

# THE HINDU

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<http://www.thehindu.com/2010/09/15/stories/2010091564080400.htm>

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## Agriculture Department hopeful of normal production

T. Ramakrishnan

*In spite of Mettur dam not having comfortable storage*

CHENNAI: In spite of the Mettur dam, the lifeline of the Cauvery delta, not having comfortable storage, the Agriculture Department is confident of achieving normal agricultural production during 2010-11.

For the year, the State target area coverage and production of foodgrains have been fixed at 45.5 lakh hectares and 112 lakh tonnes. During 2009-10, 38.75 lakh hectares were covered and the production of foodgrains was 95 lakh tonnes.

On Tuesday, the dam's storage stood at 42.3 thousand million cubic feet (tmcft), about 14 tmcft less than what it was on the corresponding day last year. The dam capacity is 93.47 tmcft. Since June 1, the State has received around 48 thousand million cubic feet (tmcft) of Cauvery water from Karnataka, whereas it should have got 121 tmcft as per the interim order of the Cauvery Water Disputes Tribunal.

Considering the present rate of inflow and discharge and after allowing for dead storage, the existing storage is likely to last around 35 days. Yet, senior officials of the Agriculture Department are optimistic about this year's production.

The primary reason is that Nagapattinam, Thanjavur and Tiruvarur districts, accounting for 80 per cent of the Kuruvai area coverage in the Cauvery delta districts, have received much higher rainfall during the south-west monsoon this year compared to the previous year. During June 1 and September 8, Nagapattinam and Tiruvarur received excess

rainfall of 44 per cent and 64 per cent respectively while Thanjavur registered normal rainfall of minus six per cent.

Even though the previous year's storage was higher than the present storage, the coverage under the kuruvai crop this time is marginally more. Around 73,700 ha have now been covered as against 73,400 ha last year.

As of now, the coverage under the Samba crop is now 31,300 ha, which includes 11,800 ha covered under direct sowing. Nursery operations for the Samba crop have been taken up on 21,400 ha.

The officials say that in view of higher rainfall throughout the State this time, the coverage of food grains (paddy, millets and pulses) and other crops is four lakh ha more than what it was last year. As of now, it is 15 lakh ha.

The other reason cited by the officials is that the north-east monsoon, expected to begin in the third week of October, is also likely to be normal.

Besides, if the State receives its share of Cauvery water from Karnataka in the coming weeks, the normal production can be achieved. On an average, 6.5 lakh ha in the Delta Districts are covered annually.

An official of the Water Resources Department in the PWD says given the storage of 94 tmcft in Karnataka's four reservoirs across the Cauvery, the neighbouring State can make good the shortfall substantially.

Referring to the distress-sharing formula prepared by the Centre and approved by all the Basin States except Karnataka, the official says if the formula were to be adopted, Tamil Nadu is to receive 35 tmcft more. The State has written to the Union Water Resources Ministry to convene a meeting of the Cauvery River Authority for approving the formula.

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## More farmers opt for mechanised harvesting

Staff Reporter

*Severe shortage of labour and rise in wages reasons*

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*A majority of the farmers are from Gobichettipalayam block*

*The use of the machines help them save money*

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ERODE: The acute shortage of labour and rising wages have resulted in more and more farmers in Erode district opting for mechanised harvesting of paddy.

A majority of the farmers in Gobichettipalayam block are currently using the machines for harvesting their kuruvai paddy crop this season.

Mechanised harvesters

The demand for the combined mechanised harvesters have increased significantly in the district during this year.

“More farmers are registering with the primary agriculture cooperative credit societies, agriculture engineering department and private operators to get the machines on rental basis,” officials in the agriculture department point out.

Many farmers in Gobichettipalayam block say that the use of the machines help them save money and time, besides sparing them of problems in finding labourers to do the work.

“Many labourers refuse to come for work at our fields, as they have registered under the National Rural Employment Guarantee Scheme. Even if we offer them higher wages, labourers are not willing to take up the harvesting,” farmers point out.

While private operators charge between Rs. 1,100 and Rs. 1,500 an hour, the government

agencies are extending the services at nominal rates. "If we opt for manual harvesting, we will certainly end up paying more as wages to the labourers.

### Savings

Apart from saving the cost, the entire mechanised harvest process gets over quickly," farmers point out.

The smaller machines take about one-and-a-half hours to harvest an acre of paddy, while machines with higher capacity can do the job in one hour, says a private operator who rents the machines for harvesting.

Officials said that a few farmers with large land holdings had even opted to purchase smaller versions of the harvesters. But a majority of the farmers prefer to get the machines on rental basis.

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### **Inflation slips to 8.5 % in August under new WPI series**

Ashok Dasgupta

*Food prices still remain at uncomfortable levels*

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*New series to capture changes in realistic way More items used by middle-class included*

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**NEW SERIES, NEW HOPES: Union Minister for Commerce and Industry Anand Sharma (centre) addressing a press conference in New Delhi on Tuesday.**

NEW DELHI: Switching over to a new series of Wholesale Price Index (WPI) with 2004-05 as the base year, the government on Tuesday revealed that headline inflation in August stood pegged at a seven-month low of 8.51 per cent as against 9.97 per cent in July under the old series.

Since the two WPI series are not comparable in view of the vast difference in the basket of commodities and their weight in calculating inflation, data on the old series released along with the new index also reflected a drop in the rate of price rise to 9.5 per cent in August.

Under the new WPI series aimed at capturing the price movement in a more realistic way in keeping with the times, the decline in inflation was mainly on account of easing prices of food items such as vegetables, cereals and pulses.

However, with food prices still remaining at uncomfortable levels, Finance Minister Pranab Mukherjee held out an assurance that “appropriate measures” would be taken at an “appropriate time”.

The basic difference between the two series is that the new WPI index with 2004-05 as the base year has a total of 676 items instead of 435 items under the old series which had 1993-94 as the base year. Among the 241 items added to the basket for better reflection of the inflationary spiral are consumer items — essentially used by the middle-class — such as ice-cream, mineral water, readymade food, refrigerators, VCDs, dish antennas, microwave ovens, washing machines, computers and computer stationery and gold as

well as silver.

Under the primary article group, there are 102 items in the new series against 98 in the old index although the number of items in the fuel and power category remains unchanged at 19. A substantial increase is in the number of manufactured products that have been included in the index — 555 items as compared to 318 items in the basket under the old series.

Releasing the inflation data for August under the new series here, Commerce and Industry Minister Anand Sharma said: “We hope that it [inflation] will come down. There are various steps taken by the government. Food inflation has been a cause of concern.” Data under the new series revealed that prices of primary articles — food, non-food items and minerals — surged by 15.76 per cent on an annual basis in August. Even as prices of potatoes and onions declined by 47 per cent and 6.7 per cent, respectively, rice was dearer by 8.49 per cent. Among manufactured items — food products, beverages, tobacco, cotton textiles, wood and paper — witnessed an average price rise of 4.78 per cent.

According to economic analysts, headline inflation at close to 9 per cent is likely to prompt the apex bank to hike its key policy rates by 25 basis points later this week as containing the price rise remains a concern. Deloitte's principal economist Shanto Ghosh felt that in an absolute sense, inflation is still high. “Unless there is significant softening in prices across the board, it will be a tough challenge for the government to meet the 5.5 per cent inflation target,” he said.

Sujay Mehdudia writes:

Indian entities create

more jobs in U.S.

Faced with the aggressive tone of the Obama administration, India on Tuesday said the recent actions taken by the U.S. with regard to trade issues, offshore outsourcing and hike in visa fee for professionals were not at all welcome. “Indian IT industry has made a huge global contribution including that in the U.S. It is Indian entities which are responsible for

creating jobs, even now when there are big job losses," Commerce and Industry Minister Anand Sharma told reporters on the sidelines of an event here on Tuesday.

Mr. Sharma expressed hope that the scheduled India-U.S. Trade Policy Forum (TPF) meeting on September 21 would turn out to be 'constructive' and resolve various issues. "Many actions taken by the U.S. that adversely impact the economic engagement "are not welcome," he remarked.

In a recent move, Ohio Governor Ted Strickland banned offshore outsourcing by government departments. Earlier, the U.S. increased professional visa fees significantly to fund a \$600-million programme to secure its border with Mexico. Mr. Sharma and U.S. Trade Representative Ron Kirk will co-chair the TPF, which is the principal trade dialogue between the U.S. and India. Mr. Sharma had recently written to Mr. Kirk on the new visa regime and had termed it discriminatory. However, there has been no official reaction from the U.S. side to the issue or Mr. Sharma's letter till date.

The Commerce Minister said the data suggested that Indian IT companies had created over 2.50 lakh jobs in the U.S. in the last three years. "We hope that there will be a constructive and appropriate approach, because both countries are strategic partners," he added.

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<http://www.thehindu.com/2010/09/15/stories/2010091552280300.htm>

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**Convert traditional agriculture into agri-business: TNAU Registrar**

Special Correspondent

*Young population told to be role model for future generations*



**Memorable:Dr. P.Subbian, Registrar of Tamil Nadu Agricultural University, Coimbatore, conferring degree on a candidate at the 7th Graduation Day of Muthayammal College of Arts and Science, Rasipuram, Namakkal district.**

SALEM: “The economic growth in sync with environment and eradication of poverty could be achieved by converting the traditional agriculture into agri-business for which both market and non-market institutions have to play a crucial but positive role,” said Dr. P.Subbian, Registrar of Tamil Nadu Agricultural University, Coimbatore.

After conferring degrees at the 7th Graduation Day function of Muthayammal College of Arts and Science, Rasipuram, he said that on the global background, India had the third largest higher education system. In 1950, there were only 2.5 lakh students in all disciplines in 750 colleges affiliated to 30 universities compared to 11 million students in 18,000 colleges and 400 universities at present. Also the enrolment of students in higher education grew at about 5 per cent a year, he said. The growth rate had recognised India as an emerging economy.

He said with regard to biotechnology, India had the great diversity of precious germ plasm with good indigenous stand and it had to gain entry into the fields and markets as genes and cells. Similarly, advancement in information technology and physical science had brought about greater vibration in the society.

Moreover, he said that between 2010 and 2030, India would add 240 million people in working age population. Thus the young population in India was going to rule the world in future.

They should be a role model for future generations through their hard work and had to



practice and prepare themselves for a tougher environment.

“Everyone must dream and aspire and even the smallest idea can create the biggest innovation. One’s success is measured not by wealth and fame but by how successfully they solve their problems.”

He also requested the media friends and parents to take more interest in issues relating to conservation of nature and environment for the country's prosperity.

College chairman K. P. Ramaswamy presided. Secretary Muthuvel Ramasamy, Dean M. Sundararajan, Principal A. Stella Baby and HoD (Mathematics) V. Balasubramanian were also present.

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**<http://www.thehindu.com/2010/09/15/stories/2010091551400300.htm>**

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### **'Over one crore agricultural workers register with board'**

Special Correspondent



**gesture:Tamil Nadu Agricultural Workers Welfare Board Chairman K. Chellamuthu, giving away welfare assistance to a beneficiary at Perambalur on Tueaday. M.Vijayakumar, second from right ,Collector, is also seen.**

PERAMBALUR: About 1.75 crore agricultural workers and small farmers had registered

their names with the Tamil Nadu Agricultural Workers Welfare Board and nearly Rs.583 crore had been disbursed as assistance to about eight lakh farm workers in the State, said K.Chellamuthu, Chairman of Tamil Nadu Agricultural Workers Welfare Board, here on Tuesday.

Mr Chellamuthu who along with Collector M.Vijayakumar reviewed the implementation of various schemes, including social security and welfare for the agricultural workers in Perambalur , said the State government is implementing several welfare schemes for the benefit of agricultural workers in the State.

He said farmers having wetland of below two acres and dry land less than five acres were eligible to join as members of the welfare board and avail of all the benefits . He said the members of the board and their wards were entitled to get special training in operating all agricultural implements.He also distributed welfare assistance of Rs.28.38 lakh to 163 farmers and agricultural workers at the meeting.Collector M.Vijayakumar, who presided over the meeting, said about 2.74 lakh agricultural workers had registered their names with the board of which identity cards were issued to nearly 1.16 lakh farm workers and small farmers in the district under the Tamil Nadu Agricultural Workers-Farmers Social Security Scheme of 2006.

S.Palanisamy, District Revenue Officer and S.Balusamy, Revenue Divisional Officer attended .

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**hindustantimes**



**Press Trust Of India**

New Delhi, September 14, 2010

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**Inflationary pressure on food items remains concern: Pranab**

Finance Minister Pranab Mukherjee on Tuesday expressed concern over inflationary pressure on food prices, but said the Reserve Bank and his ministry will take appropriate action as and when needed.

"Inflationary pressure is still there because food prices have gone up because of the erratic monsoon and certain other things," Mukherjee told reporters in New Delhi.

The Wholesale Price Index for the month of August stood at 8.51 per cent, as per the new series of inflation based on 2004-05 prices released by the government on Tuesday.

"The RBI is constantly watching the situation. We are in touch with the RBI. The RBI and the Ministry of Finance will take appropriate measure at the appropriate time," he added.

As per the old series, WPI inflation stood at 9.5 per cent in the month of August.

"I do hope that annual inflation would be much lower and it will be much below in the new series at 8.5 per cent in the annualised rate... I think it be well below in the annualised rate," he added.

As per Commerce Ministry data, food articles became 14.64 per cent dearer in August year-on-year, while prices of non-food articles likes fibre and oilseeds soared by 16.04 per cent. Minerals became 23.82 per cent more expensive.

As per the old index, which considered 1993-94 as the base year, inflation remained in double digits for five straight months till June. It fell to 9.97 per cent in July.

<http://www.hindustantimes.com/StoryPage/Print/599978.aspx>

## Weather

Chennai - INDIA

### Today's Weather



Cloudy

Rain: Trace

Wednesday, Sep 15

Max    Min

29.8° | 23°

Sunrise: 5:58

### Tomorrow's Forecast



Rainy




Thursday, Sep 16

Max    Min

33° | 24°

Humidity: 84%      Sunset: 18:11  
Wind: Normal      Barometer: 1006

#### Extended Forecast for a week

Friday Sep 17	Saturday Sep 18	Sunday Sep 19	Monday Sep 20	Tuesday Sep 21
				
30°   26° Rainy	32°   25° Rainy	33°   26° Rainy	33°   27° Rainy	32°   27° Rainy

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## THE ECONOMIC TIMES

Wed, Sep 15, 2010 | Updated 08.25AM IST

15 Sep, 2010, 01.13AM IST, S Sujatha, ET Bureau

### Seed cos' sales rise 50 per cent

COIMBATORE: India's biggest seed, crop inputs and irrigation companies clock a spectacular 50% growth in sales this summer, beating annual targets, as farmers invest in high-quality seeds and plant more area to boost profits on the back of a good monsoon and rising cotton, rice, corn and sugar prices. Many seed companies have already crossed last financial year's topline in the first few months of 2010-11. Nuziveedu Seeds, India's biggest domestic seed company, with a turnover of `550 crore in 2009-10, is expecting to cross `700 crore this financial year. "This kharif season has been one of the best periods for Indian agriculture and we also expect the rabi season to be very good," said Nuziveedu Seeds CMD M Prabhakar Rao.

At Monsanto India, engaged in the business of production and sale of pesticides and hybrid

seeds, the season has been very fruitful. "While the overall cotton seed market grew by 20%, we have recorded a 50% growth in volumes due to high performance of our hybrids," said Monsanto India managing director Amitabh Jaipuria.

Other companies are equally delighted. "We have done `156 crore worth business till August 31, which is more than the total turnover of `126 crore clocked in 2009-10," said Kaveri Seeds CMD G V Bhaskar Rao. He expects the company to touch `200-crore net sales this financial year. The season has been good for drip irrigation companies with a 40% year-on-year growth. Apart from sugarcane, kharif crops like cotton, corn, groundnut and soya bean flourish under drip irrigation.

Dr P Soman, senior vice president at country's biggest irrigation player Jain Irrigation, said farmers have started using drip irrigation for toor dal. "We have seen nearly a 50% increase in the use of drip irrigation for sugarcane this year. Farms in Tamil Nadu, Maharashtra, Uttar Pradesh, Karnataka and Gujarat have started using drip facilities," he added.

Pesticides companies are seeing fortunes improve on the back of higher pest attacks that follow excessive rains. "Pest attacks will be more during rains and since our country received 101% rains this season, the requirement of pesticides have increased," said Chennai-based Jhaver group's pesticides and allied agrochemicals manufacturing company Tropical Agro System's director V K Jhaver.

The extended monsoon this year is adding to corporate cheer. "In general, we received about 25% more rainfall this year than in a normal year. This has led to about 10% more area under kharif crops than in the last year," said Hyderabad-based Vibha Seeds Group chairman and managing director Vidyasagar Parchuri. Cotton has been a golden goose for India's crop inputs industry this summer, with a third of its revenue coming just from this crop.

Jagresh Rana, the director of Mahyco Monsanto Biotech said nearly 11 million hectares have

come under cotton this season. The introduction of BT cotton has led to a consistent increase in the acreage of cotton in the last few years, said Salem-based Rasi Seeds managing director M Ramaswamy. Nagpur-based Ankur Seeds managing director Madhav Shembekar said the season was very good for cotton seeds while the demand was less for maize and paddy.

14 Sep, 2010, 01.27PM IST,REUTERS

### **Oilseeds, soyoil ease on bumper crop hopes**

MUMBAI: Indian soybean futures opened higher on Tuesday, but quickly erased gains on hopes of a bumper output of summer-sown oilseeds, while soyoil fell tailing weak palm oil and on a jump in August edible oil imports, analysts said. "Rainfall was a concern for a soybean crop, but now Maharashtra is not receiving rains.

In Madhya Pradesh also intensity of rains has gone down," Mehul Agrawal, analyst at Sharekhan Commodities, said. Trade was worried rains in key oilseeds growing areas during harvesting stage of the crop may adversely affect yields.

"Soybean harvesting will pick up if weather remains dry for next two-three weeks," Agrawal said. At 1:17 p.m., October soybean on India's National Commodity and Derivatives Exchange (NCDEX) was 1.32 percent lower at 2,021.5 rupees per 100 kg, while October soyoil fell 0.94 percent to 485.5 rupees per 10 kg.

Malaysian crude palm oil futures fell on Tuesday after hitting a new one-month high earlier in the session as traders shifted their focus to prospects of rising supplies in the months to come. See [ID:nSGE68D049] India imported 1.06 million tonnes of vegetable oil in August, up 64 percent from a year earlier, a leading trade body said on Tuesday. Rapeseed for October delivery eased 0.48 percent to 543.5 rupees per 20 kg.

An improvement in meal exports and edible oil demand due to festivals limited the downside,

analysts said. The country's oilmeal exports in August rose 14 percent from a year earlier, its second straight monthly rise, on higher demand from traditional buyers in Japan and China, data from a trade body showed. India's soybean output in 2010/11 is likely to top last year's and meal exports from the new crop are likely to rise significantly as lower bean prices are seen giving edge to Indian exporters, a senior industry official said.

14 Sep, 2010, 12.41PM IST,PTI

### **Cardamom hits lower limit, down 4 pc on poor spot demand**

NEW DELHI: Cardamom prices fell sharply by 4 per cent to hit the lower limit at Rs 1,076.30 per kg in futures trade today as speculators reduced their positions amid poor demand in the spot market.

Increased arrivals from producing regions also put pressure on cardamom prices.

At the Multi Commodity Exchange, cardamom for September month delivery plunged by Rs 44.90, or 4 per cent, to hit the lower limit at Rs 1,076.30 per kg, with an open interest of 768 lots.

Similarly, the spice for October contract delivery fell by Rs 28.20, or 2.67 per cent, to Rs 1,027 per kg in 1,594 lots.

Analysts said a weak trend in the spot market on poor demand amid increased supplies led to the fall in cardamom futures.

# Business Standard

Wednesday, Sep 15, 2010

**Record vegetable oil imports in Aug**

**BS Reporter / Mumbai September 15, 2010, 0:52 IST**



Massive stock-building by processors, refiners and stockists led to the rise.

India's vegetable oil imports set a record in August on massive stock-building by processors, refiners and stockists in anticipation of higher demand this festive season.

Data compiled by the apex trade body, the Solvent Extractors' Association (SEA), show that vegetable oil imports rose 64 per cent to 10,65,641 tonnes in August this year as compared to 650,603 tonnes in the corresponding month of the previous year. Total edible and non-edible oil imports were 10,00,942 tonnes and 64,699 tonnes, respectively, as compared to 6,12,898 tonnes and 37,705 tonnes, respectively, in the same period last year. In the first 10 months of the oil year (November 2009 to October 2010), vegetable oil imports recorded a marginal rise of five per cent to 74,47,955 tonnes as compared to 70,70,491 tonnes in the corresponding period of the previous year.



“Due to uncertainty over the global economic outlook, buyers deferred imports. As prices have gradually started firming up and pundits continue to forecast a rise, traders have started booking fresh orders to meet the coming festival and seasonal demand. Also, pipeline inventory has declined drastically in the last couple of months. This is pushing imports,” said B V Mehta, executive director, SEA.

Mehta said there had also been a sudden rise in per capita consumption of edible oils in the country due to rising disposable incomes and low prices.

“The first thing that comes to mind is a change in food habits by adding more oily and tasty stuff frequently. Eating outside has also become common, resulting in the per capita consumption rising to 13.5 kg this year as against 11.5 kg a couple of years ago,” Mehta added.

As a consequence of higher imports, pipeline inventory has increased by 1.65 lakh tonnes in the last one month. According to an estimate, the inventory of vegetable oils, both at ports and in pipelines, is estimated at 13,80,000 tonnes as on September 1, as compared to 12,15,000 tonnes about a month ago. The current stock of edible oils at various ports is estimated at 680,000 tonnes (crude palm oil 300,000 tonnes, RBD palmolein 60,000 tonnes, degummed soybean oil 260,000 tonnes and crude sunflowerseed oil 60,000 tonnes). The pipeline inventory is about 700,000 tonnes.

In the oil year ending October 2010, vegetable oil imports are estimated to surpass nine million tonnes as against 8.6 million tonnes in the previous year.

Between November 2009 and August 2010, RBD palmolein imports were at 987,959 tonnes as compared to 10,05,595 tonnes in the same period last year. The share of refined oil remained 14 per cent and that of crude oil at 86 per cent. The benchmark groundnut oil prices rose by more than Rs 100 per tin (of 15 kg) last week due to scarcity of groundnut in Gujarat.

Some industry players believe that the price rise is because of speculation as there is not much demand. A 15-kg tin of groundnut oil in Rajkot is now available at an all-time high of Rs 1,570-1,575. While packaged 15-litre groundnut oil tin is priced at Rs 1,470-1,475, the groundnut oil sold at retail stores is priced at Rs 955-960 per 10 kg.

## **Monsoon hits Cotton crop in Punjab, Haryana**

**Komal Amit Gera & Vikas Sharma / New Delhi/ Chandigarh September 15, 2010, 0:19 IST**

The forecast of continual rainfall till the last week of September could probably dent the prospects of good cotton crop in Punjab and Haryana, as productivity is likely to take a hit.

The projections of higher yields due to good prospects of monsoon may be reversed as the intermittent showers, cloudy sky and growth of leaf curl virus on the RCH134 BG2 variety of cotton is likely to undermine the yield.

According to the meteorological department, rainfall is likely to continue in the region for another week, and conditions are expected to improve.

Rakesh Rathi, president, North India Cotton Association maintained the dry season during last month of cotton harvesting is ideal for the crop, though it has been continually raining.

According to the farmers in the Bhatinda belt of Punjab, there was an anticipation of leaf curl virus in the variety available in the market. Since Micro seed was not available in the market till May 20, most of the farmers had to sow RCH314BG2 as the optimum cotton sowing period is from mid-April to May 15.

The cotton prices have already gone through the roof with a revision of 15 per cent-20 per cent in the last week.

The prevailing price of cotton is over Rs 4,000 per mond ( 37.324 kilogram) that was Rs 3,700 per mond last week.

This is a fallout to short supply of cotton as a consequence of late maturing of crop due to extended monsoon.

According to cotton traders, the prices are expected to remain 30 per cent-35 per cent above the last year prices. The October deliveries, said one of the traders are being booked for Rs 3,700 per mond. November deliveries of cotton are booked for Rs 3,550-Rs 3,600 per mond and December for about Rs 3,500 per mond.

The prices may touch further high if the exports are not regulated, he added.

The rains in other cotton belts (Gujarat, Maharashtra and Madhya Pradesh) would also effect the production. Of these, Gujarat had a higher incidence of rain.

The peak picking (harvesting) season for cotton in Haryana and Punjab is likely to commence by the end of September (theses two states get early cotton harvest followed by other states)and if continuous rainfall persists chances are the rotting of cotton would commence and even the crop could face pathogen attack.

Due to cloudy sky, the plant length has been stretching but the flowering is slow, this would effect the yield. The waterlogging in the field has also restrained the flowering in the lower part of the stem.

The rain may help to arrest the dwindling water table but would cast a shadow on the quality and yield of cotton crop.

#### **Potato futures rise on firm spot demand**

**Press Trust of India / New Delhi September 14, 2010, 15:18 IST**



Potato prices shot up by Rs 18.30 to Rs 478 per quintal in futures trading today, as speculators enlarged their positions on rising domestic and exports demand.

Restricted supply from producing regions due to fall in arrivals due to ongoing heavy rains also boosted the market sentiment.

At the Multi Commodity Exchange, potato for October month jumped up by Rs 18.30 or 3.98 per cent to Rs 478 per quintal, with an open interest of 1,755 lots.

The potato for delivery in September month also gained by Rs 1.90 or 0.44 per cent to Rs 430.80 per quintal in 377 lots.

Market analysts said speculators enlarged positions on rising domestic and exports demand against restricted arrivals from producing regions due to heavy rains at futures trade

### **Urad, its dal turn weak on subdued demand**

**Press Trust of India / New Delhi September 14, 2010, 16:17 IST**



Urad and its dal prices declined by Rs 100 per quintal owing to reduced offtake from retailers in the wholesale pulses market today.

Meanwhile, other pulses moved in a tight range on scattered buying or selling and settled around previous levels.

Marketmen said fall in demand at existing higher levels, against adequate positions mainly led to a decline in urad and its dal prices.

Urad and its dal chilka local declined by Rs 100 each to Rs 5,700-6,250 and Rs 6,100-6,500, while best quality and dhoya traded lower by the same margin at Rs 6,900-7,200 and Rs 7,000-7,100 per quintal.

Following are today's quotations in Rs per quintal:

Urad 5,700-6,250, Urad chilka (local) 6,100-6,500, best 6,900-7,200, Dhoya 7,000-7,100, Moong 4,800-5,200, Dal moong chilka local 5,700-6,100, Moong Dhoya local 6,200-6,400 and best quality 6,600-6,800

Masoor small 3,400-3,600, bold 3,600-3,850, Dal Masoor local 4,000-4,100, best quality 4,300-4,600, Malka local 3,900-3,950, best 4,050-4,150, Moth 5,000-5,300, Arhar 3,800-3,900, dal arhar dara 4,800-5,200

Gram 2,225-2,250, gram dal (local) 2,475-2,500, best quality 2,600-2,700, besan (35 kg) Shakti bhog 1,050, Rajdhani 1,050, Rajmah chitra Pune 3,450-4,050, China 3,550- 4,050, red 3,450-3,550

kabli gram small 4,200-5,400, dabra 2,700-2,800, imported 4,500-4,900, lobia 3,700-3,800, peas white 1,900-2,000 and green 2,100-2,300

### **Chana futures slid on weak spot demand**

**Press Trust of India / New Delhi September 14, 2010, 15:13 IST**



Chana prices fell by Rs 14 to Rs 2,134 per quintal in futures market today as speculators reduced their holdings, on weak demand in the spot market.

Increased arrivals from producing regions also put pressure on chana prices.

At the Multi Commodity Exchange, chana for October month fell by Rs 14 or 0.65 per cent to Rs 2,134 per quintal, with an open interest of 702 lots.

The commodity for delivery in September month also declined by Rs 13 or 0.61 per cent to Rs 2,104 per quintal in 706 lots.

Market analysts said positions reduced by speculators due to fall in demand led to the decline in chana prices at futures trade.

# THE HINDU Business Line

Business Daily from THE HINDU group of publications

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## Back August veg oil imports cross 1 million tonnes

Chennai, Sept. 14

Import of vegetable oil in August, including edible and non-edible oils, hit a new record by crossing one million tonnes (mt), the highest imports in a single month since 1994.

The imports totalled 1,065,641 tonnes, consisting of 1,000,942 tonnes (up by 64 per cent from last year's 650,603 tonnes) of edible oils and 64,699 tonnes of non-edible oils, according to a press release from the Solvent Extractors Association (SEA).

Imports posted a jump in August as stock in pipelines was at a low level coupled with festival season, SEA said in the release. The overall import of vegetable oils during November 2009-August 2010 stood at 7,447,955 tonnes compared with 7,070,491 tonnes, an increase of 5 per cent.

During the same period, import of RBD palmolein was at 9,87,959 tonnes (1,005,595 tonnes), while palm oil import was down at 5,191,485 tonnes (5,293,678 tonnes).

Import of non-edible oils during August rose to 64,699 tonnes from 37,705 tonnes during the same period last year.

The overall import of non-edible oils during November 2009-August 2010 was 3,47,415 tonnes (3,67,093 tonnes), a decline of 5 per cent.

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## Back Cardamom prices drop on increase in arrivals

*Demand expected to pick up in coming weeks for festival season.*

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*North Indian dealers slowed their purchases anticipating further fall in prices as harvesting progressed and arrivals increased.*

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G.K. Nair

Kochi, Sept.14

Cardamom prices dropped gradually every day at the auctions held last week in Kerala and Tamil Nadu on increase in arrivals amid buyer resistance, traders said.

Upcountry buyers were active but supply outweighed demand as there was no export buying.

North Indian dealers slowed their purchases anticipating further fall in prices as harvesting progressed and arrivals increased, Mr P.C. Punnoose, General Manager, CPMC, told Business Line.

At the same time the major growers started holding back their produce as evident from yesterday's auction where the arrivals were at 45 tonnes as against 61 tonnes the previous Sunday, he said.

The maximum price fetched was at Rs 1,405 a kg and Rs 890 a kg and the individual auction average was at Rs 1,025 a kg, he said.

Since the dealers were buying only to meet their immediate requirements last season because of the high prices the demand is expected to pick up in the coming weeks for the Navratri, Diwali festivals and weddings in north India, to be followed by Christmas, winter season and the New Year, traders said.

Besides, the supplies from the lone competitor Guatemala have yet to pick up, they said.

Favourable weather

Favourable weather conditions were facilitating good harvesting. The second round of picking is under way, traders said.

Total arrivals during the current season from August 1 to September 12, 2010, stood at 1,085 tonnes. Of this, 1,078 tonnes of cardamom were sold.

Arrivals and sales in the same period of the previous season were 954 tonnes and 941 tonnes, respectively.

Weighted average price as on September 12, 2010, was Rs 1,123.35 per kg, up from Rs 731.64 per kg same day last year.

Prices for graded varieties, in rupees per kg, on Monday were: AGEB -1,405–1,415; AGB 1,230–1,240 ; AGS 1,210–1,220 ; AGS1- 1,190–1,200. Prices quoted in the open market at Bodinayakannur were AGEB 1,385-1,395 ; AGB 1,210-1,220; AGS -1,190-1,210 ; AGS 1 - 1,170- 1,185 .

The weather conditions in the growing areas have been good so far and if it prevailed the late crop could be comparatively good, growers said.

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**<http://www.thehindubusinessline.com/2010/09/15/stories/2010091551621700.htm>**

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**[Back](#) Shortage of copra heats up coconut oil**



C.J. Punnathara



Kochi, Sept. 14

Coconut oil prices continued to rally as shortage of copra has become rampant in the market. Contrary to the norm, coconut oil prices in Tamil Nadu ruled higher at Rs 6,600 a quintal as against the Kerala price of Rs 6,500, Mr Prakash B. Rao, President of Cochin Oil Merchants Association, pointed out. Unseasonal rains have been lashing major coconut growing regions of Tamil Nadu, which were widespread even yesterday. This has reduced copra arrivals to the Kerala and Tamil Nadu market, he added.

The market expects coconut oil prices to scale new highs and close higher in the coming weeks. The trigger for the next round of price increase would be the re-entry of corporate companies back into the market. With firm trends manifesting in coconut oil prices during the pre-Onam festival season, corporate buyers have been sitting on the sidelines waiting for the market to cool off before making their re-entry.

But the high prices prevailing in Tamil Nadu , the major source for corporate buyers, are an indication that the prices are likely to remain firm. Although corporate companies have still not re-entered the market in a big way, they have been making tentative enquiries, sources pointed out. But they are likely to wait till their stocks are further depleted.

Copra prices have also moved up to Rs 4,500-4,600 a quintal, up from Rs 4,200 levels of last week. The unseasonal rains have arrested drying operations and conversion to copra, further reducing the availability of coconut oil.

Meanwhile, packet coconut oil prices have not moved up despite the rise in bulk oil prices. The market leader in coconut oil, Marico, has not revised prices and without that trigger, most of the other players are unlikely to announce price revisions. The price rise in most other edible oils has also ensured that coconut oil prices remained firm.

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**<http://www.thehindubusinessline.com/2010/09/15/stories/2010091550951900.htm>**

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**Back Adequate supply of fertilisers arranged, no shortage: Rosaiah**

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*The State Government had taken proactive measures to ensure supply of fertilisers.*

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Our Bureau

Hyderabad, Sept. 14

The Andhra Pradesh Chief Minister, Mr K. Rosaiah, has said adequate supplies of fertilisers have been arranged and assured there is no shortage as being made out by some political parties to exploit the situation.

Addressing a press conference here on Tuesday, Mr Rosaiah said in spite of steep hike in demand for fertilisers due to the increase in total acreage of the crop under cultivation, up from 79 lakh hectares to 82 lakh hectares, necessary arrangements have been made to ensure that fertilisers reach them.

He said that the arrangements made have not been properly communicated to farmers. This has led to protests in some parts of the State, which some political parties are seeking to exploit, he said.

Though the State had made adequate arrangements in terms of fertiliser stocks required for the crops under cultivation, there are a few problems with regard to its transport and some delay in reaching it out to the farmers. However, isolated instances have been overblown, he felt.

Proactive measures

He said that the State Government had taken proactive measures to ensure supply of fertilisers. Due to efforts, six out of 23 railway rakes meant for transportation of fertilisers across the country were allotted to Andhra Pradesh.

Following good monsoons leading to re-charge of ground water and reservoirs being full, the State is expecting a bumper 210 lakh tonnes of foodgrain production this year. Therefore, the Government has not only provided for additional fertilisers, but also enhanced godown space in coordination with the Food Corporation of India.

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## Back Research push for US pulses

G. Chandrashekhara

North Dakota (US), Sept. 14

In the US, the States of North Dakota and Montana account for a substantial production of pea and lentils. As much as 70 per cent of the peas and 80 per cent of lentils grown in the region are exported. India is a major buyer of these pulses. Growers and exporters are optimistic that Indian demand will continue to rise in the foreseeable future.

Pulses crops are grown as rotation crops and are favoured by growers because they need less water than large field crops such as corn and soybean, according to North Central Extension Research Centre of the North Dakota State University (NDSU).

Currently, a lot of work is being done on pest control, an official remarked, adding NDSU has a pulses breeding programme that seeks to evolve varieties that meet the needs of growers and consumers alike.

To a specific question from Business Line whether any work on evolving genetically modified pulses (peas and lentils) was going on, the officials responded in the negative. "Countries that import from us are averse to GM pulses," asserted an official.

Of course, unlike corn and soybean that are produced in massive quantities in the US, peas and lentils are small crops and therefore, large investment in evolving modified pulses varieties may not be justified.

### Replacing barley

There is strong likelihood that in future pulses may replace barley in the region as production is increasingly becoming price driven. Pulses are said to offer better returns to growers under assured market conditions.

The Northern Crops Institute, a research arm of NDSU, has undertaken a pulses utilisation programme. Speaking to this correspondent, Dr Mehmet C. Tulbek, Technical Director with expertise in cereal processing, said that legumes offer opportunity for utilisation in food products.

“Incorporation of pulses in daily meals results in protein and fibre enrichment,” asserted Dr Tulbek, adding legumes can be used for fortification of flour and semolina, in soup products and in extruded food products. He believes food legumes are nutritionally superior and can be used as a food ingredient or for new product development.

Interest in food-grade legumes as a food source is due to findings that suggest legumes can provide a variety of health benefits such as reducing heart diseases, diabetes and cholesterol.

Dr Tulbek is planning to visit India sometime in December to conduct short-term courses in application of legumes in food products.

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**Back Sluggish demand, weather woes hit wheat**



Our Correspondent

Karnal, Sept. 14

With lukewarm demand and unfavourable weather for the trade, wheat prices dropped to their lowest levels of the season. At the Karnal grain market terminal on Tuesday, the prices of dara variety broke its lower levels by Rs 50 a quintal. It was quoted at Rs 1,100-1,150 a quintal against the Rs 1,150-1,160 reported last weekend. The fine quality ruled at Rs 1,160-1,170 a quintal.

Mr Sewa Ram, a wheat trader, said wheat market is going through a bad phase. Factors such as flood, government policies and lukewarm demand are influencing the market, he said.

Despite the rising arrivals, the traders are out of the market and the procurement is low, he added.

Desi wheat varieties also witnessed a downward trend. Tohfa variety ruled at Rs 2,150 a quintal; Lok-1 ruled at Rs 1,770, kitchen queen new marka ruled around Rs 1,975; Parley-G variety ruled around Rs 2,070 and the Nano was at Rs 2,000 a quintal.

On the other hand, chokar prices continued to increase and ruled at Rs 495-500 (a 49-kg bag), the season's highest levels. Because of the fodder washed away by the flood, chokar prices are witnessing a good upward momentum. Around 150 quintals of dara variety arrived at the market but only part of the stock was lifted.

Around 5,000 bags of early-variety paddy arrived at several mandis in Karnal district. Around 1,000 bags of Govinda paddy arrived at the Karnal mandi and the early variety was quoted at Rs 800-950 a quintal against Rs 950-1,000 a quintal quoted on Monday.

Around 250 bags of Sugandha-999 arrived and it was lifted at around Rs 1,200-1,325 a quintal. Just about 300 bags of Sharbati variety arrived and the stock was lifted around Rs 1,100-1,150.

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**[Back](#) Edible oils slip on global cues**



Our Correspondent

Mumbai, Sept 14

Edible oil markets witnessed a weak trend on global cues on Tuesday.

Prices fell by Rs 2-3 for 10 kg, except groundnut oil that rose Rs 2 and sunflower oil by Rs 10 at the local level. Lack of demand and weak Malaysian markets kept volumes low. Resale pressure weighed on markets, said traders.

In Mumbai, groundnut oil was at Rs 900 for 10 kg, but there was no demand. In overseas market, Malaysia's BMD CPO futures closed 29 ringgits lower on profit-taking. CBOT soya oil declined after hitting one-month high on Monday. Indore NBOT soya oil futures also fell sharply.

At spot level, refineries were quoting palmolein in the Rs 460-465 range and soya refined oil at Rs 471-473 for 10 kg. In resale counter, palmolein was available at lower rates. Lack of local retail demand kept volume of trade very thin.

On Tuesday only 70/80 tonnes of palmolein were resale traded under resale in the price range of Rs 460-467. There was no demand for other oils. Sunflower oil was up on increased demand from brand makers/refineries at producing centres.

At Malaysia's BMD CPO futures October closed 29 ringgits lower at 2,708 (2,737) Malaysian ringgits a tonne. Indore NBOT soya oil October futures were down at Rs 483.30 against Rs 489.80 for 10 kg.

At the Mumbai commodity exchange, spot rates were groundnut oil Rs 900 (Rs 898), soya refined oil Rs 475 (Rs 476), sunflower expeller refined Rs 535 (Rs 525), sunflower refined Rs 585 (Rs 575), rapeseed refined oil Rs 572 (Rs 574), rapeseed expeller refined Rs 542 (Rs 544), cottonseed refined Rs 505 (Rs 508) and palmolein Rs 464 (Rs 467) for 10 kg.

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**<http://www.thehindubusinessline.com/2010/09/15/stories/2010091551551700.htm>**

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**Back Groundnut oil steady on limited stocks**



Our Correspondent

Rajkot, Sept. 14

The price of groundnut oil has been stable at an all-time high level of Rs 1,570-1,575 for a 15 kg tin, on Tuesday.

According to millers, the price has gone up as groundnut stocks are not available for crushing. This situation is likely to continue till the new season, they said.

The price of a new tin of groundnut oil at Rajkot – Saurashtra is Rs 1,570-1,575 for 15 kg. The price of a 15-litre tin is Rs 1,470-1,475 and price of loose oil is Rs 950 for 10 kg.

Groundnut prices are also increasing.

According to APMC sources, groundnut bold prices went up by Rs 105 to Rs 750-785, and the price of small went up by Rs 50 to Rs 680-720 for 20 kg.

About 5,000 bags (of 50 kg each ) arrive every day in the Saurashtra region.

According to a Rajkot-based retailer, “The price of groundnut increased by Rs 105 last week, but over the last two days, the price has remained stable as there is little demand.”

Low availability

“We have no groundnut stocks for crushing. Availability is very poor in the market. In this condition, prices will not come down. Overall price will remain stable at the current level for some time,” millers said.

Market sources said new groundnut crop is expected within a month.

Good output likely

Production is expected to be good, as sowing in the Saurashtra region went up by 10-15 per cent.

According to the Indian Oilseeds and Produce Export Promotion Council, rabi groundnut production has come down by 50 per cent to 1.20 lakh tonnes .

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[Back](#) Spurt in arrival pulls down pulses



Our Correspondent



Indore, Sept. 14

Pulses continued to witness downtrend following spurt in fresh arrival and poor demand in the domestic market. In spot trading, prices of majority of pulses by and large remained steady, barring moong dal and urad dal.

Moong dal was quoted Rs 4,500-4,600 a quintal, down Rs 50. Similarly moong dal (bold) was quoted Rs 50 lower at Rs 4,800 a quintal, while moong dal (monger) quoted down Rs 100 at Rs 6,300-6,400 a quintal.

Local mandi witnessed arrival of 2,000-2,500 bags of moong. The lower quality moong was quoted at Rs 3,200 a quintal, while its local variety ruled at Rs 3,800 a quintal.

Arrival of new urad has commenced, albeit in a meagre quantity. About 15-20 bags of new urad arrived on Tuesday and the dal sold at Rs 4,500 a quintal. Urad dal remained steady at Rs 6,000-6,100 a quintal, while urad (monger) quoted down Rs 150 at Rs 7,600-8,500 a quintal.

Tur dal also remained steady at Rs 4,800-5,500 a quintal, while tur dal (markewali) quoted down Rs 50 at Rs 6,000 a quintal. Masoor dal quoted down Rs 50 at Rs 3,950-4,200 a quintal. Chana dal also remained firm with prices in the spot quoted at Rs 2,650-2,750 a quintal.

Given increase in coverage of pulse seeds to 110.08 lakh hectares and expected increase in production by about 5-10 lakh tonnes this year, there is all likelihood of pulses prices to remain steady, said Mr Suresh Agrawal, President, Madhya Pradesh Dal Mills Association.

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**[Back](#) Low buying keeps sugar on leash**



Our Correspondent

Mumbai, Sept. 14

At the Vashi market, spot sugar prices were broadly steady on Tuesday.

Less-than-expected local demand weighed on market sentiment and sugar declined Rs 2-5 a quintal. Easy supply position at mills and markets kept the volume thin. Ganesh Chaturthi festival demand seems to be over now.

On Tuesday, arrivals at the Vashi market totalled 35-38 truck loads (of 10 tonnes each ) but lifting was less than 30-32 truck loads.

On Monday evening, mills sold small quantities of S-grade at Rs 2,530 /2,665, and M-grade at Rs 2,590 /2,630 a quintal. Lack of upcountry demand kept pressure on mills. Second, there was the pressure of lifting outstanding purchases up to September 15 from mills that kept fresh buying by stockists at bay, sources added.

Mill tender rates were quoting at S-grade: Rs 2,535/2,560 and M-grade Rs 2,595/2,635 (including excise) a quintal. Stockist's outstanding position may lead to increase in resale volume, in the next two-three days.

Due to disparity, buying in Maharashtra from neighbouring States is also absent, keeping the price movement under control and range-bound.

Spot rates, according to the Sugar Merchants Association, were: S-grade: Rs 2,628/2,680 (Rs 2,625 /2,680) and M-grade: Rs 2,675/2,771 (Rs 2,680 /2,771).

Naka delivery rates- S grade: Rs 2,600/2,640 (Rs 2,620 /2,650) and M-grade: Rs 2,650 /2,710 (Rs 2,670/2,710).

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### Back Development council soon for small tea growers

The plan for setting up a development council for small tea growers is at an advanced stage, according to Mr A.S. Mangotra, Additional Secretary, Commerce Ministry.

He told reporters soon after the Upasi annual conference when asked about demand for setting up a separate body for the small growers.

On Monday, the Tea Board Deputy Chairperson, Ms Roshni Sen, said the Board had recommended to the Commerce Ministry to set up a development council for small tea growers. This is mainly since production by the small growers has increased 160 mkg in the last 10 years.

This is three times more than the production growth witnessed in the organised sector. - MRS

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### Back Dearer fruit

— P.V. Sivakumar



Festival demand:A trader at the Kothapet Fruit Market in Hyderabad counting the stacks of freshly arrived banana from Jalgaon in Maharashtra. The festival season has added to the

scarcity of the fruit that has been affected by monsoon. It is witnessing peak benefit rates with per quintal rate touching Rs 772 with difference in rate for good quality. In the retail market, in Hyderabad, it is selling at Rs 30-35 a dozen.

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### Back In troubled waters

– Ritu Raj Konwar



Net effect:A farmer on his way to set up a fishing net in his flooded paddy field in Morigaon district of Assam on Tuesday. The Brahmaputra river, flowing above the danger mark, has inundated large areas, affecting lakhs of people across the State.

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### Back Pepper futures witness heavy selling pressure

G.K. Nair

Kochi, Sept 14

Pepper futures were floored Tuesday on heavy selling pressure and switching over on bearish activities and eventually closed 4 per cent below the previous close.

A panicky situation was created which had forced the investors, who were in a mood to sell validity expired stocks held by them for some time to liquidate.

Add to this blank long position holders were also appeared to have started liquidating frantically. These factors floored the market, trade sources said.

Heavy liquidation by investors coupled with huge switching over to nearby position has pulled the market down.

“Today, the bear operators were in the driving seat,” market sources told Business Line.

But, the fundamentals continued to remain strong as far as physical pepper availability is concerned, they claimed.

September contract on NCDEX fell by Rs 837 to close at Rs 20,091 a quintal. October and November dropped by Rs 798 and Rs 764 respectively to close at Rs 20,280 and Rs 20,470 a quintal.

Total turnover increased by 4,997 tonnes to 24,421 tonnes. Total open interest fell by 921 tonnes to 17,042 tonnes indicating heavy selling.

September open interest dropped by 2,606 tonnes to 6,180 tonnes while that of October and November increased by 1,613 tonnes and 40 tonnes, respectively, to 9,355 tonnes and 754 tonnes.

Spot prices in tandem with the futures market trend fell by Rs 500 a quintal to close at Rs 19,500 (un-garbled) and Rs 20,000 (MG 1). There was no selling pressure in the spot market.

According to a report from Vietnam today pepper market there remained quiet and unchanged.

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## Back **BASIX Krishi opens branch in Mahabubnagar**

Our Bureau

Hyderabad, Sept. 14

BASIX Krishi Samruddhi Ltd (BASIX Krishi) on Tuesday inaugurated its fifth branch in Mahabubnagar with an objective of reaching out to the farm community and plans to work with Government agencies and MNCs in the latter's corporate social responsibility initiatives.

Ms Ayaan Adam, Head, Financial Institutions Private Equity & Manager Financial, South Asia, International Finance Corporation, was present during the inauguration. This is the second branch in the district after the one located at Wanaparthy. Three others are located at Bagalkot, Raichur and Gulbarga.

BASIX Krishi has been established to strengthen the livelihood promotion services in rural areas and provide agricultural extension services and integrated supply chain solutions to small and marginal farmers, big farmers and farmers' institutions and improve their incomes in a sustainable manner.

New branch

Mr Vijay Mahajan, Chairman, BASIX group, in a statement said, "We are glad to announce yet another unit in Mahabubnagar as a continuous effort to reach out to more farmers. Through these BASIX Krishi units, we wish to reach-out to more than 1 million farmers by the year 2015."

BASIX Krishi provides customised advisory services to big farmers like those doing horticulture. It will collaborate with Government organisations and tap the resources of Krishi Vigyan Kendras (KVKs), agricultural universities, departments of agriculture, to provide technical assistance. The micro-finance institution will implement projects of Government organisations such as Nabard, State departments of agriculture and animal husbandry.

Collaborations with financial institutes such as regional rural banks and commercial banks will enable BASIX Krishi to provide financial products. It intends to contract with large multinational companies to implement their corporate social responsibility initiatives.

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