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Rs.3.91 crore sanctioned under National Horticulture Mission

Special Correspondent

2,525 hectares of land to be brought under cultivation

Per hectare subsidy will be Rs.12, 000 for cashew and Rs.10,000 for mango

Mango and cashew grafts to be supplied along with vermicompost

PUDUKOTTAI: Expansion of area under cultivation of horticultural crops and rejuvenation of crops through modernised cultivation techniques in the existing areas are some of the important components under the National Horticulture Mission being implemented in the district.

A sum of Rs.3.91crore has been sanctioned to give an impetus to the development and rejuvenation of horticultural cultivation .

An additional extent of 2,525 hectares will be brought under various horticultural crops – 1,000 hectares under banana, 400 hectares in cashew, 300 hectares in mango, floriculture and chillies each and 225 hectares in cocoa.

This apart, rejuvenation of the existing area will also be taken up on these crops.

A sum of Rs.1.68 crore will be spent for developing banana crop, Rs.81 lakh for floriculture, Rs.48 lakh for cashew, Rs.37 lakh for chillies, Rs.29.70 lakh for mango, Rs.27 lakh for cocoa, sources told The Hindu here on Monday.

Subsidy

The per hectare subsidy will be Rs.12, 000 for cashew and Rs.10,000 for mango. Mango and cashew grafts would be supplied along with vermicompost, chemical fertilizers and plant protection chemicals to the farmers.

Supply of grafts during the second and third years with a view to ensuring sustained expansion was the highlight of the programme.

Closer planting is another advantage . The per hectare planting will be 400 grafts for mangoes and 500 grafts for cashew.

The NHM also focuses on rejuvenation of the existing orchards, sources said.

The per hectare planting will be 50 grafts in mango orchards and 100 grafts for cashew orchards.

“The grafts are being planted as a space filling programme, taking advantage of the available space in the mango orchards and cashew groves”, sources said.

The prospects of the district for raising floriculture would also be fully utilised under the NHM.

Flowers like jasmine, tuberose, rose and marigold are cultivated in the district.

The NHM would encourage the floriculturists with a special per hectare subsidy component of Rs.3,000 for maintenance of tuberose fields and Rs.2,000 for other flowers.

The per hectare subsidy for chilly growers will be Rs.12,500.

Sources are confident that the implementation of the National Horticulture Mission would give an impetus to the cultivation of horticultural crops in the district.

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State-level training in beekeeping for woman farmers

Staff Reporter

— Photo: N. Bashkaran

Guidance: A.K. Mani, Professor and Head, Regional Research Station, Tamil Nadu Agriculture University, Paiyur near Krishnagiri at the inaugural session of the three-day training programme for woman farmers in beekeeping held on Monday.

PAIYUR: The three-day State-level training programme in "Advanced techniques in honey-bee rearing to woman farmers" was inaugurated at the Regional Research Station (RRS), the extension centre of the Tamil Nadu Agriculture University, here, on Monday.

Assistant General Manager, National Bank for Agriculture and Rural Development, V. Thirumalai inaugurated the training programme.

This is the fourth training programme conducted for the farmers who are members of the Farmers' Clubs attached to NABARD from across the State. The training was sponsored by the NABARD as part of their Capacity Building for Adoption of Technology (CAT) programme.

Benefit

The programme benefits the members of farmers' club through training and field visits within and outside the State, Mr. Thirumalai said.

A.K. Mani, Professor and Head, RRS, Paiyur said as many as 25 members of the farmers' clubs were enrolled from 14 districts in the State for the three-day training programme The training programme was organised to sensitise the rural women on new techniques in beekeeping.

Field visit

The first two days of the training programme will be on the RSS campus, while the third day the farmers will be taken to Theerthamalai, where one of the progressing farmer, Muthukani, is reaping profits out of beekeeping after finishing a training programme conducted by the RSS Paiyur, Mr. Mani said.

The farmers would be taught on types of honey bees, its life cycle, behaviour, advanced techniques in beekeeping, maintenance and protection of colonies, value addition and marketing. The trainees in this programme will become the trainers in their respective farmers' clubs. Dr. N. Tamilselvan, Professor, Agronomy, RSS welcomed the gathering. Dr. Rajabaskar, Assistant Professor explained about the training programme. J. Balasubramaniam, Manager, Honey-bee rearing branch of the Khadi and Village Industries Board, Salem offered felicitation speech. Dr. N. Vadivel, Assistant Professor, Agronomy, RSS proposed vote of thanks.

THE ECONOMIC TIMES

27 Sep, 2010, 11.05PM IST, G Ganapathy Subramanian & Prabha Jagannathan,ET Bureau

Urea should be urgently brought under the free pricing regime: Panel

NEW DELHI: Urea, the country’s cheapest and most overused fertiliser, should be urgently brought under the free pricing regime under the Nutrient Based Subsidy scheme (NBS) and the government should slash subsidy for the nutrient signficantly to ensure that high price discourages its unproductive use, the report of the panel headed by former farm secretary T Nanda Kumar has advised in its recent report on optimisation of fertiliser use. The report was submitted directly to the Cabinet Secretary last week end.

If adopted, the suggestion is likely to save substantial sums on urea subsidy for the government besides ensuring a more balanced use of soil nutrients than prevailing at present. The fact that urea has been kept out of the crucial NBS, leaving heavy government subsidy on urea price to farmers, has meant that in the first three months of its implementation, use of cheaper urea has continued to be heavy, contradicting a basic balanced fertilization premise of the NBS which currently includes N. P & K and complex fertilisers.

In tandem with freeing urea pricing, the Centre has to promote nutrients like sulphur, zinc and boron to make them affordable to farmers. The panel has recommended a "comparitively higher level" of subsidy for these and suggested that the government switch to site specific nutrient management (SSNM) in order to optimise balanced fertiliser use and boost crop productivity.

"It is difficult to effect the change all over the country in a short time," the committee has acknowledged, suggesting that the Centre take up SSNM, as part of distric agricultural plans, initially in the 100 districts which consume 50 per cent NPK fertiliser, followed by the districts that have major soil nutrient problems because of soil degradation. It says the proposed SSNM should include NPK, secondary and micro nutrients and soil ameliorants and the ongoing ICAR project on soil nutrient mapping covering 19 major states and 171 districts should be completed on time, the report has stressed. India’s fertiliser use (overall and per hectare) is growing but soil response is marginal or slowed down, it says, adding that despite overuse of urea, N nutrient deficiency persists in 465/500 districts and P deficiency in 457 disticts.

When the NBS scheme was introduced in April this year, subsidy for indigenous and imported P&K fertilisers were announced on an annual basis for 2010-11, based on the prevailing fertiliser prices and price trends in the international market. That allowed the private sector to clinch imports at attractive prices while domestic competition was expected to keep prices affordable for farmers. But the Centre decided to include urea into the policy in a phased manner only later. Subsidy for indigenous urea is currently provided based on NPS-III which the

Centre is mulling amending to detemine the quantum of subsidy to be paid. This, despite intense pressure from the industry for its inclusion under the NBS and decanalisation of imports either wtihin or outside the NBS. Imports through parastatals alone has meant that the Centre buys urea at prices ranging between Rs 30,000/t and Rs 7000/t.

"Urea has to be brought under the free pricing regime sooner rather later. In any case, there is a strong case for reducing the subsidy on urea and allowing a higher price to discourage unproductive use. Farmers can be assisted by providing appropriate subsidies on other critical nutrients,"the report maintains Besides bringing urea under the NBS, the panel, which also included secretaries, agriculture, fertiliser, finance and expenditure, has suggested direct cash transfer to farmers which has industry support.

28 Sep, 2010, 12.40AM IST, S Sujatha,ET Bureau

Hybrids push corn yields up 250%

COIMBATORE: Multinational seed companies are helping Indian farmers push up corn yields 250% with hybrid technology. The productivity push will help farmers profit from escalating demand for corn from the animal feed and starch industries. India is Asia's second largest corn grower and it is the country's third most major cereal.

"With the way the consumption of maize increasing, we are looking to maximise production and profitability for farmers by developing newer hybrids," said Dr K V Subba Rao, managing director of PHI Seeds, the Indian subsidiary of Pioneer Hi-bred International, the oldest corn company in US. This year, PHI Seeds has introduced P3501 hybrid for high management area, and P4094, a downy mildew-tolerant hybrid, specifically for parts of Karnataka and Tamil Nadu. It has come out with P3441 for areas which did not receive good rainfall.

For Monsanto India, corn hybrids is its single biggest focus in seed business. Through its Project Golden Rays project, it has signed a public-private partnership with Rajasthan for doubling maize yields in its five districts. The project involves 7.8 lakh tribal farmers. "We are focused on increasing farmer yields through superior understanding of grower needs and breeding R&D of region-specific Dekalb high-yielding hybrids," said Mr Amitabh Jaipuria, managing director, Monsanto India.

Indian companies aren't lagging. Recently, a Maharashtra seed company signed an MoU with Haryana Agricultural University to promote SM4, a baby corn hybrid. The size of hybrid seed market in India is pegged at 90,000 tonne this year. Dr ML Jat, senior scientist, cropping system agronomy, International Maize and Wheat Improvement Centre, said only around 30% of maize area in India is under hybrid seeds. "The rise in area will be gradual but the productivity levels will be more," he explained. Maize production in India has grown 60% in the last one decade though the area under maize cultivation hasn't kept pace.

Poultry companies (50%) are the single largest consumer, followed by starch industries (12%) and cattle feed (12%). Last year, the demand from the poultry sector and livestocks was 17 million tonne, whereas the production was 16 million tonne. "We had to make do with jowar, bajra and broken rice to meet the huge demand-supply gap. But, due to hybridization and good monsoon, maize production is likely to be around 19 million tonne this year," said B Soundararajan, managing director of Coimbatore-based Suguna Group, which produces a fifth of the chicken India eats.

Dr G Nallathambi, professor, maize research at Tamil Nadu Agricultural University, said the single-cross hybrid maize has the top most yield potential. "The single-cross hybrid has proved to be good and we could see a 100% jump in yield where farmers have used it along with best management practices," he added.

A decade ago, the average productivity was one tonne per hectare but it has now crossed two tonne per hectare. In Punjab, large maize areas changed to rice but they are slowly coming back to maize. Likewise, maize replaces winter rice in Andhra Pradesh and Tamil Nadu due to water scarcity. Areas in West Bengal, Eastern Uttar Pradesh and Bihar are also under maize now replacing either rice or wheat.

As per statistics with Indian Council of Agricultural Research, the area under maize has come down by 10% in this kharif season (till August first week) compared to the same period last year. "But yield will not be affected. Due to good precipitation during flowering, a 2.25 tonne per hectare yield can be expected from one hectare this season," said Dr R Sai Kumar, project director, directorate of maize research.

Business Standard

Tuesday, Sep 28, 2010

Vegetable oil consumption likely to hit record high

Dilip Kumar Jha / Mumbai September 28, 2010, 0:54 IST

The vegetable oil industry in India is likely to set two records this year. First, the consumption is estimated to hit a record high, at 15.7 million tonnes during oil year 2010-11 (November-October); it was 14.8 mt in the previous year. Two, soymeal exports to hit a high of 3.4 mt, against the earlier record of 3.2 mt in the pre-economic crisis year of 2007-08.

With an estimated rise in per capita consumption to 12.75 kg in 2010-11 as against 12.2 kg this year, total consumption of vegetable oil is forecast to increase 4.4 per cent this year as against four per cent in the previous year. “Consumption will be supported by changing food behaviour, with more and more people opting to eat outside, especially in a hotel, motel and small eateries, where oil is abundantly used. Since average income is rising due to overall growth, the change in behaviour looks sustainable and therefore, we can safely estimate India’s vegetable oil consumption will meet the targeted consumption of 15.7 mt next year,” said Dorab Mistry, director of Godrej International.

According to a forecast by GG Patel & Nikhil Research Company, availability from domestic seed crushing is also likely to increase this year by 600,000 tonnes, as a bumper kharif crop will raise seed output, resulting in higher crushing. Total oilseed output is forecast to rise to 14.08 mt during the 2010-11 kharif season as against 12.3 mt in the previous year. Favourable climatic condition will help output this year, said Patel.

And, bumper soybean production this year will result in higher availability of bean for crushing. As a consequence, soymeal exports which slipped to 2.38 mt last year will see a record rise this year, he added.

Mistry hoped India's vegetable oil imports will surpass nine mt this year on rising retail consumption. They rose 64 per cent to 10,65,641 tonnes in August as compared to 650,603 tonnes in the corresponding month of the previous year. In the first 10 months of the oil year (November 2009 on), however, vegetable oil imports recorded only a marginal rise of five per cent, to 74,47,955 tonnes as compared to 70,70,491 tonnes in the corresponding period of the previous year.

Oilseeds' minimum support price (MSP) is too low. That for soybean translates to a price of $8.40 per bushel, about 25 per cent below the current world price. The central government raised the MSP of yellow soybean to Rs 1,440 a quintal for the 2010-11 season, from Rs 1,390 a quintal fixed last year.

Area under sugarcane up 50% in AP

BS Reporter / Chennai/ Hyderabad September 28, 2010, 0:50 IST

Favourable climatic conditions and payment of better prices by factories have led to a 50 per cent rise in the area under sugarcane cultivation to 180,000 hectares (ha) in the current year as against 120,000 ha last year.

According to an official press release, timely intervention by the cane development councils and supply of subsidised seed and other inputs also contributed to the increase in the area under sugarcane cultivation.

Chief minister K Rosaiah, who reviewed the activities of the sugar department on Monday, agreed for passing the benefit of purchase tax incentives given to sugar mills to cane growers in view of the non-declaration of State Advisory Price.

He also agreed to send an official team to study the systems in Maharashtra and Tamil Nadu, which have set up efficient research and development wings for cane development and sugar processing. He wanted the team to submit its report in three months.

The chief minister was stated to have expressed his happiness on learning that a new sugar factory, Krishnaveni Sugars Limited, that had been set up in Mahabubnagar district would commence crushing operations by January, next year.

Monsoon hits Himachal vegetable output

Baldev S Chauhan / New Delhi/ Shimla September 28, 2010, 0:18 IST

The long and heavy monsoon has taken a toll on Himachal Pradesh's vegetable production, say farmers.

The production of tomato, capsicum, cabbage, potato and cucumber, among other vegetables, is significantly lower this time.

The excess rain has either triggered the spread of diseases or the standing crops have simply rotted away due to excess moisture, say farmers.

Vegetables are largely grown in the mid-hills of the state which fall in Solan, Shimla, Sirmaur, Mandi, Kullu and Bilaspur districts.

The hill state supplies vegetables to markets across northern India.But the shortage this time has already shot up the prices.

According to an estimate by the state agriculture department, at least 60 per cent of the tomato crop has been destroyed.The maximum damage was done by the heavy spell of rain less than a week ago.

"The production of vegetables this time is expected to be 550,000 tonnes whereas the target is 650,000 tonnes" said J C Rana, director, state agriculture department

Karnataka, Andhra Pradesh set to reap bumper maize crop

Mahesh Kulkarni / Bangalore September 28, 2010, 0:04 IST

Sufficient amount of rainfall, though late, in Karnataka and Andhra Pradesh has revived hopes of a bumper maize crop. These two southern states, which account for over 30 per cent of the country's annual maize production, are set to record a 25 per cent increase in the production of maize at 4.6 million tonnes for the current kharif season despite a 6.25 per cent drop in the area under cultivation.

According to agriculture department officials in Andhra Pradesh, the area under maize cultivation has witnessed a drop of 17.5 per cent to 438,000 hectares compared to the last kharif season. The drop in area under maize is mainly due to the shift in cropping pattern. Farmers in the state have made a large-scale diversion towards paddy and cotton due to better rainfall this year, the officials pointed out. However, the production is likely to see an increase of 44 per cent to 1.42 million tonnes due to rise in productivity. This was possible due to timely sowing as a result of good rainfall and negligible incidence of pest attack across growing regions in the state, officials stated.

The harvesting of the crop for the current season is expected to commence by middle of October and the new crop will hit the market by the end of October. Compared to Andhra Pradesh, the situation is far better in Karnataka, where maize sowing has been carried out on 1.15 million hectares as against 1.16 million hectares last year. The production is estimated to increase 18-19 per cent to 3.2 million tonnes. Though the sowing was delayed due to late arrival of monsoon in the state, the output is likely to be higher than last year because of fair and wide distribution of rain.

In Davanagere district, which is the major growing area in the state, the sowing has been completed on 173,000 hectares and the production is estimated at 800,000 tonnes. The crop in Karnataka is likely to be harvested towards the end of November.

The department of agriculture in Karnataka has recommended Rs 925 a quintal for the current kharif crop, an increase of 5.1 per cent over Rs 880 a quintal announced by the Centre. Meanwhile, farmers in Davanagere have demanded the government to announce a price of Rs 1,500 a quintal. They have warned of an agitation if the government fails to meet their demand before October 2.

Currently, prices for old stock are quoted at Rs 11,000 a tonne. However, the prices for the fresh crop may not be at this level. The traders expect them to be around Rs 9,500 a tonne initially and as the arrivals increase, the prices may settle at around Rs 9,000 a tonne, a marginal drop of 5.2 per cent. However, prices will be higher by 7.9 per cent over the minimum support price of Rs 8,800 a tonne announced by the Centre for the current year.

“We expect the prices to settle at around Rs 9,000 a tonne for November and December. Prices will gradually move up to around Rs 9,250-9,500 by January next year”, Sanjay Jain, purchase manager at Riddhi Siddhi Gluco Biols, an Ahmedabad-based maker of maize-based starch and derivatives said.

The seed grade maize is currently quoted at Rs 11,700 a quintal at the spot market in Nizamabad in Andhra Pradesh.

The country’s overall production of maize is likely to be around 15.5 million tonne compared to 12 million tonne last year, showing a growth of 29 per cent. The Rabi crop is estimated at 4.5 million tonne this year.

Rising demand may push up grain prices despite high output

Dilip Kumar Jha / Mumbai September 28, 2010, 0:02 IST

Global foodgrain prices are likely to remain high in the coming months despite high output estimates this season.

Bad weather in Brazil and Russia and rising global demand have made the grain market sensitive. The assessment of the damage due to dry weather in Russia, Western Australia and South America and floods in India, China and Pakistan is yet to be done. This is offering grain traders speculative opportunity on futures platforms.

As a consequence, foodgrain prices have started moving up. Corn prices, for example, rose to $5.2375 a bushel in New York, before closing at $5.0825 on Tuesday. CBOT soybeans for November delivery rose 5-1/2 cents, or 0.5 per cent, to $10.90 a bushel on Tuesday. Soybean prices were led by concerns over the impact of frost in Canada on the canola crop, dry weather in South America and the prospect that the sharp recent rise in corn prices may result in lower soy plantings in the US.

Rabobank, in its September 16 report, has raised concerns over movement of grain prices. The downward revision in US corn yield to 162.5 bu/acre from 165 bu/acre about a month earlier has raised concerns. Similarly, China's total corn availability forecast of 166 million tonnes (mt) this season is unlikely to be met due to floods in many parts of the country.

Anxieties ahead

Moving ahead, the Russian market is increasingly focused on setbacks to new winter crop plantings. The country is likely to see a substantial contraction in planted area this season due to poor subsoil moisture. Even areas that miss winter wheat planting and get picked up for spring crops are expected to have inferior yields.

This has significant implications for next season's global wheat market. Anecdotal reports suggest planting progress in Russia is five to 25 per cent less than normal, says Rabobank.

Cropping farmers globally are set for a bumper 12 months, with prices for grain, oilseed and cotton at very high levels. The challenge for the market now is to ensure that farmers plant enough relevant crops to meet the 2011 demand. The current prices suggest soybean plantings will increase again at the expense of corn in South America, with cotton at 15-year highs likely to gain acreage in the central west of Brazil.

In the European Union, wheat prices need to encourage additional planting for the next season's crop. A major battle for acres is building in the US, with wheat expected to recover some of the 5.5 million acres lost to other crops over the past couple of seasons.

Australia's 2010-11 wheat exports may fall short of forecast for near-record shipments, as dry weather threatens crops in the country's top grain-exporting state, Western Australia. Also, Russian grain stocks at large and medium-sized farms stood at 21.55 mt as of August 31, compared to 29 mt a year before. The dramatic decline in grain availability has threatened price control.

Cereals

The United Nations Food and Agriculture Organization (FAO) has lowered forecast for world cereal production in 2010 by 41 mt to 2,238 mt from 2,279 mt reported in June. However, even at this lower level, world cereal output in 2010 will be the third highest on record and above the five-year average. Among the major cereals, wheat accounted for most of the cut, reflecting mainly smaller crops in leading producers in the CIS, due to adverse weather.

Under the present forecast, world cereal utilisation will slightly exceed production in 2010-11. This would trigger a two per cent contraction in world ending stocks from their eight-year-high opening levels and a small decline in world cereal stocks-to-use ratio, FAO said.

FCI goes online for stock accounting

Dilip Kumar Jha / Mumbai September 28, 2010, 0:58 IST

Begins using TCS software for daily update of grain movement.

Changing a 46-year-old system, the Food Corporation of India (FCI), the public sector grain procurement agency, has decided to go online to make operations more transparent. It has sourced software for a “complete financial package” from Tata Consultancy Services (TCS) for online entry of arrival and release of foograin. It will help track movement of foodgrain.

This is expected to end delays in decisions due to manual preparation of reports. Sending data through various modes and then analysing these was a problem until now. This is because under the present system, FCI’s area offices provide details of stocks and warehouse occupation manually on a daily, weekly, monthly, quarterly and annual basis. Online updates are expected to expedite decisions on storage and releases.

“TCS has provided us a software connecting all our warehouses across the country. This is the first such initiative taken by FCI and was on my priority list,” said FCI Chairman Siraj Hussain.

FCI has started with Maharashtra this month. Area offices in the state are doing 100 per cent online accounting of warehouse stocks and all other financial entries. The sum of way-in and way-out entries in Maharashtra reveal the state government is yet to supply it 121,000 tonnes of rice against paddy procured last year.

Talking about the benefits of online accounting, Hussain said the country should know the exact foodgrain available in the central pool and releases thereon. At present, a decision on release is taken after studying the report by area officers on daila y, weekly, monthly and quarterly basis.

Although the current reporting system will also continue, everyone will be able to know online the stocks available in each FCI godown. The stock positions in different state-owned and private warehouses storing grain on behalf of FCI will also be easily accessible.

“This will increase efficiency and lead to faster decision-making and easier handling of foodgrains stocks. We hope the stock position of FCI’s grain availability will be ready in the first week of April,” Hussain said.

Despite a massive foodgrain stock of 50.30 million tonnes in the central pool as on August 31 this year, FCI is planning to start procurement of rice in full swing from October 1. FCI currently holds 29.90 mt wheat and 20.50 mt rice in various states and its own godowns. Close to 26.20

mt is in FCI warehouses and the other 29.80 mt is stored in the godowns of various states. This is against the mandatory buffer norm of 15 mt as on August 31.

The storage problem can be addressed by either increasing capacity or allocations. The increase in warehousing capacity is a long-term process. Hence, the allocation has been increased substantially in the last two months. The government has allowed additional allocation of wheat at Rs 8.45 per kg and rice at Rs 11.85 per kg.

FCI has also made an allocation of 2.5 mt additional foodgrain for below-poverty-line families at Rs 2 per kg of wheat and Rs 3 of rice. It has also increased allocations for above-poverty-line families at a subsidised rate. If state governments were to lift the allocations made by the government, FCI would not face the storage problem as acutely as we did last year, Hussain said.

Centre for auction of PAU-201 paddy

Komal Amit Gera / Chandigarh September 28, 2010, 0:59 IST

The Centre has asked Food Corporation of India (FCI) to procure PAU-201 paddy that conforms with its specifications and dispose of the rest in the open market through tenders.

A decision on whether the PAU-201 paddy variety is fit for human consumption was raised at a high-level meeting between Agriculture Minister Sharad Pawar and Health Minister Ghulam Nabi Azad, recently.

FCI officials in Punjab are giving final touches to the modalities to execute the recommendations of the central government. The Ministry of Consumer Affairs had earlier indicated that if the stock did not conform with FCI specifications it would be sold through open tenders.

The difference between the cost of procurement and the selling price of rice would be borne by the state and the central government in equal proportion.

This season, farmers were asked not to sow the PAU 201 variety following complaints of damaged rice grains, discolouration and pin damage (a black spot on the grain). The PAU 201 was developed by the Punjab Agriculture University in Ludhiana and was recommended for mass use because it was a short-duration variety and absorbed less water. Sources in the

Punjab Food and Supplies Department said over two million tonnes of last year's stock was lying in the rice mills. With the harvesting season of kharif round the corner, the state agencies are trying to use the existing stock at the earliest.

The president of Punjab Rice Millers Association Tarsem Saini said they would need five months to process the paddy stock of 2009-10 at the current pace. The stock is scattered across the state in over 3,000 mills and it will be an uphill task for FCI to assess the stock.

The procurement of paddy for the 2010-11 harvest will begin on October 1.

Cotton ginners to form a national level association

Vimukt Dave / Mumbai/ Rajkot September 28, 2010, 0:55 IST

With a view to pitching their demands in an organised way, cotton ginners from across the country have decided to form a national-level association soon. The Saurashtra Ginners Association (SGA), one of the apex bodies of ginners in Gujarat, has taken the lead in bringing together all the ginning associations.

The idea of having a national body of ginners was proposed during a recent meeting in Rajkot when the need for a bigger association to deal with problems and issues related to ginning industry was felt. The meeting, which coincided with the annual general meeting of SGA, was attended by the ginning industry representatives from top cotton-growing states in the country.

All the representatives present at the meeting unanimously accepted the proposal to constitute a national-level body of ginners, to be formed within the next 15 to 20 days.

"Currently, various associations of ginners are active but their presence is limited to the respective states that they operate in. On the contrary, the industry at large has to face problems which need attention at the national level. As a result, a ginners' body with a national presence is required," said Bharat Vala, president, SGA.

The SGA's initiative has found support from ginners operating in various parts of the country. "It is high time for us to unite," said Chandrakant Gujarati, general secretary, Andhra Pradesh Ginners Association.

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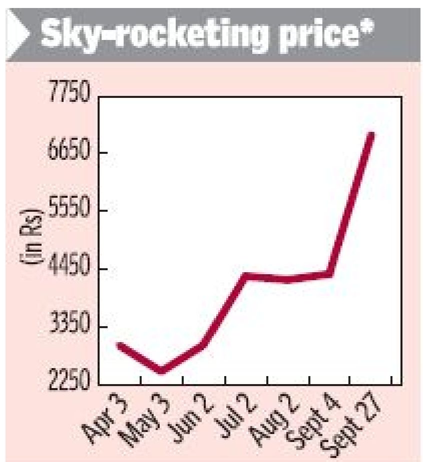
Back **Garlic prices shoot up on rise in exports, ban on Chinese imports**



*Rs/quintal in Agra market

M.R. Subramani

Chennai, Sept. 27

A housewife in Chennai who bought half a kg of garlic from her neighbourhood grocer a couple of days ago was shocked when it cost her Rs 100. The price had skyrocketed since she last bought it some three months ago. Then, she had paid around Rs 60 for half a kg, though that too was steeply higher than 18 months ago.

Garlic, which had hardly cost Rs 15 a kg until February 2009 at retail outlets, has now galloped over dozen times, thanks to rising export demand and a ban on Chinese garlic.

Garlic that was quoted at Rs 550 a quintal at the Agra terminal market in March 2009 is now quoted at Rs 7,000.

Earlier this year, the prices dropped from a high of Rs 5,400 in February to Rs 2,500 in May on higher arrivals. Since then, garlic has moved only one way — up. The rise has been sharp in the last couple of weeks and within this month, the increase has been 60 per cent.

“Imports from China have stopped after the Government imposed a ban two years ago due to a disease in the Chinese garlic,” said Mr R.P. Gupta, Director of the National Horticultural Research and Development Foundation. “This year, domestic production is good,” he said.

According to the Spices Board, exports in April-August have increased by 327 per cent to 13,250 tonnes valued at Rs 498 crore from 3,100 tonnes valued at Rs 63.22 crore in the same period last year.

Trade sources said China has turned a net importer this year as its garlic crop has been affected by hot weather first and floods thereafter.

No details are available on Indian production for this year, though estimates put it around 10 lakh tonnes. Garlic is sown during September-October and harvested during March.

But garlic farmers have not reaped the full benefit of the surge in prices. They had sold at around Rs 3,500/quintal in April.

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Back **Paddy arrivals begin to flood markets; rice rules stable**

Nitish Sharma

Karnal, Sept. 27

With the weather turning favourable for the trade, over 60,000 bags of various paddy varieties arrived in the several mandies in North India, particularly on Monday.

Traders are expecting the arrivals to touch the one-lakh-bags-a-day mark from the beginning of October.

In the rice market, with sluggish demand, basmati and non-basmati varieties continued to rule stable.

Waiting for the start of the new season, aromatic rice prices ruled unchanged, while the prices of non-basmati varieties ruled firm with little movement.

Pusa-1121 (steam) ruled around the levels of Rs 5,300 a quintal; Pusa-1121 (sela) at Rs 4,350; Pusa-1121 (raw) around Rs 5,350. Pusa (sela) quoted at Rs 3,300-3,350 a quintal and Pusa (raw) at Rs 4,200.

Basmati sela ruled at Rs 6,200 a quintal, while basmati raw was quoted at Rs 7,150-7,200. The Sugandha-999 sela was quoted at Rs 2,725 and PR14 (old) was at Rs 2,200-2,235; Sharbati sela at Rs 2,725 and Sharbati steam at Rs 2,900.

PR11 sela quoted around Rs 2,200, PR11 (raw) at Rs 2,180 and PR (steam) at Rs 2,280-2,300 a quintal. Brokens such as Tibar ruled around Rs 3,700 a quintal; Dubar at Rs 2,600 and Mongra around Rs 2,000.

Mr Tara Chand Sharma, a rice trader, told Business Line that the procurement from the Government agencies is yet to begin and after they make their presence in the mandi, trading would be on the higher side. The quality of new arrival is good as there is no discoloration or germination, he added.

Around 35,000 bags of different paddy varieties arrived in the Karnal mandi.

Except the prices of RS-10 variety, the prices of all other paddy varieties witnessed a downtrend. Following the good quality, price of RS-10 variety rose by Rs 25 a quintal and was quoted at Rs 1,200-1,250.

Prices of PR-14 ruled between Rs 1,000 and Rs 1,060 a quintal, PR was quoted at Rs 981-1,040 a quintal, while the PR-13 was at Rs 900-940 a quintal. Sharbati paddy ruled around Rs 1,300-1,380 a quintal against the Rs 1,300-1,425 last weekend. Prices of Sugandha-999 dropped Rs 50 a quintal and ruled at Rs 1,450-1,550 against Rs 1,525-1,600 last week. The stock was lifted by the rice millers.

Date:28/09/2010 URL: http://www.thehindubusinessline.com/2010/09/28/stories/2010092850290800.htm

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Back **Vigil on the food front**

Despite the expected output increase, policymakers must closely monitor food availability and prices while keeping speculative forces at bay.

It is a matter of relief, albeit limited, that the first advance estimate of 2010 kharif crop production shows a rebound from last year's weather-affected decline. But the crop size is nowhere near a level warranting a sense of achievement. If anything, that in many cases (rice, coarse cereals and oilseeds), the current output estimate is lower than for 2008 and 2007 is a cause for concern. Despite output increase, the current per capita availability of basic food commodities is still lower than in the previous three years. There has also been demand expansion due to the rise in purchasing power and increase in population in recent years. This means continued tightness in supplies , firm prices and continued dependence on imports in some and limited export surplus in others over the coming months. It is some consolation that public stocks of rice and wheat are rather high; but cynics would ask what use buffer stocks are if they are allowed to rot in warehouses rather than get distributed to the poor and needy. Importantly, if the south-west monsoon which, under normal conditions, should exit by this time, extends into early October, there are risks of harvest delays, quality deterioration and even crop damage.

A heartening aspect of the kharif harvest is the big jump in pulses output to about 60 lakh tonnes (43 lakh tonnes); that will bring relief to consumers reeling under high prices. Sugar production for 2010-11 too is likely to be around 240 lakh tonnes, enough to meet domestic demand. Coarse cereals and oilseeds have just about returned to their normal output level, though still below the country's overall needs. Given this, the Government has to continue to be cautious as there is no need to tinker with trade and tariff policies. Duty-free imports have to continue, while restrictions on foodgrain exports will have to be reviewed constantly. The Minister for Food and Agriculture has ruled out, for the time being, lifting the ban on rice and wheat export; but that need not prevent New Delhi from liquidating a small part of the current stocks of wheat in the overseas market, even if only to vacate some storage space for kharif rice.

It also time for the country to look ahead. The rabi output has to be maximised to bridge the supply gap left by kharif harvest. Currently, soil moisture conditions are uneven across the country. While eastern Uttar Pradesh, Bihar and Assam face deficient precipitation, in Madhya Pradesh, Orissa, Jharkhand and Chhattisgarh total rainfall is barely above deficient level. This can potentially impact rabi planting and harvest size. Thus, it is imperative that policymakers continue to closely monitor food availability and prices while ensuring that speculative forces do not manipulate the food market where availability may remain tight.

Date:28/09/2010 URL:
http://www.thehindubusinessline.com/2010/09/28/stories/2010092850762100.htm

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Back Karnataka may see bumper tomato crop

Price fluctuations predicted.

The Horticulture Department has fixed the States' crop size at 13,800 hectares.

Anil Urs

Hubli, Sept. 27

Karnataka is likely to witness a bumper tomato crop this kharif season.

The area under tomato has gone up extensively by 10.41 per cent to 22,039 hectares as on September second week against that of 19,961 hectares in the corresponding period last year.

According to horticulture directorate, while in some districts the crop is in an advanced stage of harvest, in others it is reported to be in vegetative phase.

"Due to excess rains in some districts, harvest is likely to get affected leading to price fluctuations," he added. Area under tomato in Kolar is at 3,566 hectares (last year 2,103 hectares), Bagalkot, 1,150 hectares (300 hectares), Belgaum 2,285 hectares (2179 hectares), Gadag 1,757 hectares (1662 hectares), Haveri 1,790 hectares (1684 hectares), Chikmagalur 1,475 hectares (980 hectares), and Chikkaballapur 1,060 hectares (1,075 hectares).

These districts are likely to experience price pressure due to good harvest. For the rabi season, the horticulture department has fixed the States' crop size at 13,800 hectares.

The rabi area under tomato is up 29.68 per cent at 284 hectares as of September 22 against that in the corresponding period last year which stood at 219 hectares.

“This year extensive tomato sowing is seen only in six districts (Bangalore Urban, Kolar, Tumkur, Raichur, Chamarajanagar, and Hassan) against 10 districts last year,” the official said.

In the six tomato growing districts, sowing, inter cultivation land preparation, nursery bed preparation and transplanting operations are under progress, he added.

Date:28/09/2010 URL:
http://www.thehindubusinessline.com/2010/09/28/stories/2010092851892000.htm

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Back **UP sugar mills may delay crushing; wait for dry spell**

Floods may not significantly hit production.

Uttar Pradesh Sugar Indicators

(lakh tonnes)

Season (Oct-Sept) Crush	Cane output	Sugar output	% of recovery
2003-04	463.52	45.52	9.82
2004-05	514.72	50.37	9.79
2005-06	608.09	57.84	9.51
2006-07	894.94	84.75	9.47
2007-08	747.39	73.19	9.79
2008-09	454.82	40.64	8.94
2009-10*	567.00	51.79	9.13

*Provisional.

Harish Damodaran

New Delhi, Sept 27

Sugar mills in Uttar Pradesh (UP) are unlikely to start crushing operations for the new 2010-11 season (October-September) before mid-November.

“The last three-four days have been good for the cane crop, with bright sunshine during the day and cool temperatures at night. But we need this kind of dry weather for at least 40 days before the cane can be harvested and crushed by factories," said Dr G.S.C. Rao, Executive Director, Simbhaoli Sugars Ltd.

Incessant rains from the second half of August – leading to swelling of the Yamuna, Ganga, Ramganga, Sarda, Ghagra and Kosi rivers – are reckoned to have affected about a fifth of the standing cane area in the State. The cane-growing belt to have been impacted include parts of Saharanpur, Meerut, Ghaziabad and Bijnor in western UP, the central districts of Moradabad, Rampur, Pilibhit and Kheri, and Bahraich, Balrampur, Gonda and Basti towards the east.

"I don't see the entire 20 per cent cane area suffering irretrievable damage. Sugarcane can withstand submergence at three-four feet for up to 10-12 days. Beyond that, of course, yields could get hit, as the stagnant water deprives the roots of air and the crop may wilt," Dr Rao added.

"The good news is that the flood waters have already started receding in many areas. Also, given that farmers were following proper irrigation and agronomic practices (encouraged by the remunerative prices of last season), the crop was hardy enough to take the heavy rains. And that should help minimise yield losses," said Mr Ajit Shriram, Director, DCM Shriram Consolidated Ltd.

Delayed start

But a delayed start to crushing is still inevitable. "We would normally have begun by November 1. But now, it may not happen before November 15, while being end-November for east UP," said Mr S.L. Gupta, Secretary, UP Sugar Mills Association.

According to Dr Rao, mills cannot crush cane having moisture content of more than 70 per cent, with the balance comprising 17-18 per cent solids (both sugar and non-sugar) and 12-13 per cent fibre. The current moisture levels, by contrast, would exceed 80 per cent.

"Only with sustained dry weather would the excess moisture from the cane go into the soil and correspondingly raise the solids and fibre percentages. We are now in that crucial phase of sucrose accumulation, which, in turn, determines sugar recovery for every tonne of cane crushed," he said. Weather apart, the other reason for delayed crushing could be a possible dispute over cane prices. During the 2009-10 season, farmers were paid as high as Rs 260 a quintal. This time, with ex-factory sugar prices ruling at Rs 26-27 a kg – compared with Rs 39-40 in January – mills claim they cannot give more than Rs 175-180.

The resulting standoff would, then, leave the field open for makers of alternate sweeteners such as gur and khandsari. “Last season, the kolhus couldn't pay the cane prices that we were offering and so practically shut down by end-February. The low stocks of gur in the market will, therefore, encourage them to start producing at the earliest, while farmers desperate for cash may not mind supplying to them at a lower price,” said Mr Sunil Kakria, Managing Director, Mawana Sugars Ltd.

Mr Gupta expected the kolhus to commence operations by end-October. While admitting some diversion of cane on this count, he still maintained that UP mills will produce 68 lakh tonnes (lt) of sugar this season, against 52 lt during 2009-10.

Date:28/09/2010 URL: http://www.thehindubusinessline.com/2010/09/28/stories/2010092850742100.htm

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Back **Coimbatore tea body seeks uniform VAT rate**

Our Bureau

Coimbatore, Sept. 27

The Coimbatore Tea Trade Association (CTTA) has yet again appealed to the State Government for a uniform VAT (Value Added Tax) rate of one per cent for all teas sold through the auction centres at first point.

This has been a plea that the trade body has been seeking for quite some time now.

Addressing the 28 th Annual General Meeting of CTTA, its Chairman, Mr Chandrakant, highlighted the anomaly in the levy of VAT. (While estate teas are subject to 4 per cent VAT, the Bought Leaf and Co-operative factories are categorised under one per cent VAT).

“The dual VAT rate in the auction centres here creates unhealthy competition among tea manufacturers. In the upcountry auction centres such as Kolkata, Guwahati and Siliguri, there is not only a total tax exemption for sale of the CTC and Orthodox grades at first point but also a uniform one per cent levy of VAT," he said, adding, "a level-playing field and correction of this anomaly would encourage more participation in the public auction system in Tamil Nadu."

VAT refund

Mr Chandrakant also said that exporters had to wait for six months to claim the VAT refund. "Because of the levy of VAT on export purchases, the Coimbatore auction centre lost participation of some major exporters in the last three years. They are routing their teas through the Cochin Tea Auction centre as export purchases are still exempt from levy of VAT there," he said.

Despite this issue, the Coimbatore tea auction turnover through settlement banking crossed the Rs 100-crore mark and marching towards achieving Rs 150 crore by the end of the current calendar year.

While appealing to resolve the glitches in the electronic auction platform to ensure more participation, Mr Chandrakant said it was heartening to note that both the domestic consumption and export of tea was picking up.

He attributed the pick up in export volumes to the promotional measures initiated by the Tea Board in association with tea producers and trade associations in countries such as Egypt, UAE, Iran, Kenya and Pakistan.

Reverting to the volumes handled by the Coimbatore auction centre, Mr Chandrakant said it dropped to 14.63 million kg (mkg) during this year against 15.07 mkg in 2009. "The rates have also not been encouraging. The average price till August hovered around Rs 63 compared to Rs 79.56 during the same period last year

A quick glance at the production figures revealed that the South Indian production of tea increased by 15 mkg to 147 mkg during the first seven months of the current calendar year, while it slipped by 14 mkg in the North, resulting in an overall increase of one million kg in the all Indian volumes.

A National Convention on South India Teas is being proposed by the CTTA in association with the Tea Board between November 12 and 14 at Coimbatore. This is the fourth edition of the event.

It is expected to facilitate tea producers showcase their teas to buyers from potential tea drinking markets in the country, CTTA Chairman Mr Chandrakant said.

The Convention events would feature visits to estates/ tea factories, sit-in sessions chaired by industry experts, tea tasting session, an exhibition to display innovative products and tea packaging machineries.

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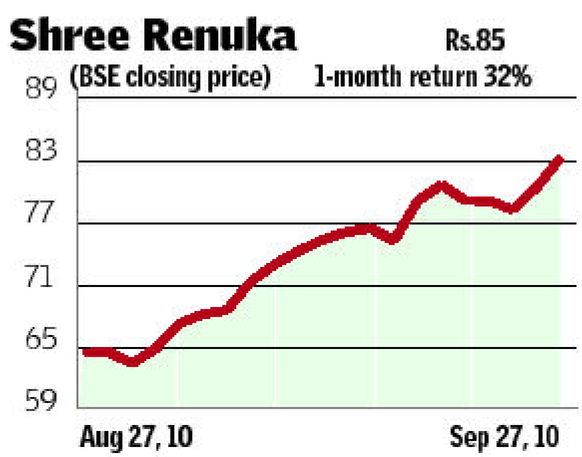
Back

Why sugar stocks are getting sweeter

Rising commodity price, uncertainties over Brazilian shipments boost sentiment.



Aarati Krishnan

BL Research Bureau

Stocks of sugar producers, one of the sectors to underperform the markets by a wide margin over the past year, are showing signs of returning investor interest over the past month.

Stocks such as Balrampur Chini Mills, Shree Renuka Sugars, EID Parry and Upper Ganges Sugars have managed gains of 10-30 per cent in the past month.

What started out as a rush to mark up underperforming sectors has, in the case of sugar, been followed by an actual improvement in sector fundamentals in recent times.

Global price surge

Three key factors have lent support to the re-rating of sugar stocks in this period. One, global sugar (raw) prices, after plunging to a low of about 15 cents/pound in May have since rebounded sharply to over 24 cents/pound this week.

Rising uncertainties about the shape of the Brazilian shipments due to weather problems, tightness in most other global markets and now, worries about lower sugarcane yields in key growing areas in India, have led to predictions that global sugar prices will remain firm until the middle of 2011, when the market will enter a surplus season.

In the interim, higher global sugar prices may help lift realisations for players such as Shree Renuka Sugars who have substantial global market exposure.

If prices sustain, this will brighten export prospects for Indian sugar producers who are likely to process a much larger crop this season.

Two, in the domestic market, a deficient monsoon has triggered worries about the sugarcane yield in key growing areas such as parts of Uttar Pradesh and Bihar.

This creates uncertainties about how the current year's sugar crop will shape up. Initial estimates suggest that despite a sharp rebound in cane acreage, sugar production in the season commencing in October 2010 may be about 240 lakh tonnes.

Given the 10 lakh tonne-export obligation that companies already carry this output may leave a very small end-of-season stock, after meeting the current year's demand.

Though the initial output estimates are certain to undergo big changes as the season progresses, the current scenario does lend support to the domestic sugar price outlook and therefore, realisations. Three, with sugar output set for a recovery this year, players are optimistic about a relaxation in the Government's levy obligation for sugar companies, which is currently at 20 per cent. Any reduction in levy requirement will lead to producers reaping much better realisations on that portion of output released from the levy quota.

Cane price risks

While the above factors do support an improving outlook for sugar over the next year or so, one key factor still remains mired in uncertainty — cane pricing.

With open market sugar prices hovering well below last year's levels, and cane acreage showing a sharp improvement, producers are hoping that procurement prices for cane will moderate substantially compared with the previous season. Failing this, profitability for producers will remain under considerable pressure despite realisations, both at the domestic and global levels, looking up from their lows.

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Back **Festival demand pushes up cardamom prices**

G K Nair

Kochi, Sept 27

Good demand due to upcoming festivals such as Navarathri and Diwali, has resulted in cardamom prices rising during the weekend at the auctions.

According to market sources, improved weather conditions in North India has had a positive impact on the market.

Winter, which is the season of weddings in North India along with Christmas, New Year and the Commonwealth Games, will lead to an upsurge in demand for the aromatic spice, trade sources said.

North Indian buyers were actively covering and, as a result, 59 tonnes of cardamom that arrived at yesterday's auction, conducted by the KCPMC, were sold out. The maximum price was Rs 1,164 a kg and the minimum was Rs 800 a kg. The individual auction average improved to Rs 1,062 a kg from previous Sunday's Rs 1,005.98 a kg, Mr P. C. Punnoose, General Manager, CPMC, told Business Line.

Total arrivals

Total arrivals were not heavy, as it used to be in the past during this time of the season, because of regulated release by the growers.

Harvesting is on in full swing and weather conditions remain ideal, and if the current trend continues it might help improve the late crop, growers said. Exporters bought around eight tonnes of cardamom last week.

They were hoping that the prices may decline, once the arrivals picked up.

However, such a situation is unlikely, market sources said, attributing it to good domestic demand in the coming weeks thanks to festivals, weddings and so on.

Besides, supplies from the only other producer in the world, Guatemala, are unlikely to come this year also, they said.There has also been a significant growth in domestic demand of late, due to changes in lifestyle, food habits and better standards of living, resulting in an upsurge in per capita consumption of cardamom in the country.

However, in order to reduce the demand-supply gap, there has not been a corresponding increase in output in the country, they said. This has helped the price to soar, they added.

Total arrivals during the current season from August 1 to September 26 stood at 1,562 tonnes. Of this, 1,557 tonnes of cardamom were sold.

Arrivals and sales in the same period during the previous season were 1,488 tonnes and 1,452 tonnes respectively. Weighted average price as on September 19 was Rs 1,186.50 a kg, up from Rs 731.35 a kg on the same day last year.

Prices for graded varieties quoted in Kumily in Rs/kg on Monday were: AGEB 1,360 –

1,370; AGB 1,210- 1,220; AGS 1,170– 1,180; AGS1 - 1,135– 1,145. Prices quoted in the local market in Bodinayakannur were AGEB- 1,340-1,350; AGB -1,180-1,190; AGS -1,145-1,160; AGS 1 - 1,110- 1,120. Colour bulk was fetching Rs 1,050-1,100 a kg, traders in Bodi said.

The cardamom-growing tract in the spice district of the country, Idukki, has been receiving good monsoon showers this year, which benefits the crop, growers in Vandanmettu and Kumily said.

According to them, there are chances of a good late crop, if the present conditions prevail.

The prevailing good prices, consecutively for the third season, have boosted the morale of growers who have resorted to good farm management practices, which, in turn, will result in a comparatively good crop this year, official sources said.

Date:28/09/2010 URL: http://www.thehindubusinessline.com/2010/09/28/stories/2010092853151900.htm

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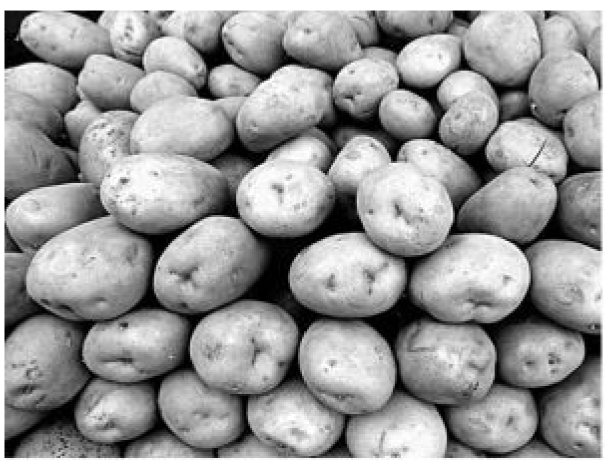
Back **Potato skyrockets on delay in Govt offloading**



Shobha Roy

Kolkata, Sept. 27

Owing to a demand-supply mismatch on the back of a delay in offloading of potatoes held by the West Bengal government, prices have skyrocketed by Rs 200-300 a quintal since last week.

The wholesale price of the tuber (Jyoti variety) was hovering around Rs 750-800 a quintal on Monday, against Rs 500 a quintal last week, according to Mr Patit Paban De, Past President, West Bengal Cold Storage Association.

“The State Government was holding about 18 per cent of the total stock kept in cold storages and the release has not yet started. So there is a temporary mismatch in the demand and supply situation, which has caused the spiralling up of prices,” Mr De told Business Line.

The State Government had procured 9.75 lakh tonnes (lt) through the consumer co-operatives under the West Bengal State Consumers Cooperative Federation (Confed) during this year. It was procured from farmers at Rs 3.50 a kg. The State had produced a bumper crop of about 100 lt this year, which caused prices to fall; the government therefore bought potatoes to prevent prices from crashing.

The State Government had identified two processes to offload the potatoes, one by way of public distribution system and another through trade channel by tendering process. Close to one lt were to be released through the PDS, while about four lt would be offloaded through the tendering process, the State Government had earlier notified.

The offloading of potatoes through trade channel was expected to commence by the first week of October, according to Mr Asim Dasgupta, State Finance Minister.

“We have invited bids for the tendering process. We are currently planning to offload about five lakh tonnes of potatoes through this process, against the four lakh tonnes decided earlier,” Mr Dasgupta told newspersons while speaking on the sidelines of the Annual General Meeting of Bengal National Chamber of Commerce and Industry here on Monday.

The prices were likely to fall by about Rs 200 a quintal once the offloading begins, Mr De observed. “The current rise in prices is only on account of delay in offloading by government, once that takes off prices will come down,” he said.

Date:28/09/2010 URL:
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Back **Profit-booking floors chana**

Our Correspondent

Indore, Sept. 27

Chana that was bearish throughout the day on Monday following rise in futures market crashed further in the evening following profit booking at higher rate.

Chana prices in the spot, which earlier in the morning soared to Rs 2,200 a quintal, plunged to Rs 2,160 at the closure of trading, down Rs 10.

On Saturday also chana ruled high in the morning at Rs 2,200 a quintal. However, by evening its prices declined to Rs 2,170 a quintal with traders shying away from the market at higher rate.

Chana continued to show uptrend in the futures market with October and November contracts on the National Commodities and Derivatives Exchange closing 0.68 per cent higher at Rs 2,268 and Rs 2,315, respectively. Traders hope for a further rise in prices of chana keeping in view lower carryover stocks and rise in demand during the festive season. According to Mr Vimal Jain, a wholesale chana trader, import of substitute peas is hampering the business of desi chana in the country. Compared with other pulse seeds, chana prices continue to be quiet low and in all likelihood, its prices should go up, he added.

On the other hand, Dollar (kabuli) or chickpea showed a marginal improvement with its prices in the spot quoting Rs 50 higher at Rs 4,800-Rs 4,900. About 2,500 bags of Dollar chana arrived in Indore mandi on Monday.

Among other pulse seeds, moong traded lower Rs 3,700-Rs 3,800 a quintal, down Rs 50. Moong's arrival in Indore mandi was recorded at 3,000 bags. Tur quoted Rs 100 up at Rs 3,700-Rs 3,900 a quintal, while Maharashtra white tur quoted Rs 25 up at Rs 3,900-Rs 4,000 a quintal.

Masoor ruled steady at Rs 3,450, while Urad quoted Rs 100-Rs 150 down at Rs 4,200-Rs 4,500 a quintal.

Date:28/09/2010 URL: http://www.thehindubusinessline.com/2010/09/28/stories/2010092853261900.htm

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Back **Retail buying gives sugar a leg up**

Our Correspondent

Mumbai, Sept. 27

Sugar prices on the Vashi wholesale terminal market on Monday shot up by Rs 25-30 a quintal, on the back of fresh demand from retailers, stockists and upcountry buyers. Naka and tender delivery rates also increased by Rs 30-35 a quintal in line with the spot market. Mr Tokershi Dedhia of Surya traders told Business line that “fresh demand from local retailers and upcountry buyers pushed up the market. Maharashtra's mills have sold two rakes of S-grade sugar(about 50,000 bags – each of 100 kg.) to North-East buyers in Rs 2,535-2,540 range. In Uttar Pradesh and Kolkata, prices shot up by Rs 80-50 a quintal respectively."

On Monday, total arrivals in Vashi were about 50-55 truckloads (10 tonnes each) and demand was also at same level, said traders. Mill tender rates were: S-grade Rs 2,530-2,560, M-grade was Rs 2,570-2,610 a quintal.

According to Sugar Merchants Association, spot rate was: S-grade Rs 2,630-2,661 (Rs 2,610-2,641) and M-grade Rs 2,675-2,741 (Rs 2,645-2,726). Naka delivery rates were: S-grade Rs 2,600-2,630 (Rs 2,570-2,590) and M-grade was Rs 2,640-2,690 (Rs 2,600-2,660).

Date:28/09/2010 URL:
http://www.thehindubusinessline.com/2010/09/28/stories/2010092853271900.htm

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Back **Selling pressure crushes edible oil**

Our Correspondent

Mumbai, Sept. 27

Edible oil prices on Monday weak on selling pressure from refineries and limited demand from local retailers. The volume of trade slightly increased due to buying support from stockiest at lower rates. In the Mumbai markets on Monday, total volume was about 900 tonnes. Out of that, Ruchi sold about 200 tonne of soya refined oil at Rs 478.

In palmolein about 200 tonnes were traded as resale in the range of Rs 457-460 and Liberty sold about 500 tonnes of palmolein at Rs 465 for October delivery.

On Malaysia's BMD CPO futures October closed higher by 21 ringgits (MYR) at 2763 MYR, November was up by 33 MYR at 2732 MYR. Indore NBOT soya oil future October was higher at Rs 494.80 after reaching the high of Rs 501.

Mumbai commodity exchange spot rate were: Groundnut oil Rs 865 (Rs 880), Soya refined oil Rs 480 (Rs 480), sunflower exp. ref. Rs 550 (Rs 550), Sunflower ref Rs 600 (Rs 600), Rapeseed ref. oil Rs 572 (Rs 575), Rapeseed expeller ref. Rs 542 (Rs 545), Cotton ref. Rs 505 (Rs 505) and Palmolein was at Rs 465 (Rs 469)/ 10 kg.

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Back **Soyabean farmers may want Rs 20,000/t , says Godrej's Dorab Mistry**

Our Bureau

Mumbai, Sept 27

The size of oilseed crops seems to have become less relevant in determining the price trend as the country's dependence on imports increase with the growing demand.

Speaking at the 14th international conference and exhibition ‘Globoil India 2010', Mr Dorab E. Mistry, Director, Godrej International, said farmers are getting cleverer and their price expectations are getting higher. Oilseed minimum support prices are too low. “We have the peculiar situation that our MSP for soyabean translates to a price of $8.40 a bushel, about 25 per cent below the current world price. If we are to take a price of $11.50 a bushel it would translate to about Rs 20,000 a tonne and I believe that would be a fair price for farmers this year. My guess is that farmers will only bring the soyabean crop to market if and when prices touch Rs 20,000 or higher.” As the economy becomes more prosperous and as the total market expands, stocks will also need rise and higher stocks are not a cause for bearishness. The Government should refrain from imposing stock limits on traders he said and added the market is now sufficiently developed to do its job.

“The Government must be congratulated for desisting from placing any fetters on the export of oilseed extractions. Let us also hope that futures markets will be allowed to be developed and hope we shall not have any ban on futures markets when prices rise,” he said.

For the next oil year starting November, vegetable oil imports will expand further to between 9.3 and 9.5 million tonnes. Import of sun oil will decline due to high prices. Higher soya oil tonnages will depend on the price relationship with palm, said Mr Mistry.

According to Mr Mistry's estimates, the country will import 400,000 tonnes of sunflower oil, 15,00,000 tonnes of soybean oil, 72,00,000 tonnes of palm oil and 2,00,000 tonnes of lauric oil.

Indonesian crude palm oil production was disappointing and the growth is now expected at just 500,000 tonnes for 2010. Hence overall, for 2010, there will be very little or no growth in CPO production. Soya oil supply is expected to increase by about 2.1 million tonnes and rapeseed oil output to be lower by 1.2 million tonnes.

Sun oil supply to be lower by 300,000 tonnes next year, on top of a reduction of 300,000 tonnes in the current year. Cottonseed oil and groundnut oil combine supply may be up 0.5 million tonnes.

“I believe the Indian crushing industry will have a much better year in 2011 because of better local oilseed production and higher meal prices. Prospects for farmers and for plantations all over the world have never been better. They must use these good times to switch to sustainable practices,” said Mr Mistry.

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Back **Farmers don't reap benefits of higher garlic price**

M.R. Subramani

Chennai, Sept 27

Sandeep Patel, a farmer from a village in Mandsour village in Madhya Pradesh, is dumbstruck at the way garlic prices have galloped. He had harvested 6.5 tonnes of garlic in March and sold them at Rs 35,000 a tonne. That is nearly one-fifth of the current price of Rs 1,50,000 being quoted in places such as Indore.

“Last year, I had got Rs 12,000 a tonne for my produce,” he said over telephone from his village.

“No farmer is having garlic that was harvested in March-April. We tend to sell off our produce in four months,” says Patel.

Farmers sell garlic within months of harvest not because they need immediate cash.

“If we hold for a longer period, garlic dries up and becomes light,” he says. The weight of garlic drops as it dries.

“Say if I harvest 50 kg and hold it for over four months, it will dry up and become 30 kg,” he says.

The higher prices, however, are not encouraging farmers like Patel to go in for higher acreage. “We will begin sowing shortly but I will sow in two acres only since I am a small farmer. I will sow wheat in six hectares,” he says.

Trade sources say that stockists in the North are making a killing from the soaring prices. Some of them have become millionaires overnight, they say.

Garlic is grown in Madhya Pradesh, Gujarat, Rajasthan, Karnataka, Tamil Nadu, Maharashtra, Uttar Pradesh and Bihar. Gujarat, Madhya Pradesh and Uttar Pradesh account for over half the country's production.

Trade sources said Indian garlic was now finding its way into China. During April-August, however, over 9,000 of the 13,250-tonnes exported have found their way into Bangladesh.

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Back **Icrisat board approves 10-year plan**

Our Bureau

Hyderabad, Sept. 27:

The Governing Board of the International Crops Research Institute for the Semi-Arid Tropics (Icrisat) has approved its new research strategy for the next 10 years with a focus on inclusive market-oriented development.

The board, which met at Arusha (Tanzania) recently, said the new strategy would help the dryland poor to grow their way out of poverty through better access to markets and other support services. The plan would also focus on providing more stability, security and productivity, allowing the dryland farmers to escape the poverty trap for good.

“The new strategy has four thrusts which are: resilient dryland systems, markets institutions and policies, dryland cereals and grain legumes,” Dr Nigel Poole, Chair of the board, said in a statement here.

“The new research strategy will enable them to multiply their farm productivity and substantially increase their incomes while improving the resilience of their lands and livelihoods,” Dr William Dar, Director-General of Icrisat, said. “We will employ a systems perspective in setting our priorities to ensure that all important issues along the dryland agriculture value chain are addressed. A systems perspective adopts a holistic view, considering the interaction of all components in a farming system with smallholder farmers at the centre,” he said.

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Back **Pepper futures market falls on liquidation**

G.K. Nair

Kochi, Sept. 27

Pepper futures on Monday fell on liquidation by investors after the usual high volatility.

October contract went up as high as Rs 19,600 a quintal and fell to as low as Rs 19,311.

Investors were selling farm-grade pepper held by them at Rs 2-3.50 a kg below the October delivery price, depending upon the quality and area of production, market sources told Business Line. Some buying back of sales also took place.

Buyers from Bihar and Jharkhand bought some quantities at this rate also, they said.

Some inter-State dealers who could not cover from farmers were also buying from the investors so as to cater to dealers and end-users in Tamil Nadu. Small quantities were sold.

October contract on NCDEX dropped by Rs 152 to close at Rs 19,371 a quintal. November and December contracts fell by Rs 132 and Rs 186 respectively to Rs 19,595 and Rs 19,798 a quintal.

Total turnover increased by 1,668 tonnes to 8,699 tonnes. Total open interest moved up by 134 tonnes to 16,414 tonnes. October, November and December open interest moved up by 41 tonnes, 73 tonnes and 18 tonnes respectively to 12,790 tonnes, 2,705 tonnes and 735 tonnes.

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Back **Weak demand pulls down Kochi dust prices**

Our Bureau

Kochi, Sept 27

Despite fall in arrivals, subdued demand pulled down dust tea prices at Kochi tea auction. There were 9,56,500 kg of dust and 1,88,000 kg of leaf tea on offer at the auction. The CTC dust market opened lower by Rs 3-5 and fell further as the auction progressed.

The fall in prices of medium and plain CTC teas was much less than premium dust grades. AVT, Tata Global and Kerala State Civil Supplies Corporation participated in the auction. Hindustan Unilever and most of the exporters were subdued. Export enquiry for Egypt was absent at the CTC dust auction. At the orthodox dust auction, high-grown grades were dearer. Exporters operated on medium grades.

Leaf Auction

Better demand was witnessed at the orthodox leaf auction. As buyers chased quality, all teas of Nilgiri origin were firm to dearer. Secondaries also followed a similar trend. Shippers to Russia were active along with traditional exporters. Fannings, broken and whole-leaf orthodox grades were absorbed by Hindustan Unilever. Exporters to Tunisia were also fairly active. Broken grades were irregular at the CTC leaf auction while fannings were barely steady.

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Back **Jeera falls on weak export demand**

Our Correspondent

Rajkot, Sept 27 Sluggish demand from exporters' pulled down the price of jeera over Rs 150-200 a quintal. Domestic demand was slack.

On the National Commodity and Derivatives Exchange, jeera October futures dropped Rs 157 to Rs 13,752 a quintal with an open interest of 10749 lots, November futures fell Rs 244 to Rs 13,777 with an open interest of 10,884 lots. In the Unja mandi, spot jeera was traded at Rs 2,025-2,652 for a 20 kg, down by Rs 40-60.

Jeera futures extended the loss on weak export demand and sluggish spot demand. The export demand does not seem to be picking up.

According to analysts, arrivals and stocks are low. It will help market to go up. According to Angel commodities, prices in the international market of Syrian origin are being offered at higher rates than Indian origin. Indian origin is being offered at $3,000/tonne and Syrian jeera is being offered at premium at $3,300/tonne. .

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Back **Green mission**

– Ritu Raj Konwar

Pillars of rural economy: Farmers harvest bamboo in Karbi Anglong district of Assam. Karbi Anglong district is the largest producer of bamboo in the State. The climatic conditions of Assam are ideal for large-scale production of high-quality bamboo. According to experts, bamboo produced in Assam is more sturdy and of better fibre. Assam produces three lakh tonnes and 34 species of bamboo a year, which is 16 per cent of the country's total production. Two-thirds of it is exported to other States.

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Back **Volatile futures drive up spot turmeric**

R. Sundaram

Erode, Sept. 27

Spot turmeric prices improved due to in futures. Both demand and sales of turmeric were encouraging.

At the Erode Turmeric Merchants Association sales yard, the finger variety was sold at Rs 10,506 to Rs 14,767 a quintal on Monday. The root variety fetched Rs 10,506 to Rs 14,869. Of the 1,412 bags that arrived, 615 bags were sold. In the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety was sold at Rs 14,069 to Rs 14,939 a quintal and the root variety at Rs 14,319 to Rs 14,766 a quintal. Out of 145 bags, 138 were sold.

In the Erode Cooperative Marketing Society, the finger variety was sold at Rs 14,246 to Rs 14,647 a quintal. The root variety was sold at Rs 14,815 to Rs 14,605 a quintal. Over 800 bags were sold out of the 1,021 bags that arrived. In the regulated market, the finger variety was sold at Rs 14,209 to Rs 14,667 a quintal. This is Rs 92 less per quintal than last week's end-price. The root variety sold at Rs 14,219 to Rs 14,589 a quintal. This is also Rs 140 a quintal less than the price last Friday. But the sales were very encouraging.

Out of 1,757 bags that arrived, 1,607 bags were sold.

In all the places the traders, mainly the bulk buyers quoted high price the opening. “When the market opened the futures turmeric was quoted at Rs 13,900 and gradually started increasing and decreasing. So the prices in the spot market also increased by Rs 100 a quintal. The markets and prices are steady and are showing upward trend in all the three markets in Erode, except the regulated market. In the regulated market, the prices fellby Rs 100 a quintal,” said Mr R.V. Ravi, President, Erode Turmeric Merchants Association.