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## NAC close to finalising Food Security Bill

Smita Gupta

*Montek Singh Ahluwalia, officials from Ministries will be present*

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*At August 30 meet, it was felt there should be a system of two prices, differential entitlements*

*Since then, NAC Working Group on Food Security has had detailed discussions*

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New Delhi: The Sonia Gandhi-led National Advisory Council (NAC) may be close to finalising the contentious Food Security Bill when it meets here on September 24.

Planning Commission Deputy Chairman Montek Singh Ahluwalia and officials from Ministries concerned, including Women and Child Development Secretary, will be present to try and help bridge the differences between the NAC and the Commission/Ministries, sources told The Hindu.

At the last NAC meeting on August 30, while pushing for uniform universalisation of food security — the position also of the Campaign for Food Security — Ms. Gandhi had pointed out that the poor might wonder why the rich were being given the same entitlements, a comment that paved the way for the view that there should be a system of two prices and

differential entitlements. She had also underlined the importance of taking the government's opinion — that of the Ministries concerned — on board.

Since then, key members of the NAC's Working Group on Food Security, including Harsh Mander, Jean Dreze and N.C. Saxena, have had detailed discussions on the issue with Mr. Ahluwalia and Commission Member Narendra Jadhav, who doubles as an NAC member.

Sources say a system of differential entitlements is being worked out so that those living below the poverty line (BPL) — at the enhanced Tendulkar Committee report's figure of about 42 per cent — can be given 35 kg of foodgrains, with rice at Rs.3 a kg and wheat at Rs.2 a kg. Sources indicated there was already agreement on this.

At the NAC meeting on September 24, a decision will have to be taken on how much the rest of the population will get — 25 kg of foodgrains as promised in the Congress manifesto and in the President's address last year, or enhanced entitlement of 35 kg, and at what price.

The government is still pushing for status quo, while the NAC would like it to be increased to 35 kg; however, the price, sources said, at which the foodgrains will be made available to the non-BPL population is likely to be pegged at 75 per cent of the Minimum Support Price (MSP).

However, while this part of the Bill looks headed for a consensus, the more significant part relating to securing the nutritional requirements of those at the bottom of the economic ladder, and which has huge financial implications, will also have to be sorted out.

At the August 30 meeting, Mr. Mander, who heads the Working Group on Food Security, had listed a range of eight entitlements apart from an inclusive and enhanced Public Distribution System. These included schemes for children such as Integrated Child Development Services and maternal nutrition, community kitchens for those suffering from tuberculosis and HIV-AIDS, homeless children and destitute people and old age pensions. It is in this context that officials from the Ministries that deal with these subjects are expected to attend the September 24 meeting.

While the focus will be on food security, the other issue on which Mr. Ahluwalia, sources said, will be interacting with the NAC members is the question relating to tribals — discussing how to effectively implement the Panchayat Extension to Scheduled Area (PESA) Act and the Forest Rights Act, and deal with the key issue of land and displacement.

The pending Land Acquisition Bill — which the government has promised to bring in the winter session of Parliament — may also come up, if time permits. Since the last meeting, the NAC's Working Group on Tribal Development has met officials from the Union Ministry of Tribal Development and held workshops on issues concerning tribal welfare with experts on the subject.

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### **Rs.3 crore earmarked for promoting drip irrigation**

Special Correspondent

*For economic use of water by farmers in the district*

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*Deep bore wells sunk to promote minor irrigation activities*

*Electrical motors to be serviced with 50 per cent subsidy under IAMWARM project*

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PUDUKOTTAI: The Pudukottai District Central Cooperative Bank has chalked out a special plan to popularise sprinkler and drip irrigation strategy among farmers in the wake of the efficacy of these techniques in terms of economic use of water, said M. Pazhanivelu, Special Officer of the Bank, also General Manager of the Integrated Cooperative Development Project (ICDP), on Thursday.

Speaking at a day-long demonstration programme on utility of sprinkler and drip irrigation strategy organised by the ICDP wing at Kudimiyamalai near here , Mr. Pazhanivelu said a credit target of Rs. 3 crore has been fixed for the current financial year. The bank has so far sanctioned Rs.27 lakh to popularise sprinkler and drip irrigation in the district.

Pointing out that a huge subsidy was available under the scheme, he appealed to the farmers to take maximum advantage . It not only facilitated economic utilisation of irrigation water but also resulted in higher productivity of agricultural produces.

Abdul Naser, Assistant Engineer and S. Rajendran, Assistant Executive Engineer from the Agricultural Engineering Department spoke. They said that the department under the Land Development Programme rented out farm implements such as tractor and weeder on a lower tariff to benefit the farmers. Deep bore wells were being sunk to promote minor irrigation in the district. Electrical motors were being serviced with 50 per cent subsidy under the Irrigated Agriculture Modernisation and Water Resources Management (IAM WARM) Project.

C. Gunasekaran, Deputy Director of STAMIN, Kudumiyamalai; Raju, Deputy director of Horticulture; A. Tamizharasan, General manager of the Bank, spoke.

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## **Water level on the rise; farmers hopeful of release**

Staff Reporter

*Storage in the Vaigai dam touches 59.79 feet*

THENI: Water level in Vaigai dam has been increasing steadily, thanks to a sudden spurt in inflow into the dam owing to heavy rain at the dam site as well as on Varushanadu hills, the main catchments of the dam.

Water level in Vaigai dam touched 59.79 feet on Thursday restoring hopes of thousands of farmers in five southern districts. If this trend continued, farmers hoped that the Pubic

Works Department would not find any difficulty in releasing water for irrigation of the first crop under Vaigai dam ayacut.

Inflow into the dam was 1,259 cusecs and the discharge was just 41 cusecs only. Storage in the dam was 3,596 mcft.

At the same time, storage level also went up to 116.4 feet in Periyar dam. Inflow into the dam was 1,380 cusecs and the discharge 763 cusecs. Storage was 2,973 mcft. However, Periyar dam recorded nil rainfall and Thekkadi registered moderate showers.

Uthamapalayam recorded the highest rainfall and Shanmuga River dam got the lowest rain in the district.

But the State government had prevailed upon the officials to wait and watch the storage levels meticulously in both dams as top priority should be given to drinking water facility only. Rainfall recorded at various places in the district at 8 a.m. on Thursday morning: Thekkadi 22, Goodalur 22, Uthamapalayam 40, Veerapandi 18 and Vaigai dam 42 and Shanmuga River reservoir 12 mm.

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## **Farmers seek reservoir across Pungaru**

Staff Reporter

KULITHALAI: Farmers in the Kulithalai region of Karur district have urged the State government to consider constructing a reservoir across River Pungaru, a jungle stream that floods several thousand acres in Karur and Tiruchi districts in times of monsoon and especially when it rains in Kadavur hills in Karur district.

The flooded Pungaru submerges fertile fields in Panjapatti, Saravanapuram and Vengampatti areas in Karur .

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## Botanical garden all decked up

D. Radhakrishnan

*Plans to attract visitors throughout the year*



**The floral trophy arranged at Government Botanical Garden in Udhagamandalam on Thursday. –**

Udhagamandalam: With autumn beginning to attract more tourists from India and abroad to this hill station, steps have been taken by the Department of Horticulture to add value to Government Botanical Garden, the most popular tourist spot in the Nilgiris district.

It now features a flower trophy made of potted plants and galleries decked up with flowers of different colours and sizes grown in pots.

Pointing out that the display had been arranged a couple of days ago, the Assistant Director of Horticulture M. Prakasam told The Hindu here on Thursday that though such a display was a highlight of the annual floral carnival in May it was being done for the first time during this part of the year which has for long been considered as the second season.

The objective was to provide a visual treat to the visitors and in the process promote Udhagamandalam as a round-the-year holiday destination. During Summer about 15,000

pots are prepared and now around half the number have been displayed.

Among the flowers were marigold, salvia, begonia, daliah and sweet william.

The display will be on for a few weeks.

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**Pranab confident of 8.75 % growth**

Special Correspondent

*Infrastructure bottlenecks remain main hurdle*

PHOTO: SHANKER CHAKRAVARTY



**LASTING RELATIONSHIP: Finance Minister Pranab Mukherjee (left) with German Minister of Economics and Technology Rainer Bruderie at a function in New Delhi on Thursday.**

NEW DELHI: Even as India is poised to exceed the GDP (gross domestic product) growth projections of 8.75 per cent during the current fiscal, going by the current economic fundamentals, Finance Minister Pranab Mukherjee on Thursday cautioned that the infrastructure sector could pose a challenge to the economy moving to a higher growth trajectory.

Inviting German companies to participate in development of the country's infrastructure through the public-private partnership (PPP) mode while speaking at a meeting of the Indo-German Joint Commission on Industrial and Economic Cooperation here, Mr. Mukherjee said: "I am optimistic that at the end of this year, we will be able to surpass our GDP growth forecast of 8.5-8.75 per cent."

However, Mr. Mukherjee expressed apprehension that the bottlenecks in infrastructure may be a challenge and stand in the way of achieving 9-10 per cent growth.

"Our infrastructure has lagged behind acceleration in growth, and presents a challenge. We need much more investment in sectors such as power, railways, ports and aviation," Mr. Mukherjee said and sought investment by German companies in such core sectors.

Mr. Mukherjee noted that the economy had posted a growth of 7.4 per cent growth in 2009-10, driven mainly by a robust show by the manufacturing sector on the back of higher government and consumer spending. Maintaining the trend, the GDP growth during the first quarter this fiscal was 8.8 per cent. Huge investments in various core sectors, he said, would be necessary to move to a higher growth path.

Highlighting some of these areas, Mr. Mukherjee said the Delhi-Mumbai national corridor and the Chennai-Bangalore industrial clusters offered new avenues to foreign investors. Another major challenge, he said, was the growing demand for energy. "Energy availability is critical to attain 9-10 per cent growth rate as one per cent growth needed 0.8 per cent increase in energy availability," he said. Speaking on the occasion, German Minister of Economics and Technology Rainer Brudler lent support to India in its effort to fight protectionism.

"Free trade...free movement of capital, labour and technology are the only ways for successful globalisation," he said. Mr. Brudler pointed out that Germany would take the lead to help formulate a Free Trade Agreement between India and the European Union. "Germany will take the lead (in the FTA negotiations). It will take effort but we will manage it." He also called for more Indian investments in his country. "Indian money is most welcome in Germany. The doors are open. Please come."

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Delhi, September 23, 2010

### Food inflation climbs to 15.46 per cent



The Hindu Vegetables also became dearer by 6.84 per cent on an annual basis. File photo: Arunangsu Roy Chowdhury

Food inflation advanced to 15.46 per cent for the week ended September 11, as cost of cereals, select vegetables and milk rose due to supply disruptions caused by unusually heavy rains in many parts of the country.

Week on week, food inflation climbed 0.36 percentage points from 15.10 per cent on September 4.

This is the fourth consecutive week that the rate of food prices has risen, although signs of moderation had appeared in July and stayed on through the first half of August.

Many parts of the country including Delhi, Haryana, Punjab, Uttar Pradesh, Himachal Pradesh, Assam and Rajasthan have been witnessing torrential rains that have disrupted supplies of staples.

Annually, cereals prices rose 6.75 per cent driven mainly by higher prices of pulses, rice and wheat.

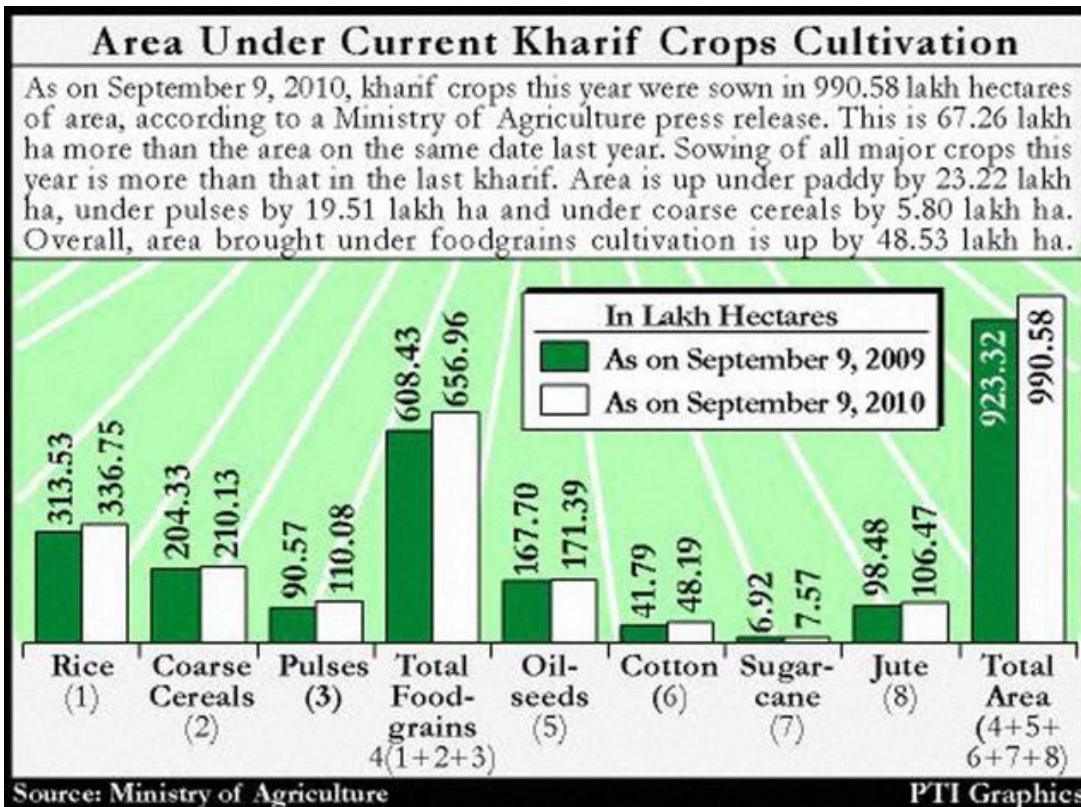
While prices of pulses rose 4.01 per cent, wheat and rice became costlier by 9.21 per cent and 5.52 per cent, respectively.

Among other food items, milk prices soared 23.41 per cent during the week compared to the same period last year, while that of fruits by 10.33 per cent.

Vegetables also became dearer by 6.84 per cent on an annual basis, while potato and onions became cheaper by 48.56 and 1.97 per cent, respectively.

Published: September 24, 2010 02:08 IST | Updated: September 24, 2010 02:08 IST NEW DELHI, September 24, 2010

## Kharif output set to be higher than last year: Pawar



PTI Graphics Area under current Kharif crops cultivation. File

Area paddy, pulses, cotton and sugarcane is more than last year

Union Agriculture Minister Sharad Pawar on Thursday said that the kharif production at 114.63 million tonnes for 2010-11 crop year was “comfortable.”

“The output is better than last year which was a drought year, but lower than 2008-09, which was a normal year.”

“The kharif production looks good. Area under crops such as paddy, pulses, cotton and sugarcane is more than last year,” he told journalists after the Agriculture Ministry released the first advance estimates of kharif production for 2010-11.

Experts, however, point out that the kharif production this year at 114.63 million tonnes is lower than 118.14 million tonnes in 2008-09. This is attributed to drought in parts of West Bengal, Jharkhand and Bihar which affected paddy cultivation.

Participating in Rabi Campaign Conference earlier this week, Agriculture Commissioner Gurbachan Singh had said that due to less paddy coverage in drought affected States, kharif rice production would be “slightly less” compared to 2008-09. The output is lesser by 5.3 per cent.

Rice crop is good in Andhra Pradesh, Tamil Nadu, Karnataka, Assam, Punjab and Haryana. However, paddy cultivation has been hit by floods in Uttar Pradesh (3.17 lakh hectares), Uttarakhand (25280 hectares), Gopalganj in Bihar (4755 hectares), Haryana (29,295 hectares).

As per the first advance estimate released here, the total kharif production is 114.63 million tonnes compared to 103.84 million tonnes in 2009-10 crop year. Rice output at 80.41 million tonnes is expected to be higher than 75.91 million tonnes last year. However, this would still be lower than the record 84.91 million tonnes in the 2008-09 kharif season.

The pulses production is estimated to be higher by 40 per cent this year at 6 million tonnes against and 4.30 million tonnes last year. Coarse cereals at an estimated 28.23 million tonnes are likely to be higher by 19.5 per cent against 23.63 million tonnes last year.

The production of oilseeds is estimated to be higher by 10.3 per cent at 17.27 million tonnes this year against 15.66 million tonnes last year. Sugarcane output is expected to be 17 per cent higher this year at 324 million tonnes compared to 277 million tonnes in 2009-10.

Cotton production is expected to be higher by 39.9 per cent at 335 lakh bales of 170 kg each against 239.35 lakh bales last year.

Kharif sowing commences in June and harvesting begins from early October.

**hindustantimes**



**Zia Haq, Hindustan Times**

Email Author

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### **6 top science Bodies' Verdict: Bt brinjal safe**



Six premier Indian science academies, given the task of evaluating Bt brinjal by Environment Minister Jairam Ramesh, have declared it safe, but their findings also say all genetically modified (GM) items pose a risk if the science behind them is flawed.

The academies, as part of their mandate, have made key recommendations, including allowing the use of GM crops to meet growing food demands.

However, they said, India's food security is "too critical an area" to be left entirely to the private sector. Therefore, public sector organisations should be the main facilitators of GM technologies.

The launch of Bt brinjal, India's first GM food crop, was aborted in February after a

safety debate broke out. While putting a moratorium on the genetically-engineered eggplant, the world's first, Ramesh had said a decision to release it would have to be "responsible to both science and society".

Ramesh had then appointed the academies to scrutinise Bt brinjal and give a rigorous opinion on GM crops.

K. Kasturirangan, Planning Commission member heading farm research, was asked to steer the project involving Bangalore-based Indian Academy of Sciences, National Academy of Medical Sciences, Indian National Academy of Engineering, Indian National Science Academy and National Academy of Agricultural Sciences, all New Delhi-based, and Allahabad-based National Academy of Sciences. In GM crops, the genetic material (DNA) is altered to improve its qualities. Bt Brinjal, for instance, has been inserted with a bacterial protein so that it resists pests. The academies, which have submitted their findings to the government, found no evidence that the protein used in creating Bt brinjal, Cry1Ac, is unsafe. "The same Bt protein present in another food crop has been consumed elsewhere in the world with no evidence of any scientifically established negative effect," the report, reviewed by HT, states. Some people can still be allergic to Bt brinjal, the findings say, just as some people develop allergies to common foods such as milk or nuts. So, no food can be declared 100 per cent safe for all from this viewpoint.

The findings, however, suggest the line between safe and unsafe GM products is very slim. Safety depends on how sound they are scientifically and how well they have been tested. Moreover, growers of GM crops need to comply with all mandatory guidelines for environment safety.

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**Food inflation at 15.46% on costlier milk, cereals**

Sep 24 2010

Sept. 23: Food inflation rose for the fourth straight week to 15.46 per cent for the week ended September 11, as heavy rains and floods disrupted supplies of essential items.

While prices of cereals, select vegetables and milk rose sharply during the week, economists said they were hopeful that the price situation would ease as rains recede and by end-December food inflation could come down to single digit.

“There is a demand supply gap happening on account of improper disbursement and offtake. Floods in several parts of the country are disrupting supply, which is pushing up prices,” Religare Capital Markets chief economist, Mr Jay Shankar said. Week on week, food inflation climbed 0.36 percentage points from 15.10 per cent on September 4. Although there were some signs of moderation in July which stayed on through the first half of August, inflation started to increase in the later half. Many parts of the country including Delhi, Haryana, Punjab, Uttar Pradesh, Himachal Pradesh, Assam and the desert state of Rajasthan have been witnessing torrential rains and floods that have disrupted supplies of staples. “I believe that by December-end food inflation would come down to single digit as the effect of the good monsoon becomes available to consumers post harvest,” Mr Shankar said. On an annual basis, cereal prices rose 6.75 per cent driven mainly by higher prices of pulses, rice and wheat. While prices of pulses rose 4.01 per cent, wheat and rice became costlier by 9.21 per cent and 5.52 per cent, respectively. Among other food items, milk prices soared 23.41 per cent during the week compared to the same period last year, while that of fruits by 10.33 per cent. Vegetables also became dearer by 6.84 per cent on an annual basis, while potato and onions became cheaper by 48.56 and 1.97 per cent, respectively. —

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<http://www.deccanchronicle.com/business/food-inflation-1546-costlier-milk-cereals-721>

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*By T G Biju*

*23 Sep 2010 12:24:28 PM IST*

India to raise grain storage capacity

NEW DELHI: Stung by the Supreme Court's rap on rotting grain in the warehouses of state-run agencies, with some estimates pegging the losses at Rs 58,000 crore (nearly \$13 billion), the government has decided to increase the storage capacity by 17 million tonnes over the next five

years.

"We have started putting in place an additional storage capacity of one million tonnes of foodgrain this fiscal. Over the next five years, we will create additional storage facilities of 17 million tonnes," Minister of State for Agriculture K.V. Thomas said.

"At the same time I would like to add that rotten foodgrain amounted to 70,000 tonnes in the previous season against the total procurement of 93 million tonnes. But certainly, even that should not happen," Thomas told IANS in an interview.

"We have to raise the country's agricultural production manifold to satisfy the needs of the beneficiaries when the Food Security Act is enacted. For that, we must have in place a state-of-the-art storage system - and we will have that."

Thomas said a team of technical experts from China, a country he had visited a few months ago to study its grain and food storage systems, will also be invited next month to interact with Indian officials on how to improve India's warehousing facilities.

Currently, the state-run Food Corporation of India (FCI) and the Central Warehousing Corp (CWC) have a capacity to store 87 million tonnes of grain. The CWC has 487 warehouses with a capacity of 10.6 million, while the FCI, with 1,500 godowns, accounts for the rest.

Warehousing at CWC facilities are not just for grain but for a host of other items like industrial goods, custom-bonded merchandise and products for dispatch by air, rail and sea. A CWC official said a fresh capacity of 177,300 tonnes will be added this year.

"The problem is only in some places where the grain is stored in open areas. That's why we have asked the private sector to build the godowns. In fact we have assured them 10-year contracts to hire the godowns," said a top official in the FCI.

In a recent meeting with top officials on the prospects for the coming season, Agriculture Minister Sharad Pawar had estimated the country's grain production at 218 million tonnes during July 2010-June 2011 and asked all agencies to be better prepared for procurement.

"There is the need for reduction of wastage in storage and improving efficiency of the food supply chain. Incentives in this regard have been made more attractive to attract more private investment. These need to be followed up vigorously," the minister said.

The thrust was to minimise storage losses especially when millions of people go hungry in India -- a hot political and legal issue that led to a strong statement by the apex court which wanted grain to be distributed free, rather than letting it rot.

The principal opposition Bharatiya Janata Party (BJP) had said foodgrain worth over Rs.58,000 crore were being left to rot every year by state-run agencies. Party president Nitin Gadkari had

called it "a tale of criminal wastage."

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# Business Standard

Friday, Sep 24, 2010

**Monsoon to withdraw by early October: Met**

**Reuters / New Delhi September 24, 2010, 0:41 IST**

India's monsoon is likely to start receding by early October, the weather office said on Thursday, limiting the risk of crop damage from floods in the north that could be triggered if unusual heavy rain persists.

"Conditions have become favourable for the withdrawal from west Rajasthan. We expect withdrawal to take place from northwest India by first week of October," Ajit Tyagi, director general of the India Meteorological Department told Reuters.

Monsoon usually starts abating by September 1 but this year, the reversal of rain-bearing winds has been delayed by a month because of the La Nina phenomenon, which cools the tropical Pacific and strengthens the monsoon, Tyagi said.

India, with a population of some 1.2 billion, is a major consumer and producer of grain, sugar, rice and commodities such as cotton and rubber.

It relies heavily on the annual monsoon rain for irrigation but problems of crop damage and delayed harvests arise if the rainfall persists.

This month, rainfall has intensified over northern India, causing floods that have swamped cane and rice fields.



Rain was 44 per cent above normal in the week to September 22, adding to concerns of a late withdrawal of the seasonal downpour from rice and cane growing northwest India. In the week ending September 22, rain was 318 per cent above normal in the cane-growing western regions of Uttar Pradesh, with flooding in the state has already affecting 1.7 million people. Total rainfall across India so far in the June-September season is 4 per cent above average.

In the last week, rains were more or less normal in the Punjab state, a cotton and rice growing region, and in the western state of Gujarat, a producer of cotton and groundnut.

In Punjab, harvesting of rice is likely to be delayed, Farm Department Director Balwinder Singh Sidhu said and the quality of crops could be affected.

“If there’s not enough sunshine, moisture content in rice will remain higher than prescribed limits. More rains may lead to discolouration of rice grains,” he said.

All-India Rice Exporters Association President Vijay Sethia said: “Rain has caused damage to the early varieties of rice, especially Sharbati, and if rains continue to lash, the quality and output is likely to be affected.”

But he added that the overall crop condition was good in Haryana and Punjab.

While the floods in northern areas have not significantly damaged crops so far, they have contributed to rising food inflation, which accelerated to 15.46 per cent in the year to September 11. That has underpinned expectations of another rise in the cost of borrowing by the end of the year.

Despite the concerns over prolonged monsoon rains, India’s farm output is still expected to grow 5-6 per cent over last year’s levels, when the annual rains were much lower than normal and the country suffered a severe drought.

That forced Asia’s third-largest economy to become a large importer of sugar, powering global prices higher.

**Reviving China demand pulls up commodity prices**

**Rajesh Bhayani / Mumbai September 24, 2010, 0:39 IST**



Prices have risen 30-50% in the last three months.

The prices of commodities have risen 30-50 per cent in the past three months. The key driver till now was return of global liquidity and risk appetite from early June, when the markets decided the European crisis was almost over. Some profit-booking happened over the last couple of days.

Now there is news that may fuel the rally. China's import data for August suggest that "the policy-induced slowdown may be bottoming. Overall, the environment for commodity demand in China has re-emerged and improved significantly in the past few months and that is reflected in August's commodity trade data, which show a rebound in base metals and oil imports and a particularly noteworthy rise in corn imports," said Barclays Capital's commodity research analyst Kevin Norrish.

This is an interesting trend, since August is when most commodities' imports surge and exports fall. During the past six months or so, imports were falling on the back of measures to ensure soft-landing of the economy and a cut in export incentives to support the local industry.

However, the trend has started reversing in the past couple of months and China's reviving demand, along with huge liquidity flows, has resulted in commodities rising 30-50 per cent from the bottom seen in early June. The increase in agri commodities such as wheat, corn, sugar and cotton can be attributed to falling yields. The prices of these commodities are also up 30-50 per

cent in past three months. Corn is the latest one, with yield and crop expected to fall in the US and China's imports rising faster. Barclays' analyst said, "Corn imports hit an eye-catching 432,000 tonnes, more than double the previous month's total. China's corn imports are on target to their highest for 15 years, raising questions over whether China is now turning into a structural net importer of corn to meet its rapidly rising domestic demand." The S&P GSCI Agricultural Index has jumped 43 per cent since early June.

Commodity	June 08, '10	Sep 22, '10	% Chg
<b>Index</b>			
S&P GSCI Agricultural Index Spot	284.56	407.90	43.34
Reuters/Jefferies CRB Index Spot	250.08	278.89	11.52
<b>Agri commodity</b>			
Sugar #11 (World) Oct 10 (\$/lb.)	15.09	24.44	61.96
Wheat Nov 10-NYSE Life London(GBP/tonne)	101.75	163.25	60.44
Corn Future(CBT) Dec 10 (\$/bu.)	3.56	4.98	39.89
Low Middling Cotton Spot (\$/pound)	72.62	94.16	29.66
Middling Grd Cotton Spot (\$/pound)	76.94	98.30	27.76
Refined Soybean Oil -NY(\$/pound)	40.67	46.62	14.63

<b>Non-agri commodity</b>			
Tin (\$/tonne)	15,830.00	23,175.00	46.40
Lead (\$/tonne)	1,562.50	2,160.50	38.27
Zinc (\$/tonne)	1,623.00	2,129.00	31.18
Copper (\$/tonne)	6,091.00	7,705.50	26.51
Nickel (\$/tonne)	17,955.00	22,300.00	24.20
Aluminium (\$/tonne)	1,850.50	2,158.50	16.64
Brent crude (\$/bbl)	72.09	77.52	7.53
Steel CR Coil (\$/tonne)	706.00	708.00	0.28
Steel HR Coil (\$/tonne)	625.00	615.00	-1.60
Iron Ore-China (\$/tonne)	151.50	145.50	-3.96
Richards Bay Coal			
Spot (\$/tonne)	92.41	84.80	-8.24
<i>Source: Bloomberg</i>		<i>Compiled by BS</i>	
<i>Research Bureau</i>			

Even for metals, the “huge flow of liquidity into commodities is leading the bull run that started from early June, when global markets realised the European crisis is nearly over,” said Gnanasekar Thiagarajan, director at Commtrendz Research, a risk advisory firm. “Till the Federal Reserve’s easy money policy continues, the rally in commodities will continue,” he said.

According to data released by the Chinese authorities, net imports of refined copper, zinc, lead, nickel and tin were up in August compared to the previous month, while net imports of aluminium fell sharply. Implied demand trends were also positive across most metals, with copper expanding by over 20 per cent annually, following positive growth in July. In energy markets, oil imports bounced back, signifying strong underlying demand growth after last month’s softening.

Meanwhile, China remained a net importer of refined products, with most of the strength evident in residual fuel oil markets. Coal net imports also held up strongly.

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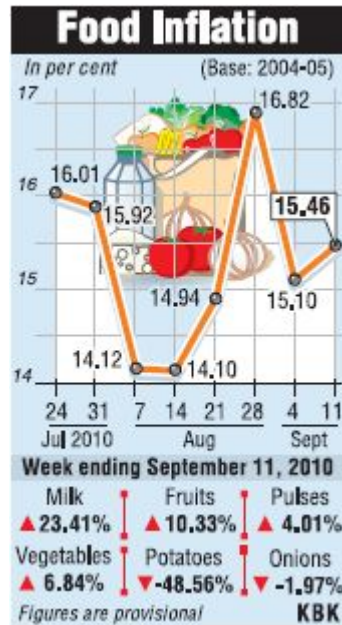
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[Back](#) Food inflation inches up to 15.46%

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*Annual Wholesale Price Index continued its upward trend.*

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Our Bureau

New Delhi, Sept. 23

Food inflation, based on the annual Wholesale Price Index, continued its upward trend, even as inflation in fuel items remained stable.

On an annual basis, the food price index surged 15.46 per cent in the week to September 11 compared with the previous week's year-on-year rise of 15.10 per cent. The fuel inflation stayed flat at an annual 11.48 per cent during the latest week.

The Primary Articles Index rose 16.80 per cent, faster than the previous week's annual increase of 16.22 per cent.

The latest inflation reading and that of the previous week are from a new data series with changed base year, weightings and components and are not comparable with the earlier data.

On a sequential basis, the Primary Articles group Index was up 0.2 per cent as the index for 'Food Articles' group gained 0.1 per cent due to higher prices of condiments and spices (2 per cent) and fish-inland, urad and poultry chicken (1 per cent each). However, there was a decline in prices of masur (4 per cent), moong and arhar (3 per cent each), gram and jowar (2 per cent each), and beef and buffalo meat, fish-marine and tea (1 per cent each).

The Index for Non-Food Articles group went up 0.7 per cent due to higher prices of rose (18 per cent), jasmine and raw rubber (2 per cent each), and raw silk, rape and mustard seed and copra (1 per cent each). However, the prices of marigold (20 per cent) and gingelly seed or sesamum (2 per cent) dropped.

The fuels index remained unchanged at its previous week's level, both on a sequential and annual basis.

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**[Back](#) [La Nina scripts kharif output rebound](#)**

## Bouncing back

(in million tonnes)

Crop	2010-11*	2009-10**	2008-09
Rice	80.41	75.91	84.91
Maize	14.06	12.00	14.12
Pulses	6.00	4.30	4.69
Foodgrains	114.63	103.84	113.45
Oilseeds	17.27	15.66	17.81
Sugarcane	324.91	277.75	285.02
Cotton#	33.50	23.94	22.27

\*1st advance estimate \*\* 4th advance estimate; # in bales of 170 kg

Source: Ministry of Agriculture

Our Bureau

Chennai, Sept. 23

With the La Nina coming up with a perfect script for the Indian monsoon, agricultural production is set to rebound in almost all crops in the kharif season.

According to data released by the Agriculture Ministry on Thursday, foodgrains production is expected to increase 10 per cent to 114.63 million tonnes (mt) against 103.84 mt a year ago. Leading the surge in agricultural output will be rice that will see production rise to 80.41 mt against 75.91 mt last year. It will, however, still be lower than 84.91 mt in 2008-09.

Last year, kharif production was hit by a deficient monsoon attributed to the El Nino effect that is caused by a rise in sea surface temperature. The La Nina, on the other hand, leads to heavy rains and floods. According to the India Meteorological Department, the monsoon is 4 per cent excess, so far this year.

Pulses production, backed by a higher minimum support price, is expected to be at a three-year high of 6 mt, while the sugarcane output is estimated to rise 16 per cent from last year to 324.91 mt — again a three-year high.

Oilseeds production is projected to gain 10 per cent at 17.27 mt but lower than 17.81 mt in 2008-09. Groundnut is projected to increase 54 per cent at 5.64 mt but other oilseeds,

especially key kharif crop soyabean, is projected to witness a drop.

Cotton is seen at a record high of 33.50 million bales (of 170 kg) each, despite the fact that the Government has come up with a new method to estimate its production. Until last year, the Centre used to take into consideration only two pickings for projecting production, instead of three, as done by the Cotton Advisory Board. This year, it has followed the Board's method. The production is seen higher than trade estimates of 32.5 million bales, though the Board refrained from making initial estimates this year.

The higher food production could ease food inflation that is in double digits now.

**Date:24/09/2010 URL:**

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### **Back Rains boost prospects of jute output in Bengal**

*Only 1-2 per cent crop loss estimated.*

Shobha Roy

Kolkata, Sept 23

The recent spell of showers in various parts of West Bengal has improved the prospects of raw jute production.

Delay in harvest

The shortfall in production this year, earlier estimated at 5-10 per cent due to the insufficient rainfall causing delay in harvesting and retting of raw jute, will be just 1-2 per cent according to the revised estimate.

“Rainfall has been good over the last few days helping the production improve, now expected to be 110 lakh bales this year,” said Mr Manish Poddar, Chairman, Indian Jute Mills' Association (IJMA).

The IJMA team along with Mr Bansali of Jute Corporation of India, Mr Damani of Reliance Jute Mill and Mr Dinesh Sangararia of Hooghly Jute Mills visited the key jute producing



districts of Nadia and Mursidabad on September 21, in order to survey the drought situation prevailing there.

#### DROUGHT DAMAGE

The report of the survey points out that there has been significant improvement in the harvesting and retting of jute crops.

Though close to 1-2 per cent of the crops have been damaged due to the drought, the yield, however, would not be affected much as the growth of the plant has been very good, the report suggests.

The team had earlier surveyed the districts during the last week of August and had estimated a likely drop in production to the tune of about 5-10 per cent due to the poor monsoons.

“There has been lot of improvement in harvesting and retting in Nadia district compared to the situation observed during our last visit on August 28. Almost 85 to 90 per cent of the crop is harvested. The balance will be harvested within another fortnight, as soon as the retting is complete for the jute now in water,” Mr Poddar told Business Line.

#### WORST HIT

The worst affected areas in the district were Tehatta I and II, Nakasipara, Bethua and Karimpur Blocks.

The District Agriculture Officer reported that Panchayat and BDO have arranged for shallow-pump with funds received from National Jute Board. The cultivators also arranged their own shallow-pump to water the ditches adjoining to their field.

#### SAVING CROP

In some cases the cultivators after harvesting the crop, carried it in tractors to nearby water-bodies thereby saving to a great extent the quantitative damage to the crop.

“However, due to paucity of water and over matured (150-160 days) plants for late

harvesting, the quality of the fibre has deteriorated to a large extent,” the survey report pointed out.

Even in Mursidabad district, close to 85-90 per cent of the crop was harvested due to reasonably good shower during the last few days.

“Areas such as Rejinagar, Kashipur, Jhikre, Sarvangapur and some areas adjoining to Hariharpara have been worst affected by the drought. In these areas the jute is being retted in ditches in scanty water with the help of shallow-pump. For this, the quality of the fibre has deteriorated to a large extent,” the report said.

Prices high

However, despite the good production of crop this year, the prices have been ruling high due to the delay in harvesting, Mr Poddar observed.

“The prices are ruling at around Rs 3,450-3,500/quintal compared with Rs 2,500/quintal during same period last year, due to the delay in harvesting,” he added.

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**Back Slack demand keeps wheat higher; paddy gains**



Our Correspondent

Karnal, Sept. 23

With the domestic market witnessing fresh demand and arrivals from Uttar Pradesh being low, wheat prices continued to witness an uptrend. The prices of dara variety rose by Rs 10-15 to Rs 1,200 a quintal on Thursday. The fine variety ruled around Rs 1,210-1,215.

Mr Subhash Chander, a wheat trader, said the link roads of Haryana-Uttar Pradesh on the Yamuna belt have been badly affected by floods and arrivals are low due to this.

Only around 200 quintals of dara variety arrived in the Karnal grain market terminal on Thursday. Market of desi wheat varieties ruled firm and other varieties maintained their upper levels.

Tohfa variety ruled at Rs 2,200 a quintal; Lok-1 at Rs 1,800-1,810; Kitchen queen new marka at Rs 2,025; Parley-G variety around Rs 2,110-2,120 and the Nano at Rs 2,050 a quintal.

On the other hand, low availability of wheat lifted the flour prices by Rs 10 (a 90-kg bag). Flour was quoted at Rs 1,190 (a 90-kg bag) and chokar maintained its highest level of the season and ruled around Rs-540 (a 49-kg bag).

Wheat stock for the APL

According to the reports, the Union Government has released the allocation of the wheat stock to be distributed in Haryana through the public distribution scheme to the above-poverty-line cardholders. The stock will be released in October to APL cardholders, 15-kg for a card holder at the rate of Rs 6.85 a kg.

Low arrivals lifted the PR paddy prices by Rs.50-100 a quintal. Just around 12,000 bags of different paddy varieties arrived in the several mandis of the Karnal district.

About 7,000 bags arrived in the Karnal mandi. PR-14 arrived with a stock of around 3,000 bags and the variety ruled between Rs 800-1050 a quintal. Around 1,500 bags of Sugandha-999 arrived and it was lifted at around Rs 1,200-1,500 a quintal.

PR-47 arrived with a stock of around 1,500 bags and the variety was quoted at Rs 850-1050 a quintal. About 1000 bags of Sharbati variety arrived and the stock was lifted around

Rs 1,100-1,400.

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Back **Kasargod to hold global coconut meet**

Our Bureau

Kozhikode, Sept. 23

The Central Plantation Crops Research Institute (CPCRI) at Kasaragod is holding an international conference on 'Coconut biodiversity for prosperity' from October 25 to 28.

The theme areas of the four-day meet includes biodiversity conservation and utilisation, biotechnological advancements, efficient resources utilisation, impact of climate change, post-harvest management and value addition and coconut for health. The event is being jointly organised by the Indian Council of Agricultural Research (ICAR), CPCRI and Indian Society for Plantation Crops (ISPC).

The conference will be inaugurated by the Union Minister for Agriculture, Mr. Sharad Pawar, and attended by top officials of ICAR, scientists from ICAR institutes, farmers and entrepreneurs, among others. Delegates from several coconut-growing countries and scientific organisations are also expected to participate in the meet.

It is pointed out that coconut is now grown in more than 60 countries, covering a total area of 12 million hectares. It has been an important part of the local culture and economy of many of those countries and has played a role in stabilising the farming systems, especially in fragile environments such as small island states and atolls and in coastal zones, according to ICAR and CPCRI officials.

Crop potential

However, despite the enormous potential of the crop, the coconut farmers have been mostly living below the poverty line with decreasing farm productivity and income and

unstable markets for copra.

The situation has been further aggravated by ageing coconut palms, natural calamities such as drought and typhoons, incidence of pests and diseases, lack of resources to invest in new technologies to improve yields and incomes.

The coconut diversity is also under the threat of genetic erosion due to decreasing area under the crop due to urbanisation, crop shifts and natural and human-made calamities.

### Strategies

The International Coconut Generic Resources Network (Cogent) has been developing strategies to help improve the livelihood of small-time coconut farmers and has supported the establishment of five international coconut genebanks (ICGs) to collect, conserve and utilise coconut diversity on a regional basis. CPCRI is hosting the IGC for South Asia.

The meet will take stock of the present status of research and development on coconut, particularly biodiversity, conservation and utilisation, and formulate strategies and research priorities.

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**Back Pepper futures fall on selling pressure**

G.K. Nair

Kochi, Sept. 23

Pepper futures declined on Thursday on selling pressure, liquidation and switching over to nearby positions.

The bear operators were said to have taken over the market.

Lack of overseas and domestic demand was pointed out as the reason for the bearish

sentiment and the consequent sharp fall.

There was some selling pressure in the primary markets where high range pepper was said to have traded at Rs 193–194 a kg.

Similarly, investors were trying to sell farm grade pepper of 500–525 g/l and old stock held by them at Rs 3 below the October price.

But, there were not much takers, market sources told Business Line.

Investors liquidated October and switched over to November. Add to this, rumours that Indonesia was offering L Asta at \$4,200 a tonne (c&f ) Kochi also played a role in pulling the market down.

October contract on the NCDEX dropped by Rs 391 to close at Rs 19,100 a quintal. November and December fell by Rs 400 and Rs 433 respectively to Rs 19,320 and Rs 19,500 a quintal.

Turnover

Total turnover increased by 2,507 tonnes to 15,320 tonnes. Total open interest increased by 282 tonnes to 16,663 tonnes.

October open interest dropped by 149 tonnes to 13,301 tonnes while that of November and December went up by 369 tonnes and 57 tonnes respectively to 2,460 tonnes and 721 tonnes.

spot prices

Spot prices on selling pressure and in tandem with the futures market trend dropped by Rs 300 to close at Rs 18,900 (un-garbled) and Rs 19,400 (MG 1) a quintal.

Indian parity in the international market was at \$4,425- 4,450 a tonne (c&f) and remained above other origins.

Overseas market

Meanwhile, according to an overseas report from the US, the market there was steady but resellers were ready to discount origin.

Prices quoted for black pepper of different origins tonne/dollar c&f New York September/October shipments were: MG 1 asta – 4,625-4,725; Vietnam asta: 4,425 (Feb/Mar); Lampong 500g/l: 4,100 (f.o.b.); Lampong asta: 4,250-4,300 (f.o.b.); Ecuador asta: 4,325-4,350; Sri Lanka 500g/l: 3,950-4,000 (f.o.b.); Brazil B2 500g/l: 4,100 (f.o.b.); Brazil b1 560g/l: 4,200 (f.o.b.) and Brazil asta: 4,300 (f.o.b.).

white pepper

White pepper quoted for Vietnam and Mutok were \$6,350-6,400 and \$6,050–6,100 a tonne (c&f).

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**Back Comark likely to procure more coffee this season**

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*Comark plans to raise Rs 10 cr from banks for creating a warehousing capacity of 4,000-5,000 tonnes.*

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A. Srinivas

Bangalore, Sept 23

Indian Coffee Marketing Cooperative Ltd (Comark) has elected the former President of the Karnataka Growers' Association, Mr D. B. Subbegowda as its Chairman, for a five-year term. Mr Tejpal has been elected as Vice-Chairman for a similar period.

Comark office bearers said that of the Rs 10 crore sanctioned by the Karnataka Government for revival of Comark, Rs 9 crore has been released. Of this Rs 3.5 crore has been set aside for settlement of bank dues and Rs 3.28 crore for sales tax dues. The

remaining Rs 2.2 crore will be used for procurement operations this season; procurement will be higher than in earlier years, Comark officials said.

### Expansion plans

In addition, Comark plans to raise Rs 10 crore from banks for capacity building. The Coffee Board is expected to convene a meeting in this regard, industry sources said. The bank loan is likely to be used for creating a warehousing capacity of 4,000-5,000 tonnes. Comark officials said that investing in curing works was not on the cards at present, as that would require a lot of funds and people.

As a result of the State Government's assistance, Comark may ramp up its procurement manifold, compared with the level of about 300 tonnes in 2005. The Planters' Coffee Curing Works, Hassan, with a capacity of about 8,000 tonnes will process and store the procured coffee, sources said.

Mr D.S. Raghu, former Chairman, Comark, said: "It is necessary to create a marketing cooperative for small and medium coffee growers. We appreciate the State Government's intent to revive the cooperative."

Dr N.K. Pradeep, President, Karnataka Growers' Federation, said: "Growers often do not get the full benefit of international prices."

### Fixing Prices

Mr Raghu said, "There is a reduction in prices due to exaggerated claims of companies regarding moisture and quality. Comark will fix the buying prices of different varieties of coffee every morning based on closing prices of the previous day in the London and New York terminals. Quality parameters will be fixed as per Coffee Board norms."

Some growers said that farmgate prices are declared only at 11.30 am or noon, after major buyers discuss their pricing strategy. There is lack of information on the differentials or premiums, they said.

Comark ran into difficulties after the slump in prices at the turn of the century. Allegations of corruption, with office bearers arbitrarily declaring higher prices for a day in order to



claim benefit for their produce, were levelled soon after Comark was formed in the early 1990s.

“They might offer remunerative prices to their growers, but at current world prices how they market their produce at competitive prices remains to be seen,” some growers said.

An executive of a major trading house said, “A cooperative should be able to mobilise a large network of farmers, and this is more easily done if its members have small holdings. Market presence is the key.”

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**Back Heavy arrivals pound turmeric**



Our Correspondent

Erode, Sept. 23

Following arrival of about 10,000 bags, prices of finger and root turmeric varieties decreased by Rs 350-400 a quintal on Thursday.

Farmers had been hoping that the price will touch Rs 15,000 a quintal, but the sharp drop

upset their hopes.

In the Erode Turmeric Merchants Association sales yard, the finger variety fetched Rs 9,199-14,614 a quintal and the root variety was quoted at Rs 9,106-14,320 a quintal. Out of the 2,810 bags that arrived, 505 were sold.

In the Regulated Market committee, the finger variety was sold at Rs 14,197-14,619 a quintal and the root variety at Rs 14,169-14,409 a quintal.

Huge arrivals and sales were recorded. Of the 1,715 bags that arrived, 1,633 sold.

In the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety was sold on Thursday at Rs 13,027-14,489 a quintal. The root variety sold at Rs 13,555-14,439 a quintal. Out of the 181 bags bags that arrived, 96 were sold.

In the Erode Cooperative Marketing Society, the finger variety was sold at Rs 14,069-14,495 a quintal and the root variety at Rs 14,169-14,349 a quintal. Out of the 990 bags, 717 bags were sold.

“Because of the heavy arrival, prices decreased. But it will revive and go up from Monday,” said an Erode Turmeric Merchants Association official.

He also said that in the morning, turmeric was quoted lower in the futures market at Rs 13,252 and then increased to Rs 13,560 in the afternoon. But by then, spot sales were completed. Certainly, prices will increase on Friday, he added.

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**[Back](#) Edible oils pick cues from Malaysian trend**



Our Correspondent

Mumbai, Sept. 23

Edible oil prices on Thursday increased marginally on steady trend in Malaysia and higher rates quoted by importers.

Spot prices of imported oils in Mumbai rose by Rs 3-4 for 10 kg. Sunflower oil increased Rs 10. Groundnut and cottonseed oils ruled steady. The volume of trade was lower on resale at below the price offered by refineries and lack of fresh demand since festivals are over.

Traders were conscious of bulk buying, as the supply position was smooth and new crops arrived at the producing centres.

In international markets, crude palm oil futures in Malaysia rose marginally on short-covering, strength in soya oil due to export demand and concerns over tightening world vegetable oil supplies.

In Mumbai, the volume was low on Thursday. In palmolein, about 100-150 tonnes were resold in the range of Rs 458-462.

Month-end poor-retail demand and lack of bulk users demand loomed over the market, keeping stockists,retailers' fresh buying at bay. There was no demand for indigenous oils such as groundnut, cottonseed and rapeseed oils.

On Malaysia's BMD crude palm oil October contracts closed lower by eight ringgits at 2,727 Malaysian ringgits (MYR). Indore NBOT soya oil future October closed at Rs 486.50

Mumbai commodity exchange spot rate were: Groundnut oil Rs 890 (Rs 890), Soya refined oil Rs 475 (Rs 472), Sunflower expeller refined Rs 540 (Rs 540), Sunflower refined Rs 600 (Rs 590), Rapeseed refined oil Rs 572 (Rs 569), Rapeseed expeller refined Rs 542 (Rs 539), Cotton refined Rs 500 (Rs 500) and Palmolein was at Rs 464 (Rs 460) for 10 kg.

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[Back](#) **Selling pressure weakens sugar**



Our Correspondent

Mumbai, Sept. 23

Sugar prices on the Vashi wholesale terminal market decline by Rs 5-10 on Thursday on lack of retail demand and selling pressure at mill level.

Mr Mukesh Kuwadia, Secretary of Mumbai Sugar Merchants Association, told Business Line: "Uncertainty prevails in the market now over the government policy on sugar sector.

Players are waiting for clear picture from the Centre.”

Secondly, as Bhadrapad (Bhadarva Shraddha days), has begun and during these 15 days, demand will be very low. As mills have to complete/fulfil the current month's quota, they may be forced to sell. As of now, mills tender offers are not getting the desired response from buyers. Month end, poor demand also hit the price movement and sentiment.

With festivals round the corner, monthly sugar quota has to meet the expected high demand. Traders are expecting higher free sale quota for October compared with the September quotas of 16.72 lakh tonnes, said Mr Kuwadia.

In the absence of retail demand, lifting from the Vashi market was less than arrivals. On Thursday, the total arrivals in the market was 55/60 truckloads (10 tonnes each) and demand was 48–50 truckloads.

Mill tender rates were expected at S- grade: Rs 2,500-2,630, M-grade: Rs 2,560-2,590 a quintal. They manage to sell less quantity, said sources.

According to the Sugar Merchants Association, spot rate S grade was Rs 2,620-2,641 (Rs 2,630-2,670) and M grade Rs 2,645-2,740 (Rs 2,655-2,760). Naka delivery rates was S grade Rs 2,570-2,600 (Rs 2,590-2,610) and M grade was Rs 2,615-2,675 (Rs 2,630-2,680).

**Date:24/09/2010 URL:**

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**[Back](#) Egg prices rule flat**



Gayathri G

Chennai, Sept. 23

Wholesale egg prices continued to rule flat this week with the Namakkal-based National Egg Coordination Committee's zonal committee maintaining the Rs 2.35 a piece level at its meeting held on Thursday. Last week, it was Rs 2.30 a piece.

The current reduction in the wholesale rate has come amidst trade's concern over the falling egg consumption in the South, especially in Tamil Nadu in view of the austere Purattasi month.

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

Mr R Nallathambi, President, Tamil Nadu Poultry Farmers' Association, said that the industry normally experiences a temporary lull during August-October due to the austere months. "Incessant rain in the North is the only hope for the industry. Namakkal ships about 20-30 lakh eggs daily to the northern markets," he added.

Besides the slowdown in consumption, Stable feed prices are likely to keep prices of chicken and eggs flat in the coming months, poultry sources said. The previous highest wholesale rate for the shell egg in the State was in June this year at 272.57 for 100 eggs when the rate was Rs 2.70 a piece.

NECC has maintained the rates for its layer birds at Rs 40/kg (Rs 37/kg) price band for the past six days. Broiler Coordination Committee has fixed the prices of live chicken to Rs 52/kg throughout this week from last week's Rs 56.

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**Back Meagre inflow perk up chana; pulses steady**



Our Correspondent

Indore, Sept. 23

After trading lower for the past two-three days, chana gained Rs 15-20, with prices in the spot quoting at Rs 2,125-Rs 2,130 a quintal on Thursday.

However, in the futures market chana declined 1.25 per cent with October and November contracts closing at Rs 2,184 and Rs 2,242 respectively on the National Commodities and Derivatives Exchange.

According to traders, prices of chana are likely to go up in the ensuing festival season following increased demand from the mills.

Arrivals in the Kacchi mandi were almost nil, while the Chawni mandi received a mere 47 bags of desi chana, whose mandi price was quoted at Rs 1,861-2,200 a quintal.

On the other hand, dollar (kabuli) chana or chickpea prices fell by about Rs 100 with a slump in export demand and poor arrivals.

In the physical market, dollar chana quoted at Rs 4,500-4,700 a quintal.

Moong ruled steady at Rs 3,600 a quintal and its arrival was 1,500 bags.

Urad prices were quoted Rs 50 higher at Rs 3,800-4,600 a quintal. On Thursday, about 400-500 bags of new urad arrived in the local mandis. Urad with 14 per cent moisture levels quoted at Rs 4,200 a quintal and that with 11 per cent of moisture level quoted at Rs 4,600 a quintal.

Masoor and tur remained steady at Rs 3,425 and Rs 3,800 a quintal.

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**Back Tea import bill falls 10.69%**

P. S. Sundar

Coonoor, Sept 23

India's tea import bill in the first seven months of 2010 has fallen 10.69 per cent over the corresponding period of last calendar, reveals an analysis of the latest information available with the Tea Board and importers.

This was despite an increase in the price of imported tea because of lower volumes imported.

Between January and July, India paid an average price of Rs 88.15 a kg for the tea it imported — Rs 4.22 more than the corresponding period of last year.

But, the volume imported dropped to 11.2 million kg (mkg) — 1.97 mkg lower than last



year.

Consequently, India's import bill declined to Rs 98.7 crore from Rs 110.52 crore. This reduction of Rs 11.82 crore marks a decline of 10.69 per cent.

In dollar terms, India paid \$1.92 a kg — 21 cents less resulting in the overall bill to fall by \$0.98-21.51 million.

In financial year analysis, between April and July, India imported 6.17 mkg — 2.19 mkg less paying Rs 97.42 a kg or Rs 12.93 more. Consequently, the overall bill declined by Rs 10.49- 60.12 crore.

In dollar terms, during this period, India paid \$2.13 a kg — 40 cents more — resulting in the overall bill fall by \$1.37-13.12 million.

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