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Proposal to set up fertilizer plants

Special Correspondent

Rosaiah to consider Oswal group offer

Request for gas allocation forwarded to the Petroleum and Natural Gas Ministry

The company would also establish a 100 mw capacity power plant

HYDERABAD: The Oswal Chemicals and Fertilisers Limited has offered to set up Rs.5,000-crore urea plant and Rs.2,000-crore di-ammonium phosphate plant in the State. The offer was made by Abhay Oswal, chairman and managing director of Oswal Chemicals and Fertilisers to Chief Minister K. Rosaiah during their meeting here on Tuesday.

The Chief Minister agreed to positively consider the proposal at the earliest.

In view of increasing need for fertilizer being felt by the State, Mr. Oswal made the proposal for setting up 1.2 million tonnes a year capacity urea plant based on natural gas that could employ 5,000 labourers during construction phase and 100 skilled and unskilled manpower after the commission of the plant.

A request for gas allocation for the project has already been forwarded by the Union

Chemical and Fertilizers Ministry to the Petroleum and Natural Gas Ministry, according to a press release from the Chief Minister's Office. Mr. Oswal told Mr. Rosaiah that the company would also establish a 100 mw capacity power plant using surplus steam from urea manufacturing facilities supplemented by coal.

Phosphoric acid

Another proposal made by him was to set up one million tonne capacity di-ammonium phosphate plant with an investment of Rs. 2,000 crore. Phosphoric acid required for the plant will be imported from Syria. Similarly, requirement for ammonia will be met from surplus ammonia from urea plant.

The di-ammonium plant will employ 3,000 workers during construction and 700 after the commencement of the plant.

Offsite facilities

The company has one million tonne a year capacity ammonia urea complex with utilities and offsite facilities at Shahjahanpur in U.P. and a two million tonne a year di-ammonium phosphate plant at Paradip in Orissa, reportedly single largest manufacturing facility in the world.

Ammonia plant

The group has set up gas-based ammonia plant of 2,200 tonnes per day capacity in Western Australia.

Chief Secretary S.V. Prasad, Advisor to the Government on Industries Peter Hassan, Principal Secretary (Industries) B.P. Acharya, Principal Secretary to the Chief Minister Sam Bob and other officials attended the meeting.

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Horticulture Federation demands cold storage facility

Staff Reporter

Administration asked to take up the matter on priority basis

HOSUR: The Krishnagiri Horticulture Federation has demanded the district administration to take immediate measures to build cold storages in and around Hosur for the benefit of farmers who were engaging themselves in horticulture/floriculture.

The association demanded the administration to take up the matter on priority basis to provide the required post-harvest technologies to the horticulturist for getting better price for their produce and keep the harvested products in tact for a longer time.

A meeting of the Association which held in Hosur on Sunday also requested the administration to arrange water soluble fertilizer and pesticides through the Primary Agriculture Cooperative Societies in Shoolagiri, Hosur, Thaly and Kelamangalam blocks in the district.

A decision was also taken at the meeting to advise its members to repay the loan taken from the banks and financial institutions before September 30 (half yearly closing). The meeting also urged the fellow members to exhort their fellow horticulturists to repay the loan without fail. The meeting was presided over by V. Venkatachalam, President of the Association, says a release here on Monday.

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<http://www.thehindu.com/2010/09/22/stories/2010092257560200.htm>

NABARD to tie up with Foodgrains Marketing Yard

R. Sairam

Farmers' conclave to be organised in Madurai

AIDING FARMERS



- Around 1,000 farmers would be involved in the conclave
- Periodical training in post-harvest technology to be given
- Auction centre to be opened for regular buyer-seller meets

MADURAI: National Bank for Agriculture and Rural Development (NABARD) has decided to enter into a tie-up with the Tamil Nadu Foodgrains Marketing Yard to provide technical assistance and spread Information and Communication Technology (ICT) among farmers.

Among the first initiatives following this tie-up would be a farmers' conclave in which over 1,000 farmers from in and around Madurai would be involved. This conclave would ascertain their requirements and provide them technical inputs, R. Shankar Narayan, NABARD Assistant General Manager, told The Hindu.

New farmers' clubs would be established following this tie-up to provide periodical training in post-harvest technology, value addition and other measures that would help farmers get remunerative prices for their produce. These initiatives follow a meeting the Yard officials had with the NABARD Chief General Manger R. Narayan during his recent visit to the city.

Farmers to benefit

The NABARD officials feel that farmers could benefit from the Yard where a Cereals, Pulses and Staples (CPS) Milling Cluster was being established at a cost of Rs.40 crore in a 30-acre site at Sikkandarchavadi near here.

It has a capacity of handling 30,000 tonnes besides cold storage facility, research and development laboratory, he said.

Yard's Chairman and Managing Director, S. Rethinavelu, said that this collaboration with NABARD would benefit both farmers and the mills/traders.

It would provide the traders with a direct link to farmers, who in turn would get market focus through ICT tools to be provided by NABARD.

Its Executive Director, K. Suresh Kumar, said that their auction centre would be activated for holding a buyer-seller meet, in which farmers could directly sell to traders.

This would help kick-start a business model benefiting both sides and would be held periodically.

Another initiative would be the creation of a financial support model involving farmers, agri-entrepreneurs, and the banks, which was discussed with the NABARD CGM.

This would involve the agri-entrepreneurs and help the credit flow to farmers.

Further, efforts to get the results of laboratory research into the field would also be undertaken through the establishment of a Technical Support Centre, he added.

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Chandigarh, September 21, 2010

Rains threaten paddy, cotton harvest in Punjab, Haryana



The Hindu The start of the paddy procurement season, just 10 days away, could be

hampered as rains are threatening to affect the quality of the crop. File Photo: Ritu Raj Konwar

With just ten days left before the start of paddy procurement season, rains are threatening to affect the quality of paddy crop in Punjab and Haryana.

“If rains continue to pour for the next couple of days, then it can adversely affect the quality of grains,” Punjab Agriculture Department Director B.S. Sidhu said.

According to Sidhu, rains at this stage could lead to discolouration of grains, which will create problems in rice procurement for the central pool by lifting agencies.

“Weather at this stage should be clear which can help in maturing the crop,” he said.

The matter assumes significance as any crop damage at this stage due to rains or thundershowers could impact the rice contribution of Punjab and Haryana.

Punjab contributes 35 per cent while Haryana contributes 30 to 35 per cent of rice to the central pool. Punjab and Haryana are eyeing 165 lakh Metric Tonne and 55 lakh MT of paddy respectively in the current Kharif marketing season.

According to a Met department forecast, moderate to heavy rains are likely to occur at several places in Punjab and Haryana during the next 48 hours. The Northern regions has been facing moderate to heavy rains, which caused flooding of areas including agricultural fields at several places in Punjab and Haryana.

Torrential rains hit the paddy crop in both states in July this year as paddy sown over 4 lakh acres was damaged by flooding in both states.

Besides, farm experts are concerned that rains could also cast a shadow on cotton crop, which is almost ready for harvesting in both the states. “If rains consistently occur for a couple of days, then it will lead to seed germination in cotton crop, ultimately affecting the cotton balls,” said a cotton expert.

Cotton in Punjab has already been hit by leaf curl disease and white fly insect, particularly in Abohar area, he said. Punjab and Haryana have sown cotton on 5.30 lakh hectares

area and 4.5 lakh hectares area this season with expected output of 22.76 lakh bales and 20 lakh bales respectively.

Published: September 21, 2010 19:23 IST | Updated: September 21, 2010 23:27 IST New Delhi, September 21, 2010

Plan panel expects farm sector to grow by 5-6%, GDP by 8.5%



The Planning Commission has said growth in the agriculture sector this fiscal would be as high as 5-6 per per cent, which would help the economy to surge by 8.5 per cent as projected by it earlier.

“I am absolutely certain that this year we are going to see more than four per cent agriculture growth. My guess would be that we should be somewhere in the 5 to 6 per cent range,” Planning Commission Deputy Chairman Montek Singh Ahluwalia said during Karan Thapar’s show ‘India Tonight’ on CNBC-TV18.

He said, “The underlying logic of that (economic growth of 8.5 per cent with upward bias) quite simple is that if you get an agriculture growth of something like 5 per cent or a little more, which is possible, that alone will add one percentage point to overall growth rate of the economy.”

About the concerns expressed by experts that the economic growth would slow down in the second quarter of this fiscal (July-September) due to base effect, he said, "It is not a cause of concern."

"The 8.5 per cent growth which is what we are calibrating or could be a little better. This only requires just about double digit growth in industry. So there is a lot of room for industrial growth to slow down and for our aggregate growth performance to be on track," he added.

About the industrial growth, he said that the country would end the fiscal with double digit factory output.

Asked about meeting fiscal deficit target of 5.5 per cent of GDP, he said, "There is no doubt that the 3G auctions will add money, there is also a demand for expenditure. My own guess is that we would achieve fiscal target."

Expressing concerns over the price rise, he said, "I think indications are that when we get through present phase of higher inflation in vegetable which is result of rain and disruption and so forth ... we should be able to close to 6 per cent (inflation) by December."

About the fall in Foreign Direct Investment (FDI) flows, he said, "I would not worry too much about the trend that you see over a few months' time. I think the overall climate for FDI in India is extremely positive."

FDI flows in the month of July tumbled 49 per cent on a year-on-year basis. The data for the April-July period was also bleak, falling 27 per cent year-on-year.

On discrepancy in data reported by the Central Statistical Organisation (CSO), he said, "we have a long way to improve the quality of this (data) what I would call high frequency data. Some of the high frequency data is very good."

CSO had to correct economic growth data for April-June quarter after discrepancies were pointed out by some experts.

THE ECONOMIC TIMES

Wed, Sep 22, 2010 | Updated 10.09AM IST

21 Sep, 2010, 02.35PM IST, REUTERS

Oilseeds, soyoil drop on output hopes

MUMBAI: India's oilseeds and soyoil futures dropped on Tuesday afternoon tracking weakness in overseas markets and due to expectations of bumper output of summer-sown oilseeds, analysts said. Forecast of dry weather over central India also weighed on sentiment as it will allow farmers to accelerate soybean harvesting, they said. "Everyone is expecting higher production of soybean this year due to better yields. Arrivals have started in Madhya Pradesh and will rise substantially by mid-October," said Mehul Agrawal, analyst at Sharekhan Commodities.

Most vegetable oil prices dipped on Tuesday as traders booked some profits after concerns of dry weather in the Americas and frost in China and Canada drove markets up the previous day.

At 1:52 p.m., October soybean on the National Commodity and Derivatives Exchange (NCDEX) was 1.4 percent lower at 2,038 rupees per 100 kg. October soyoil fell 0.7 percent to 489.5 rupees per 10 kg, and rapeseed for October delivery 0.98 percent to 538.95 rupees per 20 kg.

"Downside is limited in the oilseed complex. There is a good export demand for Indian meal. Edible oil demand will also remain strong in next 2-3 months due to festivals," Agrawal said. 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 an edge to Indian exporters, a senior industry official said.

Indian soymeal exports are likely to rise to 3.9 million tonnes in 2010/11 (Oct/Sept) from 2.67 million tonnes, Thomas Mielke, head of global oilseed research group Oil World, said earlier this month.

21 Sep, 2010, 02.22PM IST,REUTERS

Guar down on output view, chana on weak pulses

MUMBAI: Guar futures fell in the afternoon trade on Tuesday on higher production estimates due to more sowing and good monsoon rains, traders and analysts said. Subdued demand for churi and korma, the byproducts of guar seed, used as cattlefeed also added to the fall, they said. "Selling pressure is high as the market is expecting a bumper crop this year. The current weather is also good for the sown crop. Prices would continue to fall," said Mahendra Sonawat, a trader from Jodhpur, Rajasthan.

At 1:51 p.m., October guar seed on National Commodity and Derivatives Exchange (NCDEX) was down 1.19 percent to 1,993 rupees per 100 kg. "Demand for churi and korma, has also come down as green grass is available in plenty," added Sonawat. In the Jodhpur spot market, guar seed fell 62 rupees to trade 1,972 rupees per 100 kg. Guar seed output in Rajasthan, the country's top producer, is expected to rise to 1.51 million tonnes in 2010/11 boosted by higher area and good monsoon rains, a senior official at state government's farm department said on Friday.

CHANA: India's chana futures were steady to slightly lower on a weak kharif pulses and pressure from fresh arrivals of moong and urad, traders and analysts said. Hopes of higher sowing of chana due to sufficient moisture in the soil, thanks to good monsoon rains, also weighed on sentiment, analysts said.

"Demand in chana dal is not picking up. Sentiment is weak in pulses due to estimates of higher production," said Arun Kumar Goel, a trader from Delhi. At 1:52 p.m., October chana on the National Commodity and Derivatives Exchange (NCDEX) was down 0.18 percent to 2,182 rupees per 100 kg. Fresh arrivals of moong have started picking up in the spot markets of Karnataka, Andhra Pradesh, Maharashtra and Madhya Pradesh while fresh urad has started arriving in Maharashtra and Karnataka.

In the Delhi spot market, chana fell 4 rupees to 2,235 rupees per 100 kg. According to the fourth advance estimates, production of chana in 2009/10 is likely to be 7.35 million tonnes as against 7.06 million tonnes last year, official data showed.

Business Standard

Wednesday, Sep 22, 2010

Groundnut, mustard oil trade lower

Press Trust of India / New Delhi September 21, 2010, 18:23 IST



Groundnut and mustard expeller oils weakened by Rs 50 each per quintal in the wholesale edible oils and oilseeds market today due to poor demand from local parties amid increased supplies.

Besides, weak trend overseas markets also weighed on the prices.

Traders said fall in demand at higher levels and weak trend in Malaysian palm oil dampened the sentiment here.

Meanwhile, palm oil futures for December delivery fell by one per cent to \$864 a metric tonne on the Malaysia Derivatives Exchange.

Groundnut mill delivery (Gujarat) and mustard expeller (dadri) oil prices fell by Rs 50 each to Rs 8,950 and Rs 5,370 per quintal, respectively.

Palmolein (rbd) fell by Rs 30 to close at Rs 4,920 per quintal, while crude palm oil (ex-kandla) down by Rs 20 to Rs 4,190 per quintal.

Following are today's quotations in Rs per quintal:

Oilseeds: mustard seed 2,500-2,600 and groundnut seed 2,100-2,850

Vanaspati ghee (15 litres tin) 750-860

Edible oils: Groundnut mill delivery (Gujarat) 8,950, groundnut Solvent refined (per tin) 1,550-1,560, Mustard Expeller (Dadri) 5,370, Mustard Pakki ghani (per tin) 730-885, Mustard kachi ghani (per tin) 885-985

Sunflower 6,300, Sesame mill delivery 5,850, soybean Refined mill delivery (Indore) 4,980 Soyabean degum (Delhi) 4,700, Crude Palm Oil (Ex-kandla) 4,190, Cottonseed mill delivery (Haryana) 4,650, Palmolein (RBD) 4,920, Rice bran (phy) 3,750 and Coconut (per tin) 1,125-1,155

Non-edible oils: Linseed 4,100, Mahuwa 4,000, Castor 8,200-8,300, Neem 3,800-3,900, Rice bran 3,300-3,400 and palm fatty 3,225-3,300

Oilcakes: groundnut de-husk 800-850, sesame 950-1,150, Mustard (new) 1,025-1,050, Mustard 1,200-1,210 and Cottonseed 1,075-1,175

Edible oils slip on subdued demand

Press Trust of India / Mumbai September 21, 2010, 18:10 IST



Groundnut oil prices moved down at the oils and oilseeds market here today due to reduced buying from stockists and retailers.

Refined palmolein edged lower on weak consumer demand amid bearish Malaysian cues. Castorseeds futures also declined sharply on heavy stockists liquidation.

Meanwhile, castorseeds bold, castoroil commercial and linseed oil remained stable in the absence of necessary buying support.

In edible segment, groundnut oil fell by Rs 5 per 10 kg to Rs 890 from yesterday's closing level of Rs 895 and refined palmolein looked down by Rs 3 per 10 kg to Rs 465, as against Rs 468 previously.

Turning to futures section, castorseed's October contract resumed lower at Rs 4,018 and dropped further to close at Rs 3,926 from Rs 4,026 yesterday, showing a sharp loss of Rs 100 per tonne.

The new December month contract which opened at Rs 3,831, also ended lower at Rs 3,765. However, castorseeds bold, castor oil commercial and linseed oil were unchanged at Rs 4,225, Rs 875 and Rs 550, respectively.

Wheat down on adequate stocks

Press Trust of India / New Delhi September 21, 2010, 17:45 IST



Wheat showed somewhat weakness with prices falling by Rs 5 per quintal in the wholesale grains market today following adequate stocks in the market.

Other commodities, including rice and bold grains, remained steady in the absence of worthwhile activity.

Wheat dara (for mills) traded Rs 5 lower at Rs 1,210-1,215 per quintal, while wheat MP (desi) remained steady at Rs 1,640-1,740 per quintal.

Meanwhile, permal raw, wand and sela remained steady at Rs 1,990-2,040, Rs 2,065-2,215 and Rs 2,290-2,340 per quintal, respectively.

Following are today's quotations in Rs per quintal:

Wheat MP (desi) 1,640-1,740, wheat dara (for mills) 1,210-1,215 chakki atta (delivery) 1,225-1,230, atta Rajdhani (10 kg) 175, Shakti bhog (10 kg) 175, Roller flour mill 630-650 (50 kg), Maida 750-780 (50 kilos) and Sooji 840-860 (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 1,990-2,040, Permal wand 2,065-2,215

Sela 2,290-2,340 and Rice IR-8-1,825-1,850, Bajra 1,000-1,010, Jowar yellow 1,200-1,300, white 2,300- 2,350, Maize 1,100-1,110, Barley (UP) 1,070-1,090 and Rajasthan 1,080-1,090

Rains threaten paddy, cotton harvest in Punjab, Haryana

Press Trust of India / Chandigarh September 21, 2010, 17:11 IST

With just ten days left before the start of paddy procurement season, rains are threatening to affect the quality of paddy crop in Punjab and Haryana.

"If rains continue to pour next couple of days, then it can adversely affect the quality of grains," Punjab Agriculture Department Director BS Sidhu said.

According to Sidhu, rains at this stage could lead to discolouration of grains, which will create problems in rice procurement for the central pool by lifting agencies.

"Weather at this stage should be clear which can help in maturing the crop," he said.

The matter assumes significance as any crop damage at this stage due to rains or thundershowers could impact the rice contribution of Punjab and Haryana.

Punjab contributes 35 per cent while Haryana contributes 30-35 per cent of rice to the central pool. Punjab and Haryana are eyeing 165 lakh metric tonne and 55 lakh MT of paddy respectively in current Kharif marketing season.

According to Met department forecast, moderate to heavy rains are likely to occur at several places in Punjab and Haryana during the next 48 hours.

Northern region has been facing moderate to heavy rains, which caused flooding of areas including agricultural fields at several places in Punjab and Haryana.

Torrential rains hit the paddy crop in both states in July this year as paddy sown over 4 lakh acres was damaged by flooding in both states.

Besides, farm experts are concerned that rains could also cast shadow on cotton crop, which is almost ready for harvesting in both the states.

"If rains consistently occur for couple of days, then it will lead to seed germination in cotton crop, ultimately affecting the cotton balls," said a cotton expert.

Cotton in Punjab has already been hit by leaf curl disease and white fly insect, particularly in Abohar area, he said.

Punjab and Haryana have sown cotton on 5.30 lakh hectares area and 4.5 lakh hectares area this season with expected output of 22.76 lakh bales and 20 lakh bales respectively.

Sugar ends mixed in lacklustre trade

Press Trust of India / Mumbai September 21, 2010, 17:05 IST



A mixed trend was witnessed at the Vashi wholesale sugar market here today, as prices of small sugar variety edged up on fresh retail buying, while medium sugar moved down further owing to reduced stockists offtake.

Small sugar quality (S-30) gained Rs five per quintal to Rs 2,630/2,670 from overnight closing level of Rs 2,625/2,670.

Medium sugar quality (M-30), however dipped by Rs five per quintal to Rs 2,655/2,760, as against Rs 2,660/2,760 yesterday.

Following are today's closing rates per quintal, with previous rates in brackets:

Small sugar (S-30) quality Rs 2,630/2,670 (Rs 2,625/ 2,670) and Medium sugar (M-30) quality Rs 2,655/2,760 (Rs 2,660/2,760)

Potato remains higher on physical demand

Press Trust of India / New Delhi September 21, 2010, 15:12 IST



Potato prices remained higher by Rs 22 to Rs 537.10 per quintal in futures market today, as traders enlarged their positions on firming domestic demand ahead of festive season.

Fall in supplies from producing regions also supported the uptrend.

At the Multi Commodity Exchange counter, potato for October contract rose Rs 22, or 3.99 per cent, to Rs 573.10 per quintal, with a trading volume of 594 lots.

Potato for March-month contract increased by Rs 9.60, or 1.54 per cent, to Rs 630 per quintal, with a business volume of 199 lots, while April delivery was up by 8.70, or 1.40 per cent, to Rs 628.90 per quintal, with a business volume of 36 lots.

Marketmen said increased buying by speculators on pick up in demand at physical markets ahead of festive season led to a rise in potato prices at futures trade.

They said restricted arrivals from the producing belts in Agra and Haldwani and also influenced the trading sentiment to some extent.

Mentha oil weakens on profit-taking

Press Trust of India / New Delhi September 21, 2010, 15:02 IST



Mentha oil prices fell by Rs 4.50, or 0.54 per cent, to Rs 818.40 per kg in futures trade today, as traders indulged in profit-booking at existing levels amid fall in demand in the spot market.

At the Multi Commodity Exchange counter, mentha oil for delivery in September-month contract declined by Rs 4.50, or 0.54 per cent, to Rs 818.40 per kg, with a business volume of 703 lots.

Similarly, the delivery in October-month contract eased by Rs 4.40, or 0.52 per cent, to Rs 830.60 per kg, with a business turnover of 446 lots, while November contract fell by Rs 3.80, or 0.44 per cent, to Rs 841.50 per kg, with an open interest of 88 lots.

The fall in mentha oil prices was mostly due to profit-taking by speculators and weak trend at spot markets on subdued demand, traders said.

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Back Shortage drives cashew prices to record levels

Lower supply in global markets fuels trend.

“The momentum for this began 10 days ago as North Indian traders began purchasing heavily anticipating festival demand.”



A. J. Vinayak

Mangalore, Sept 21

Fuelled by the shortage of domestic cashew crop, lower supply from the world market, and a considerable growth in domestic consumption, cashew kernels in the domestic market have been witnessing all-time high prices for the past 10 days.

Mr G. Giridhar Prabhu, Proprietor of Achal Industries (a cashew processing unit in Mangalore), told Business Line that the increase in the cashew kernel price in the wholesale market is approximately Rs 40 a kg more than what it was in October last.

Inclement weather

“The momentum for this began 10 days ago as North Indian traders began purchasing heavily anticipating festival demand,” he said, adding that demand during festival times is usually four times than normal.

On the reasons for the surge, Mr Prabhu said about 40 per cent of the Indian crop had been affected due to inclement weather in April and May. World supply also is lower due to poor crops in West Africa.

Mr K. Prakash Rao, former President of Karnataka Cashew Manufacturers' Association, said there has been a drop in processing capacity in all the processing centres by about 20 per cent. Added to this, the internal market has grown by 15-20 per cent.

This net gap of around 40 per cent has resulted in a steep price increase.

Indonesian crop

“Cashew prices are at life-time high now and looks like they will further move up for the next one month as the Diwali season approaches,” he said. Mr Walter D'Souza, former President of Cashew Export Promotion Council of India, said that the Indonesian crop is likely to be lower this time, and not much has been contracted by India. As a result, raw cashewnuts prices there have shot up.

To a query on North Indian demand for the commodity, Mr D'Souza quoted the example of Delhi and said the Government there had imposed a VAT of 12.5 per cent in the budget. The VAT was cut to five per cent in July-end.

During April-July period not much inventories were built by traders in Delhi, and therefore, they did not have any stocks left with them.

When demand started picking up post- Janmashtami, it exceeded supply rather than the inventory, he said.

RETAIL IMPACT

Some cashew processors said that with the current surge in the market, the consumer at the retail-end might end up paying Rs 80-100 a kg more for cashew kernels during the ensuing festival season.

Mr Prabhu said this year's rally in 'broken' grade has increased because of large scale buying by 'halwais' and sweet manufacturers. Currently, brokens are enjoying a huge presence in all sweets led by the 'Tirupati Laddu', he said.

Terming the growth in sweet manufacturing industry as phenomenon, Mr Prakash Rao said: “It seems that this season the prices of brokens will be on par with the wholes. This is the new trend which is providing a new dimension to the competitiveness of the Indian cashew industry.”

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Back Soaring gold, market volatility turn global investors to farming

'2008 global crisis led to change in investor sentiment'

S. Shanker

K. Raghavendra Rao

Mumbai, Sept. 21

Global investors appear to be weighing large-scale farming as alternative investment avenue with runaway gold prices denying them an effective hedge against deceleration of economies, besides market volatility.

Mr Jacob Mathews, Managing Director, MAPE Advisory, said internationally people were betting big on agriculture and wanted to invest in it for obvious reasons such as food shortage. Mr Mathew is scouting for investors for a project in Canada.

Referring to the Indian scenario, Mr Mathew said the trend has not caught up as agriculture still had the connotation of a poor man's business.

The global crisis of 2008 had led to a huge change in investor sentiment. Many investors pointed out that that when world markets and economies nosedived, the Indian market too had crashed, but not the economy.

This had led to confidence in the domestic consumption story and investors were talking about the growth story as well.

Moreover, they felt confident of India because democracy in the long run helps. Foreigners felt comfortable here as the government did not go after them and make things difficult, he said.

Mr Mathew said there was substantial interest in infrastructure and power, which probably was the reason for some power companies having huge market caps with assets still to be

acquired.

On real estate, he said it was a matter of time for investments to flow in and one should understand investors who had come in the top end of the boom cycle had lost considerable money. Financial services too were in the spotlight and insurance companies were turning profitable.

Real estate

While, there appears to be little interest to invest aboard on an individual basis, domestic companies continued to look out but were now more circumspect. Some learnt that idea of buying a struggling overseas company to retain the front end there and shifting everything else back home does not always work.

Interestingly, the general observation among the investors community was that most of the traditional Indian business houses appeared to some extent missed the growth story in the 'new-age businesses' in the last decade – be it infrastructure, roads and power. All the new businesses had been significantly cornered by new players, he felt.

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Back Lower arrivals from U.P. lift wheat



Our Correspondent

Karnal, Sept. 21

With the stocks getting over and arrivals being lower from Uttar Pradesh, the wheat market witnessed an upward trend on Tuesday.

The prices of dara variety rose by Rs 35-40 a quintal with the start of this week from the last weekend's Rs 1,160 and ruled between Rs 1,185-1,190 a quintal on Tuesday. The fine variety ruled around the levels of Rs 1,200.

Mr Sewa Ram, a wheat trader, said stocks with Haryana wheat traders is getting over and arrivals from Uttar Pradesh have dropped due to floods. Following this, the prices rose, he said.

Only around 200 quintals of dara variety arrived but due to high moisture only part of the stock was lifted. Desi wheat varieties has also recovered and ruled around their upper levels.

Tohfa variety ruled at Rs 2,200 a quintal; Lok-1 at Rs 1,810; Kitchen queen new marka around Rs 2,020; Parley-G variety at Rs 2,120 and the Nano at Rs 2,040-2,050 a quintal.

On the other hand, prices of flour and Chokar ruled firm. Flour was quoted at Rs 1,180 (a 90-kg bag) and chokar maintained its highest level of the season and ruled between Rs 530-540 (a 49-kg bag).

Paddy arrival

Around 15,000 bags of different paddy varieties arrived in the several mandis of the Karnal district.

About 8,000 bags arrived in the Karnal mandi. PR-14 arrived with a stock of around 4,000 bags and the variety ruled between Rs 800-950 a quintal.

Around 1,500 bags of Sugandha-999 arrived and it was lifted at around Rs 1,200-1,350 a quintal. About 1000 bags of Sharbati variety arrived and the stock was lifted around Rs 1,100-1,350.

PR-47 arrived with a stock of around 1,500 bags and the variety was quoted at Rs 850-

950 a quintal. Stock was lifted by rice millers.

In Nissing mandi, high procurement of old paddy was witnessed.

Paddy of old 1121 variety ruled between Rs 1,800-2,000 a quintal, old Sugandha-999 quoted at Rs 1,600-1,800 and the DP Muchhal variety at Rs 1,800-2,000.

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Back Copra surges to Rs 5,000/quintal



C.J. Punnathara

Kochi, Sept. 21

Coconut oil prices continued to move up and touched Rs 7,000 a quintal in the Tamil Nadu markets. The price in the Kerala market was a notch lower at Rs 6,900, said Mr Prakash B. Rao, President of the Cochin Oil Merchants Association.

Fickle weather with intermittent rain and low copra arrivals have been blamed for the continuing surge in prices.

The price of copra surged to Rs 5,000 a quintal and still there is a shortage in the market.

While a segment of the market said that there should be more copra in Tamil Nadu waiting for the prices to increase further before entering the market, some others blamed lower production for the shortage.

While earlier estimates had projected a surplus crop, current estimates portray a 10-15 per cent shortfall in production in Tamil Nadu. Copra prices of NAFED have also been revised up to Rs 5,000 a quintal.

This is the peak season in Tamil Nadu and copra arrivals should have increased given the high prices, they said. Given the shortage and peaking demand, Marico, the market leader in coconut oil has revised prices from Rs 4,200 to Rs 4,800 a quintal for Puducherry delivery of copra.

Reports indicate that the NAFED stocks of copra have also not been exhausted. Given the low arrivals of copra and good demand, coconut oil prices are expected to rule firm.

Palm oil prices have moved up to Rs 4,800 a quintal while palm kernel oil prices were more or less steady at Rs 6,150. With most of Malaysia's last crop being shipped out, the new palm oil and palm kernel crop should be hitting the market soon.

Prices are expected to remain firm for another couple of weeks due to shipping delays and arrivals from Malaysia, market sources said.

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Back Pepper futures down on selling pressure

G.K. Nair

Kochi, Sept. 21

Pepper futures on Tuesday was floored on bearish activities and "sell calls" as part of the 'tug of war' between the bull and bear operators.

When there were around 1,400 tonnes were there for delivery, the market shot up by Rs

800 a quintal recently. Today, when the outstanding position was just around 300 tonnes, the market fell by a nearly identical amount. The reason being pointed out was there were no buyers as there was no demand. "Sell calls from upcoming local brokers were also appeared to have clicked today."

Bears were selling aggressively. "The large selling depth that appeared on the screen was at around today's closing and that pulled the market down," trade sources told Business Line.

Good quantity trading pushed up the total turnover, but only on the screen, they said. There were no activities on the terminal or primary markets. There was no activity on the physical counter, they said. Domestic market continued to remain weak due to the rains and consequent floods in north the Indian states. Add to this was the Ganesh Utsav. Buyers also withdrew from the declining market, they said.

No farmers were ready to sell in panic indicating that physical availability continued to remain squeezed.

October contract on NCDEX fell by Rs 785 to close at Rs 19,510 a quintal. November and December dropped by Rs 795 and Rs 819 respectively to Rs 19,712 and Rs 19,910 a quintal.

Spot prices

Total turnover increased by 3,852 tonnes to 18,742 tonnes. Total open interest dropped by 200 tonnes to 16,238 tonnes. Spot prices in tandem with the futures market trend fell by Rs 400 to close at Rs 19,200 (un-garbled) and Rs 19,700 (MG 1) a quintal.

Indian parity in the international market was at \$4,500-4,550 a tonne (c&f) might become nearly competitive. An overseas report today said Vietnam is more keen to offer new crop next year than nearby shipments of current crop.

Indonesia prefers to work firm bids. White Pepper was tad easier from Indonesia.

Prices quoted for black pepper of different origins \$/tonne (c&f) New York, Sep/Oct were:

MG1 asta – 4,750-4,850 Vietnam asta -4,425 (Feb/Mar); Lampong 500g/l – 4,100 (f.o.b.); Lampong asta -4,200-4,250 (f.o.b.); Ecuador asta – 4,375-4,400; Sri Lanka 500g/l -4,000 (f.o.b.); Brazil B2 500g/l -4,150 (f.o.b.); Brazil B1 560g/l – 4,250 (f.o.b.) and Brazil asta – 4,350 (f.o.b.).

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Back Groundnut oil drops Rs 65/15 kg in 3 days



Our Correspondent

Rajkot, Sept. 21

As new crop of groundnut started to arrive in the market, the price of groundnut decreased by Rs 65 for a 15 kg tin for three days. According to traders, the price will continue to decline in the coming days.

At Rajkot, groundnut oil price dropped to Rs1,500-1,505 for a 15 kg tin, from the previous close of Rs 1,515-1,520. The price has declined Rs.65 from an all-time high of Rs 1,565-1,570 witnessed on Saturday. The price for a 15 litre tin is Rs 1,400-1,405 and loose groundnut oil (10 kg) is traded at Rs 890-895. There has been a fall of Rs 35-40 in the last three sessions.

The new groundnut crop has begun to arrive in Rajkot, Gonda, Jamjodhpur and Jetpur

areas of the Saurashtra region. About 1,500 bags of new groundnut have arrived in the last two days. Total arrivals of groundnut were 5,000-5,500 bags of 50 kg.

Average price

The average price of new groundnut is Rs 500-700 for 20 kg in the Saurashtra region.

A Rajkot based miller said: "Now groundnut oil price will come down as new crop has started to arrive in the market. Scarcity of raw material will be over soon."

According to traders, prices may come down below Rs 1,300 for a tin before Diwali. .

Rapeseed firm

Reuters reports: Rapeseed prices in Jaipur depicted a firm trend, traders said on Tuesday. The total arrivals in Rajasthan were placed at 25,000–30,000 bags of 85 kg each.

Prices increased to Rs 2,710-2,715 a quintal against Rs 2,700-2,705 on Monday. Prices also moved up in Alwar, Bharatpur and Kherli markets on higher upcountry demand.

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Back Bearish reports crush edible oils



Our Correspondent

Mumbai, Sept 21

Edible oil prices declined on Tuesday by Rs 3-5 for 10 kg on bearish report from foreign markets and weak Indore soya oil futures.

Palmolein and soya refined oil both declined by Rs 2-3, cotton oil slid Rs 3 and groundnut oil Rs 5 for 10 kg.

Clear weather condition in producing areas and arrivals of new crops in some of the areas weighed on the sentiment.

Early frost in China's grain-producing areas isn't expected to affect output of soyabeans or corn, the State-backed China National Grain and Oils Information Centre said on Tuesday.

On Monday, soyabean oil and palm oil futures rose sharply on concerns over a possible early frost in northern China.

In palmolein, a total 250- 300 tonnes were traded in the Mumbai market.

Cotton surges

Cotton prices continue to rise in international markets.

Cotton sector's "Cotlook - A" index increased sharply by 4.60 points to 110.50 points on Monday.

Malaysia Exchange and NBOT: Malaysia's BMD crude palm oil futures for October closed 37 ringgits (MYR) lower at 2735 MYR , November was 41 MYR down at 2,679 MYR.

Indore NBOT soya oil October contracts declined to Rs 486.20 (Rs 492.30).

Mumbai commodity exchange spot rate were: Groundnut oil Rs 890 (Rs 895), soya refined oil Rs 477 (Rs 479), sunflower exp. ref. Rs 550 (Rs 550), sunflower ref. Rs 595 (Rs 595), rapeseed refined oil Rs 570 (Rs 566), rapeseed expeller refined Rs 540 (Rs 536), cotton

refined Rs 500 (Rs 503) and palmolein was at Rs 465 (Rs 468) for 10 kg.

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Back **Govt initiates measures to set right honey export issues**

M. R. Subramani

Recently in Coonoor

The Commerce Ministry has begun rectifying things with regard to honey exports that have been banned by the European Union (EU) after tests showed that consignments from India contained high amount of lead and antibiotics.

“We have taken up the issue seriously and begun to set the things right from our end,” said Mr A. S. Mangotra, Additional Secretary, Commerce Ministry, during his visit to the United Planters' Association of Southern India's (Upasi) annual conference.

The 27-member EU imposed the ban in May following detection of lead contamination and antibiotics residue. The EU is the second largest destination for Indian honey after the US. India exports honey to over 60 countries. Honey exports totalled \$32.39 million in 2008-09, with exports to the EU being \$7.7 million.

The Commerce Ministry suspects that the lead contamination could be due to packaging of honey in tins. “We have asked the Agriculture Ministry to ask growers to switch over from packaging honey in tins to food grade plastics,” Mr Mangotra said. Tetracycline is reported to be the primary antibiotics residue found in Indian honey.

The anti-biotic is feared to cause side-effects such as teeth disorder in children, liver problems and breathing problems in some people.

The antibiotics are used to arrest bacterial growth in bee colonies. The residue from this is feared to have got collected in the honey.

“We have asked veterinarians to not prescribe tetracycline for problems in bee colonies,”

Mr Mangotra said.

These steps are expected to rectify the problems soon.

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[Back](#) **Cautious trading pulls down pulses**



Our Correspondent

Indore, Sept 21

The local mandi here witnessed cautious and restricted trading with prices of majority of pulses either remaining steady or witnessing a fall on the back of comparatively poor arrivals and lower demand.

In addition to this, slack purchasing by mills, has also contributed to decline in prices. This is in view of fear gripping the market ahead of the Allahabad High Court verdict on Ayodhya dispute on September 24.

Arrivals in local mandis have been affected due to intensive checking of goods at various posts.

Indore mandi on Tuesday witnessed arrivals of merely 1,500 bags of moong against 2,500 bags on Monday. In the spot market, chana dal dropped Rs 20. Chana dal was quoted at

Rs 2,500- 2,550.

Tur dal ruled steady with spot prices quoting at Rs 5,550-5,600, tur dal (sawa no.) Rs 4,900-4,950 and tur dal (markewali) quoted Rs 6,000 a quintal

Moong dal witnessed further decline in spot trading on Tuesday with its prices slipping to Rs 4,300-4,400 a quintal, moong dal (bold) quoted at Rs 4,600, moong (monger) at Rs 6,100-6,200 and moong (madhuram) Rs 6,500 a quintal.

On the back of weak arrival and poor demand, urad dal ruled steady with prices in the spot quoting at Rs 5,700-5,800 a quintal, urad dal (bold) quoted Rs 6,300 and urad dal (monger) quoted Rs 7,500-8,000 a quintal.

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Back [Uncertainty over raw cashew availability](#)

G. K. Nair

Kochi, Sept 21

The uncertainty over the availability of raw cashew nuts (RCN) and the upcoming crop prospects in producing countries has made processors reluctant to take on positions at higher levels.

If the present trend is any indication, traders say they continue to expect a firm market for the next few months.

'No Pressure'

There is no pressure on processors to reduce prices, as they have limited unsold quantities from RCN bought in 2010, and they do not know what price they may have to pay for the limited RCN available till the next northern crops beginning in March 2011, Mr Pankaj N. Sampat, a Mumbai-based dealer, told Business Line. "There was, therefore, hardly any change in cashew prices last week, though the situation was relatively quiet for

more than a month (although there is some business activity every week). Some business was done from Vietnam for W240 from \$3.45 to \$3.5 and W320 from \$3.25 to \$3.3 (f.o.b) ,” he said.

“Prices from India were 10 cents higher — there were some transactions with some business was done to buyers who were are prepared to pay a few cents higher to specific processors, for quality and performance,” Mr Sampat said.

Large processors from Vietnam were also quoting the same levels as India. The prices in the domestic market in India for almost all grades were higher than the international market, so there was no pressure on Indian processors to sell at lower levels, at least for now, he said.

According to traders, there is no adverse news about crop prospects in East Africa, but there is no certainty when shipments will start.

There are mixed reports about crops in Indonesia and Brazil.

RCN traders expect prices of East Africa and Indonesia RCN to be higher than that of last season, as kernel prices are higher. Unless kernel activity, especially for 2011 deliveries, picks up in the next few weeks, processors will be reluctant to take on positions at higher levels, they said.

“A realistic estimate of Southern crops and the price trend will not be available till late October/early November. In the meantime, the spot market for West Africa RCN in India and Vietnam continues to be firm,” they said.

“In fact, going by the current situation, one could say that there is nothing on the horizon to change outlook for market and it continues to be hazy,” they added.

Uncertainty about demand prospects and concern about the impact of high prices has made buyers reluctant to buy forward positions at higher levels.

In the first half of 2010, growth has been about 6-7 per cent in the US and about 3-5 per cent in Europe, while other markets have grown faster. In most markets (except Asia), the high prices of last few months have not yet been passed on to the retail level, Mr Pankaj

said.

Traditional Asian demand, which will continue into January/February and the lower processing in first quarter, should keep the market firm for the next few months.

During this period, kernel prices will soften only if RCN prices come down in October/November, and this will happen only if there is very little kernel business done for 2011 deliveries in the next two months, he said. If there is a double-digit decline in usage in the US and the EU in first few months of 2011, "we can expect lower kernel prices when the Northern crops are harvested after March 2011 but till then, there is little chance of a major decline in prices," he said.

If the usage decline is in single digits, the decline in prices may not be much as even a steady Asian demand will support the market if prices come down a bit, unless the Northern crops are much bigger than 2010, he said. "If there are no big surprises on the demand or supply side, we can expect a firm market for the next few months, a volatile market in the first quarter with a big question mark for the middle and second half of 2011," traders said.

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Back Nuziveedu Seeds head in Central Seeds panel

Hyderabad, Sept. 21

Mr Mandava Prabhakar Rao, Chairman and Managing Director of Nuziveedu Seeds Private Limited, has been nominated for Central Seeds Committee . The committee plays an advisory role and gives its opinion to the Union and State Governments on matters arising out of administration of the Seeds Act, 1966. Mr Rao will be on the committee till September 2010, a press release said here on Tuesday. The committee comprises a Chairman, eight people nominated by the Union Government. Each State would also nominate its representative.

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