consequent selling pressure pulling the prices sharply down. But it did not click and rather boomeranged, trade sources claimed. Squeeze in material is a reality and that is the reason why everybody is concentrating on the validity expired material available on the exchange platform, market sources told Business Line.

September contract on NCDEX was up by Rs 212 to close at Rs 20,984 a quintal. October and November contracts were also up by Rs 270 and Rs 302 respectively to close at Rs 21,161 and Rs 21,300 a quintal.

Total turn over increased by 5,248 tonnes to 19,924 tonnes. Total open interest declined by 142 tonnes to 17,963 tonnes. September open interest dropped by 1,093 tonnes to 8,786 tonnes. October and November were up by 906 tonnes and 36 tonnes respectively to 7,742 tonnes and 714 tonnes. There was heavy switching over from September to October.

Spot prices on strong demand amid limited supply moved up by Rs 100 a quintal to close at Rs 20,500 (MG 1) and Rs 20,000 (ungarbled).Indian parity in the international market was at $4,700-4,725 a tonne. Whether the Indian parity is not competitive would be known only when the Indonesians and Brazilians quoted their prices, which would be known tomorrow, they said.

Opportunity for demand

According to the market sources, Indonesia is reported to have exhausted its new crop and if that turned out to be true, then some demand might come to India and that in turn may push prices up, they claimed.

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Back **Cashew quiet despite good overseas buying interest**

G.K. Nair

Kochi, Sept. 13

Cashew market continued to be quiet last week. There was good buying interest from the US and Europe at slightly lower levels and some processors in Vietnam did sell W240 at around $3.50 and W320 at around $3.30 f.o.b.

But, in general, most processors were 5-10 cents higher – levels traded were from $3.55 to $3.60 (f.o.b.) for W240 and $3.35 to $3.40 (f.o.b.) for W320. Splits were traded (and bid) at around $2.85 (f.o.b.) but offers were scarce.

Prices for Splits and Pieces in the domestic market continue to be about 10 per cent above international prices.

Kernel market is delicately poised, Mumbai-based traders said. The upward movement has stalled and activity is slow.

But, despite the limited activity at higher levels, processors do not seem to be under pressure to reduce prices to make sales because replacement raw cashewnut (RCN) is not available (and definitely not at lower prices), they said.

Spot market firm

Spot raw cashewnut market in India and Vietnam continued to be firm as availability is limited. Indonesia RCN prices are very high and unworkable even with current high kernel prices.

Processors expect some relief when arrivals pick up in October. Tanzania/Mozambique arrivals will start in October but shipments will not start till November (Tanzania) and January (Mozambique).

If the prices open too high, processors may be reluctant to participate due to uncertainty of kernel demand for 2011. Reports from Brazil are mixed and a realistic estimate will not be possible till November. “Processors there expect RCN prices to ease in October, but unless they see this happening, they do not seem to be interested to make sales even at current levels,” Mr Pankaj N. Sampat, a Mumai-based dealer told Business Line.

For the last couple of years, processing in Asia in the first quarter has been lower than other quarters due to lower RCN availability. This situation is likely to continue in 2011 since the southern crops were short in 2010 and most processors will have less RCN to process after December. Coupled with the trend of “hand to mouth” buying, this reduced availability will keep prices firm and provide a floor to the market.

Easing (and even slight softening) of prices will happen only when the usage is substantially impacted (for example a five to 10 per cent decline in usage in the US and the EU will not have much impact) or if 2011 crops are significantly higher (at least 10 per cent higher than 2010 to come to normal level).

It is difficult to judge how things will develop in the long-term (middle and second half 2011), but it definitely seems it will remain firm in the short-term (rest of 2010) and volatile in the medium term (first quarter of 2011), Mr Pankaj added.

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Back **Blister blight infestation hits tea output**

P.S. Sundar

Coonoor, Sept. 13

Tea production in the Nilgiris, the largest tea growing district in South India, will decline in coming months if timely measures are not taken to control blister blight infestation.

"Blister blight infestation is on the increase in all agro-climatic zones. During August, 67 per cent of tea in our experimental plot in Udhagamandalam zone reported blister blight infestation," according to Dr B. Radhakrishnan, Assistant Director, UPASI Tea Research Foundation's Nilgiris Regional Centre.

The infestation was 48 per cent in Kundha agro-climatic zone, 9 per cent in Kullakamby, 6 per cent in Coonoor and 4 per cent in Kotagiri.

The Foundation has advised planters to go for fungicide sprays at shorter intervals of 5-7 days. It has detailed the proportion of fungicide composition to be used for the purpose.

It has also advised planters to control weeds as overgrown weeds had been observed on many estates.

The cumulative output between January and August in the Nilgiris posted an increase of about 10 per cent over last year.

“Production in our member estates in the first eight months of current calendar rose to 9.56 mkg from 8.70 mkg last year, marking an increase of 9.9 per cent. The average five-year production during the period was 9.34 mkg,” Dr Radhakrishnan observed.

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Back **Increased arrivals, low buying stump chana**

Our Correspondent

Indore, Sept. 13

Chana and other pulse seeds witnessed a decline in spot trading on Monday, on the back of increased arrivals and sluggishness in the futures market.

Chana futures prices fell by 2.1 per cent with chana September futures at NCDEX closing at Rs 2,149a quintal .Both chana and chana dal traded lower in the spot market with decline in domestic demand and sluggishness in the futures market.Chana declined by Rs 20-50 a quintal at Rs 2,125-2,130.According to Mr Sanjay Bansal, a wholesale chana trader, prices are unlikely to go down from its current level of Rs 2,150 a quintal — if that happens, sellers will shy away from the market.The downtrend in chana also contributed to a decline in prices of chana dalplunging Rs 20-25 a quintal.

In the spot, chana dal (best quality) quoted at Rs 2,800 and chana dal (medium) quoted Rs 2,715-2,720 a quintal.On the other hand, Dollar (kabuli) chana remained steady at Rs 4,600-5,000 a quintal, on the back of increased arrivals and decline in export demand.The local mandi saw an arrival of 2,632 bags of Dollar chana, on Monday.

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Back **Turmeric bucks futures; bounces back**

Our Correspondent

Erode, Sept. 13

Consequent to the increase in turmeric futures , spot turmeric also gained Rs 400 a quintal. The average sale price at Erode is Rs 13,700-13,800 a quintal.

At the Erode Turmeric Merchants Association sales centre, the finger variety was sold at Rs 9,696-13,695 a quintal. The root variety was sold at Rs 9,696-13,524.

In the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety was sold at Rs 13,646-14,160; the root variety at Rs 12,587-13,916 . Of the 164 bags arrived, 125 were sold. At the Erode Cooperative Marketing Society, the finger variety was sold at Rs 13,729-14,069 a quintal; the root variety at Rs 13,695-13,869. All the 259 bags that arrived were sold.

At the Regulated Marketing Committee, the finger variety was sold at Rs 13,627-14,096 a quintal, the root variety at Rs 13,409- 13,699 . Of the 596 bags arrived, 537 were sold.Mr R.V. Ravishankar, President, Erode Turmeric Merchants Association, said, “The turmeric price in the futures has increased more than Rs 400 a quintal. . The demand is also high. Automatically, the prices of both varieties of turmeric have risen. The price may stay at these levels for another one week at least”.

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Back **Higher offtake lifts jeera**

Our Correspondent

Rajkot, Sept. 13

Jeera prices gained today on export and domestic demand. Lower stocks also lent support.

On the National Commodity and Derivative Exchange (NCDEX), Jeera September futures increased Rs 233 or 1.68 per cent to Rs 14,075 a quintal with an open interest of 9,078 lots. Jeera October rose Rs 289 to Rs 14,239 with an open interest of 14,115 lots. On the spot market, jeera prices at Unja ruled at Rs 2,100-2,720 for 20 kg.

According to Kedia Commodity Research, jeera prices gained on support from local and export demand, but an expected rise in acreage in the top producing State, Gujarat, limited gains.

Export demand

Export enquiries from the European Union offset an expected rise in acreage in Gujarat.

An Angel Commodity research report said, "Expectation of demand from the overseas and domestic buyers will support prices to strengthen in the short-term. Also, prices in the international market of Syrian origin are being offered at higher rates than Indian origin. This will help prices to find support and strengthen in the medium term (October onwards). Stocks are expected to remain low till fresh arrivals start coming in March."

Sowing of jeera starts in the next few weeks with harvest of kharif crops such as cotton and groundnut. The area under jeera is expected to increase due to high moisture content and better prices compared to last year.

Exports of jeera during April-July stood at 13,500 tonnes against 16,720 in the same period the previous year. Jeera stocks in the NCDEX warehouse were at 5,420 tonnes as on September 8.

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Back **Low overseas demand floors basmati rice**

Our Correspondent

Karnal, Sept. 13

Slack overseas demand pulled the prices of basmati rice varieties down by Rs 50-100 a quintal.

On the other hand, non-basmati varieties witnessed a steady trend on slow new arrivals coupled with lukewarm demand.

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

Basmati sela ruled at Rs 6,400 a quintal, while basmati raw was quoted around Rs 7,300-7,400.

The Sugandha-999 sela ruled around Rs 2,700, PR14 was at Rs 2,100-2,200, PR (new) was quoted at Rs 1,950 while the PR (old) ruled around Rs 2,000 a quintal.

The Sharbati sela variety ruled around Rs 2,850 a quintal; Sharbati steam was quoted at Rs 2,900-2,950; Parmal (PR) sela quoted around Rs 2,200, PR (raw) at Rs 2,300 and PR (steam) around Rs 2,350 a quintal. Brokens such as Tibar ruled around Rs 3,500 a quintal; Dubar at Rs 2,800 and Mongra at Rs 2,100.

Mr Sewa Ram, a rice trader, told Business Line that following the heavy rains since last week the arrivals of the early varieties in the market are low. The season of the arrival of early varieties will end soon, he said.

Thousands of acres under paddy are still facing the problem of water logging, the crop is matured and few acres are already damaged. With the fear of loss, the rice market is uncertain, he added.

Only around 3,000 bags of early-variety paddy arrived at several mandis in Karnal district. Around 500 bags of Govinda paddy arrived at the Karnal mandi and the early variety was quoted at Rs 950-1,000 a quintal.Around 200 bags of Sugandgha-999 arrived and it was lifted at around Rs 1,250-1,350 a quintal, against the Rs 1,300-1,370 a quintal last weekend. Just about 250 bags of Sharbati variety arrived and the stock was lifted on the levels of Rs 1,075-1,150.A stock of around 100 bags of Pusa-1121 paddy was offloaded by the local traders and the stock was quoted at Rs 2,150 a quintal. Rice millers lifted the new arrival.