

# THE HINDU

Online edition of India's National Newspaper

Thursday, September 30, 2010

**Date:30/09/2010 URL:**

**<http://www.thehindu.com/2010/09/30/stories/2010093053950600.htm>**

---

## **Wheat seeds available**

Staff Reporter

COIMBATORE: Tamil Nadu Agricultural University will make available seeds of wheat varieties for sale at the university.

According to a release from P. Veerabhadhiran, Head, Department of Millets, TNAU, the varieties for sale are COW (W) 1 and COW 2. The former one is a bread-type wheat mainly used for making chappathi and breads.

The samba-wheat COW 2 is primarily used as rava. The best sowing time to get maximum yield is from October 15 to November 4. The seed requirement is 40 kg for an acre.

The salient features of wheat varieties are that they require minimum water, crop duration is 110 days, yield potential is 4,000 to 5,500 kg for 2.5 acres, and no incidence of pests or diseases.

Since the demand for wheat is growing, a higher price can be realised in the market. Also, wheat can be grown very easily in the plains with lower inputs.

Contact

Those interested can contact Head, Department of Millets, TNAU, Coimbatore, 641003; or call 0422-2450507. The e-mail address is [millets@tnau.ac.in](mailto:millets@tnau.ac.in).

**Date:30/09/2010 URL:**

**<http://www.thehindu.com/2010/09/30/stories/2010093050900300.htm>**

---

## Interest concessions for non-farm loans

Staff Reporter

ERODE: The Co-operative department has appealed to those who have defaulted on non-farm loans from cooperative banks to repay the loans within November 15 this year to avail interest concessions under a special scheme announced by the State government.

According to a press release, the government had announced that the concession was available for loans on which the last due was to have been paid on March 31, 2007.

Under the special scheme, the defaulters would have to pay a simple interest of 10 per cent from the date on which they availed themselves of the loan.

The banks would waive penal interest and other charges. Instructions in this regard had been given to the banks. Over 4,000 borrowers in the district had defaulted on non-farm loans to the tune of Rs. 30.70 crore.

Of them, over 3,600 persons had obtained the non-farm loans from the primary agricultural co-operative credit societies in the district, the release said.

If all the defaulters in the district paid their loans under this scheme, they would become eligible to avail themselves of interest concessions to the tune of Rs. 12.45 crore, Joint Registrar of Co-operative Societies S. Babu said.

### Instalments

Borrowers could repay the loan in instalments or full payment within November 15, he added. The department had asked the borrowers to approach the co-operative banks to learn more about the scheme.

**Date:**30/09/2010 **URL:**

**<http://www.thehindu.com/2010/09/30/stories/2010093060310700.htm>**

---

## Farmers flay plan to fix meters in motors

Special Correspondent

*"Implement the scheme for small, medium farmers at full subsidy"*

Photo: M.SRINATH



**Upset:Farmers staging a walk out from the grievance day meeting in Thanjavur on Wednesday.**

THANJAVUR: Farmers staged a walkout from the monthly grievances day meeting here on Wednesday expressing discontent over the government's attempt to fix meters in agriculture motors.

Sundara Vimalathan of Swami Malai, who led the walkout, said a few months ago, a meeting of farmers from eight districts was convened in Thanjavur to discuss the supply of free motors . Officials had promised to replace the old motors with new ones. But instead they are trying to fix meters to measure the energy consumed. The government should implement the scheme of free motors to small and medium farmers at full subsidy and big farmers at 50 per cent subsidy.

V.Jeevakumar, another farmer from Budalur, said kuruvai cultivation has been completed in 45 per cent of the total cultivable area in the district. Crop is in harvest stage in other places too. But, Direct Purchase Centres (DPCs) of the Tamil Nadu Civil Supplies Corporation have not been opened at many places. He also said the TNCSC should purchase paddy with more moisture content than the 17 per cent moisture content prescribed by the government now. This is necessary as the paddy has been affected in

rain in the district, he pointed out.

Collector M.S.Shanmugham said paddy with moisture content up to 20 per cent would be taken in DPCs. He said kuruvai was raised in 20,852 hectares in the district this year.

Harvest has been completed in 7,842 hectares. On an average, farmers are taking 5,800 kg per hectare as yield. Under System of Rice Intensification Method, a farmer of Ariyapadiveedu village, K.Udhayakumar, has taken 10,100 kg per hectare which is the maximum yield.

Certified seeds for the samba season are being distributed. So far, 923 tonnes have been distributed and another 35 tonnes of seeds are with the agriculture extension centres. Samba cultivation has been completed in 12,827 hectares out of which, System of Rice Intensification Method has been followed in 5,096 hectares.

Fertiliser stock is adequate in the district. There is a stock of 7,845 tonnes of Urea, 5,574 tonnes of Di Ammonium Phosphate, 5,112 tonnes of Potash and 2,450 tonnes of complex fertilisers. C.Suresh Kumar, District Revenue Officer, participated in the meeting.

**Date:30/09/2010 URL:**

**<http://www.thehindu.com/2010/09/30/stories/2010093050720300.htm>**

---

## **Loans for SHG members**

Special Correspondent

VELLORE: A subsidy-cum-loan would be given for the purchase of two milch cows for each member of 10 women's self-help groups (SHGs) selected for the implementation of the Integrated Dairy Development Scheme in Vellore district, according to Vellore Collector C. Rajendran.

Presiding over a district-level review meeting of bankers at the Collectorate here on Tuesday, Mr. Rajendran said that Central government grant would be provided for the purchase of one of the two cows, while bank loan would be provided for the purchase of the other cow by each of the members. Subsidy would be provided for the purchase of

grass-cutting equipment and for setting up sheds.

The Collector reviewed the lending activities and performance of the various banks under schemes such as Prime Minister's Self-Employment Scheme, the schemes of the Tamil Nadu Adi Dravidar Housing and Development Corporation (TAHDCO), the scheme of providing education loans, Vazhndhu Kattuvom Thittam (VKT) and all district-level schemes.

N.P. Rajan, Circle Head, Indian Bank, Vellore; Gopal and Mahapathi, Assistant General Managers (AGMs) of Reserve Bank of India; M. Abdul Rahman, Vellore MP; C. Gnanasekaran, Vellore MLA; A. Chinnasamy, Pernambut MLA; Sheela Rajan, chairperson of the Vellore District Panchayat; K.R. Suresh, AGM, NABARD; Sridharan, Project Officer, Project Implementation Unit, Women's Development Project, Vellore; and Ramakrishnan, General Manager, TAHDCO; participated in the meeting

**Date:30/09/2010 URL:**

**<http://www.thehindu.com/2010/09/30/stories/2010093059190300.htm>**

---

### **"Farmers' enthusiasm needs to be revived"**

Gargi Parsai

NEW DELHI: While Prime Minister Manmohan Singh said the country was close to achieving 3.5 per cent growth rate in the farm sector "but could, and should, do more," eminent agriculture scientist and Rajya Sabha member M.S. Swaminathan pointed out that farmers' enthusiasm today "was not in good shape and needed to be revived."

Dr. Singh was speaking to a distinguished gathering after releasing a book of essays on agriculture — From Green to Evergreen Revolution - Indian Agriculture: Performance and Challenges — by Dr. Swaminathan. The Prime Minister said the country was close to achieving an agriculture growth rate of nearly 3.5 per cent this year despite the challenge of food inflation, as against a "long term average of no more than 2 per cent."

A Core Group of Central Ministers and Chief Ministers had been set up to deal with the

rise in prices of essential commodities and address the issue “without hurting agriculture growth.”

He lauded the role of Dr. Swaminathan in ushering in the Green Revolution and contributing to the processes of nation building. “Our agriculture owes a deep sense of gratitude to him.”

Dr. Swaminathan highlighted the four pillars of agriculture growth as — technology, services, public policy and farmers' enthusiasm. “When the hybrid wheat variety was introduced, Punjab farmers took to it like fish to water and demanded a ‘triple hybrid’ variety. Such was their enthusiasm. But farmers' enthusiasm today is not in very good shape and needs to be revived.”

“Scientists can develop a technology, but whether it reaches farmers will depend on public policy,” he pointed out, while recalling his association with the former Ministers, C. Subramanian and Jagjivan Ram, who rose to the occasion several times to help farmers at critical times of political and social evolution. Dr. Swaminathan profusely thanked N. Ram, Editor-in-Chief of The Hindu, and “ The Hindu family” for giving him permission to publish articles in his book from the annual agriculture review that the newspaper brings out.

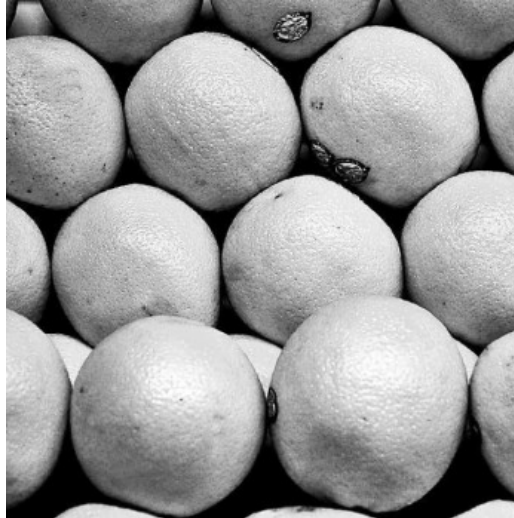
**Date:30/09/2010 URL:**

**<http://www.thehindu.com/thehindu/seta/2010/09/30/stories/2010093050461600.htm>**

---

**Winter drought stress thwarts loss of oranges**

**P.V. SIVAKUMAR**



If oranges' bloom period is delayed using winter drought stress the 'fruitlets' from delayed flowering would be too small to be affected by harvesting late in the season, thus safely extending the mechanical harvesting period.

**Date:30/09/2010 URL:**

**<http://www.thehindu.com/thehindu/seta/2010/09/30/stories/2010093050021700.htm>**

---

### **Decontamination of pesticide residues in food**

We can minimize our exposure to pesticide residues by choosing our foods and taking some simple steps to prepare them.

Wash fruits and vegetables using drinking water to remove any dirt and reduce any traces of certain pesticides.

Water soluble

Many, though not all, pesticides are water soluble and can be washed off under running water. Surface residues are amenable to washing operations. This also reduces the number of bacteria present on the surface of the produce.

Wash vegetables like cauliflower, broccoli, cabbage, spinach and green beans with hot water containing 2 per cent common salt to remove residues and kill the larvae, if any.

Scrub potatoes and carrots if you intend to eat the skin. Scrubbing with a soft brush can help remove contaminants in crevices.

#### Scrubbing

Wash and scrub melons or squash; the rinds are not consumed but rind can contaminate the melon flesh during slicing.

Carrot, bhendi, brinjal, cabbage and cauliflower, can be washed with 1 per cent tamarind solution

Peel and trim fruits like mango, citrus, apple, pear, peach and kiwi and vegetables like gourds to reduce dirt, bacteria, and pesticides, if needed and likely to have high levels of pesticide residue.

Discard outer leaves of leafy vegetables. Drying oven, solar or freeze drying, storage, cleaning, hulling, husking, polishing and grinding of grains degrade the residue levels (hulls of the cereal grains contain majority of the pesticide residues from field treatments).

Steaming and cooking of grains and vegetables eliminate most of the residues.

Juicing of fruits like grapes reduces the residue level. Clarification processes such as centrifugation and filtering further reduce the residues.

#### Soaking

Soaking is fine to loosen dirt and debris, but running water is most effective to remove pesticide residues as well as dirt and bacteria.

Make a diluted form of hydrochloric acid with four tablespoons of salt and juice of half a fresh lime. Soak fruits and vegetables five to ten minutes in it and rinse well.

Trim fat from meat and skin from poultry and fish, since some pesticides residues collect in fat.

Buy organically produced food commodities as far as possible.



DRS. A. SUGANTHI & S. CHANDRASEKARAN *Department of Entomology Tamil Nadu Agricultural University, Coimbatore*

Date:30/09/2010 URL:

<http://www.thehindu.com/thehindu/seta/2010/09/30/stories/2010093050031700.htm>

---

## FARMER'S NOTEBOOK

### Mass production of bio-control agents gaining importance

M.J. PRABU

At present, the farmer earns a net profit of about Rs. 25,000 a month



**NEW AVENUE: P. Samuthiravelu (right) guiding the farmer in his production unit. -  
PHOTO: CENTRAL SILK BOARD**

“Technological advancements in sericulture could convert it from a simple employment generating activity to an attractive and profitable enterprise. However, in the changing world scenario, the sericulture industry is facing challenges of diminishing resources including land, water, manpower, demand of market, ecological threats etc., says Dr. P. Samuthiravelu, Scientist & Head, Research Extension Center, Central Silk Board, Hosur, Tamil Nadu.

"As a result, concepts such as organic farming, mechanization in on-farm and off-farm activities, use of bio-control agents etc. are being actively implemented," he says.

## Critical role

Mass production of bio-control agents by private entrepreneurship is gaining importance for the control of mulberry and silkworm pests.

“It is being given greater emphasis by both governmental and also non-governmental agencies due to its critical role in the sustainability of sericulture.

Though chemical pesticides have been in use for the control of pests as these have been effective, dependable, and economical, their indiscriminate use has resulted in several problems such as development of resistance in pests against pesticides, resurgence of minor pests, toxic residues in food, water, air and soil elimination of natural enemies and disruption of ecosystem and their continued uses may further harm the environment and reduce the crop yield,” he adds.

Mr. S. R. Kannan, basically an sericulture farmer from Arianur ( Kadathur), near Salem town hails from a sericulture background and with a keen interest to earn from sericulture.

## Technical help

He established a bio control unit supported by the technical wing of REC, Hosur. He underwent training at the Central Sericultural Research & Training Institute, Mysore and learned all the techniques on the mass production of biocontrol agents.

“Getting bio inputs for the sericulture industry remained difficult for many sericulture farmers.

I thought I must concentrate in manufacturing and supplying the required bio inputs as not many people were into it. Since it is not a regularly explored area, the chances of me getting a better income proved promising,” says the farmer.

At present, the farmer earns a net profit of about Rs. 25,000 per month. His regular monthly earning is enough to meet out basic requirement of his family besides providing education to his children and other basic family requirements.

## Waste by-product

He is planning to obtain some additional income from his biocontrol unit through the waste by-product from *N. thymus* production which is energy rich waste by-product recovered from his daily production for mulberry leaf quality improvement to sericulture farmers.

“Initially, I invested about Rs 1 lakh for purchasing the plastic trays, plastic boxes, iron cages, stands and feeding materials required for production of biocontrol agents,” he says.

The produced materials are sent by him through couriers as per the farmers demand throughout Tamil Nadu and a part of Andhra Pradesh and Karnataka State wherever necessary in local areas he can supply the materials directly to the farmers.

For further details contact Dr. P. Samuthiravelu, Scientist 'C', CSRTI-Research Extension Centre, Central Silk Board, Door No.5, Chamundi Nagar, Opp. SPIC office, Kelamangalam Main Road, Mathigiri (Post), Hosur-10, Tamil Nadu , e mail: [sc\\_rechsr63@rediffmail.com](mailto:sc_rechsr63@rediffmail.com), and phone 04344 262914.

**Date:30/09/2010 URL:**

**<http://www.thehindu.com/thehindu/seta/2010/09/30/stories/2010093050061700.htm>**

---

FARM QUERY

### **Getting loans**

**Apart from banks is there any other organisation or place where I can get small crop loans for my 3 acres?**

B. Ranganatha Rao Mysore

You can try contacting Micrograam, a company that facilitates micro credit to farmers' at No 427,5th Cross, J P Nagar 3rd Phase, Bangalore: 560078, email:[info@micrograam.com](mailto:info@micrograam.com),Phone: 080-65791390. The company disburses loans from 5,000 to Rs 25, 000 for seed purchase, fertilizer, organic farming etc.

© Copyright 2000 - 2009 The Hindu

## THE ECONOMIC TIMES

29 Sep, 2010, 01.51PM IST,PTI

### **Crude palm oil futures decline on weak global cues**

NEW DELHI: prices declined by Rs 3.60 to Rs 415.30 per 10 kg in futures market today as speculators reduced positions in tandem with a weakening global trend.

A fall in demand against adequate stock positions in spot markets, also weighed on the crude palm oil prices at futures market.

At the counter, crude palm oil for December-month fell by 3.60, or 0.86 per cent, to Rs 415.30 per 10 kg in one lot.

Similarly, the oil for delivery in October-month weakened by Rs 0.90, or 0.21 per cent, to Rs 417.80 per 10 kg in single lot.

Meanwhile, palm oil prices declined lost 1.1 per cent to USD 877 a metric tonne on the Malaysia Derivatives Exchange, a major hub for trading in the oil.

29 Sep, 2010, 01.42PM IST,REUTERS

### **Chana up; guar gains on bargain-buying**

MUMBAI: India's chana futures were up in afternoon session on Wednesday on a likely rise in spot demand in the on-going festival season though estimates of higher kharif pulses production and fresh arrivals weighed, analysts said.

"Chana prices are expected to remain firm in the coming sessions as well... Domestic demand should recover in the festival season. October contract may gain 80-100 rupees per 100 kg in short-term," said Anuj Agarwal, analyst at Nirmal Bang Commodities.

Domestic demand is expected to get a boost due to the coming festivals and marriage season.

Production of kharif pulses in 2010-11 is expected to be 6 million tonnes compared with 4.30 million tonnes the previous year, according to the first advance estimate for summer-sown pulses.

At 1:10 p.m., October chana on the National Commodity and Derivatives Exchange (NCDEX) was up 0.80 percent to 2,270 rupees per 100 kg.

In the Delhi spot market, chana was down 8 rupees at 2,306 rupees per 100 kg.

According to the fourth advance estimates, production of chana in 2009/10 is likely to be 7.35 million tonnes as against 7.06 million tonnes last year, official data showed.

GUAR: India's guar futures were higher on bargain-buying supported by hopes of likely delay in fresh arrivals due to late sowing and thin supplies, analysts said.

The most-active October contract had fallen nearly 2 percent in the last 2 sessions.

In non-irrigated areas guar seed sowing begins after mid-June, when monsoon rains reach Rajasthan, but this year delayed rains pushed back planting.

"Arrivals are expected to get delayed by 10-15 days this season. This is supporting buying in the market. Prices may recover by another 50-80 rupees per 100 kg," said Chowda Reddy, senior analyst at JRG Wealth Management.

At 1:10 p.m., October guar seed on the National Commodity and Derivatives Exchange (NCDEX) was up 1.74 percent to 2,045 rupees per 100 kg.

However, in the long run, estimates of higher production may weigh on sentiment, analysts said.

Guar seed output in Rajasthan is expected to rise to 1.51 million tonnes in 2010/11 boosted by higher area and good monsoon rains, a senior official at the state government's farm department said on Sept. 17.

29 Sep, 2010, 01.40PM IST,PTI

### **Cardamom futures decline on sluggish demand**

NEW DELHI: prices fell by Rs 11.90, to Rs 1,000.20 per kg in futures trading today, as speculators booked profits, driven by a weakening trend in spot markets.

Adequate stock positions at the spot markets following increased arrivals from the producing regions also put pressure on the cardamom futures prices.

At the counter, cardamom for December-month fell by Rs 11.90, or 1.18 per cent, to Rs 1,000.20 per kg, clocked a business volume of one lot. Similarly, the spice for delivery in October-month traded lower by Rs 9.90, or 0.94 per cent, to Rs 1,038.50 per kg, with an open interest of single lot. Marketmen said, continued profit taking by speculators and fall in demand in spot market also put pressure on the cardamom prices at futures market.

# **Business Standard**

Thursday, Sep 30, 2010

### **Export of spices rises 13% in April-August**

George Joseph / Kochi September 30, 2010, 0:38 IST



The export of spices and spice-based value added products during April-August increased 13 per cent in volume and 19 per cent in value terms. The increase in dollar terms was 25 per cent.

According to the latest estimates of the Spices Board, a total of 239,850 tonnes, valued at Rs 2,600.51 crore (\$564.85 million), was exported as against 211,950 tonnes valued at Rs 2,190.50 crore (\$ 450.50 million) in April-August 2009.

The growth in exports slowed during the period as April-May registered an increase of 30 per cent each in volume and value. In April- June, 17 per cent rise was registered in volume and 19 per cent in value terms.

Compared to the export target of 465,000 tonnes fixed for the financial year 2010-11, the achievement of 239,850 tonnes during April-August is 52 per cent in terms of quantity. During April-August, the export of chilli, ginger, fennel, garlic, other spices like tamarind, asafoetida, etc increased both in volume and value.

The export of value-added products like curry powder and spice oils and oleoresin increased too. However, in the case of pepper, cardamom (small), turmeric and mint products the increase was confined only to value.

The spices like cardamom (large), cumin, celery, nutmeg & mace and other seeds like mustard Seed, dill seed, ajwanseed etc. decreased both in volume and value as compared to last year.

Garlic exports were at 13,250 tonnes valued at Rs 49.80 crore registering a 327 per cent rise in volume and 688 per cent increase in value. Export of ginger increased 163 per cent in volume and 111 per cent in value at 4,150 tonnes valued at Rs 27.97 crore.

Around 83 per cent of the yearly target of 5,000 tonnes has already been achieved according to the data. In case of fennel, volume-wise increase was 47 per cent and value-wise it was 73 per cent. Chilli exports were 102,750 tonnes valued at Rs 631.74 crore as against 76,000 tonnes valued at Rs 467.60 crore, registering a growth of 35 per cent in volume and value.

Cardamom, both small and large and nutmeg and mace suffered a setback in the five-month period. Export of large cardamom dipped 82 per cent at just 90 tonnes and that of small cardamom by 33 per cent at 200 tonnes. Nutmeg and mace exports decreased 50 per cent in volume and 22 per cent in value at 725 tonnes valued at Rs 28.06 crore, according to the estimates.

Registering a seven per cent increase, export of curry powder exports were 6,250 tonnes valued at Rs 81 crore. A total of 3,155 tonnes of spice oils and oleoresins valued at Rs 371.95 crore were also shipped during the period, registering an increase of 15 per cent.

### **Sugar futures set for comeback**

**Dilip Kumar Jha / Mumbai September 30, 2010, 0:36 IST**





The Forward Markets Commission (FMC), the commodity markets regulator, may allow re-launch of sugar futures tomorrow with the first revived contract to be made available for trading from November 1.

The Ministry of Agriculture had put the ball in FMC's court. "We are examining various proposals sent to us by the commodity exchanges. We have not discussed the matter even internally, though," said a senior FMC official. The official, however, confirmed that the agriculture ministry had authorised FMC to take the final decision.

The regulator had suspended sugar futures contracts in May last year in anticipation of high speculation on derivatives platforms, as the country was short of sugar in the previous two years. The year 2008-09 saw a total production of 14.7 million tonnes, which is expected to rise to 18.5 million tonnes this year, against the total consumption of 23 million tonnes.

The ban was imposed in May last year for an initial period of seven months ending December 2009. But, it was extended until September 30. As there is no further extension, the ban will automatically expire on October 1.

While FMC Chairman B C Khatua was not in favour of extending the ban anymore, Agriculture Minister Sharad Pawar recently hinted that the final call would be taken after assessing the sugarcane output 2010-11 for the crushing season (October-September). Prices of the sweetener have fallen nearly 33 per cent from Rs 45 a kg early this year to Rs 30 a kg now.

Last month, the regulator said the ban would be reviewed only after watching the progress of the June-September monsoon rain, which is vital for the cane crop.

Meanwhile, all commodity exchanges that were offering futures contract in sugar before the ban, are warming up for re-launch.

"Contracts specifications are ready. After getting it's clear signal from the regulator, we will apply for contracts approval. We think it's a matter of two-three days unless the regulator explores ambiguities in the contract specification and seeks clarifications on them," an MCX official said.

Hopefully, the first contract will be available for traders since November 1. Sugar was one of the key commodities being traded on NCDEX in the pre-ban era.

“NCDEX is also ready with contracts. We are waiting for the regulator to allow us trade in the sweetener. The moment we get regulatory approval, we will start offering trade in sugar,” said Vijay Kumar, chief business officer of NCDEX.

The ministry of food and public distribution, however, had recommended to the FMC to extend the ban on trading of sugar futures till the festive season is over. The ministry had sent recommendations to the regulator to prevent any scope of speculation in the sugar prices at a time when prices of all commodities on an average are ruling high

### **Rains, pests may cause damage to cotton crop**

**Komal Amit Gera / New Delhi/ Chandigarh September 30, 2010, 0:48 IST**

The decision to defer cotton export registration by one month – from October 1 to November 1 – may help the textile companies in the short term because of sufficient availability, but there are concerns on how long that would last.

Arrivals of cotton are uncertain across India with farmers apprehensive about the yield due to inclement weather. The early varieties of cotton from Punjab and Haryana have also been affected by leaf curl virus and tobacco caterpillar.

According to sources in the Punjab Agriculture University in Ludhiana, cotton yield is estimated to be 1-1.5 quintal per acre, against 2-3 quintal in ideal conditions. Cotton crop is not harvested but is picked three to four times a year. However, the sources said the yield may improve during future picking if the weather remains dry.

Pest was reported in 25 per cent of the area under cotton. Farmers who procure spurious Bt seed from Gujarat are more susceptible to this virus. Insufficient sunlight and high moisture content coupled with loss of bolls are likely to affect productivity.

In Maharashtra and Andhra Pradesh the situation is uncertain, said K N Viswanathan of South India Cotton Association. He said the South West Monsoon has withdrawn but the North East monsoon is round the corner and excessive rains can damage the crop.

Andhra Pradesh and Mahrastra are expected to contribute 1.17 crore bales to the total projections of 3.25 crore bales. Punjab and Haryana are expected to contribute 20,00,000 bales. Crop estimates for Gujarat – 98,00,000 bales – may be affected due to extended rain in coastal Saurashtra.

Prices of cotton touched Rs 37,000 per candy (1 candy = 356 kilogram) and registered an increase of Rs 500 in a single day following the decision to extend registration dates for cotton export by one month.

According to members of Confederation of Indian Textile industry (CITI), the industry has sought an extension of cotton exports registration to January 1.

## THE HINDU Business Line

Business Daily from THE HINDU group of publications

Thursday, September 30, 2010

**Date:**30/09/2010 **URL:**

<http://www.thehindubusinessline.com/2010/09/30/stories/2010093051991800.htm>

---

**Back Needed, a global shift in policy on futures trading**

*Too much money chasing limited supplies.*

G. Chandrashekhar

Mumbai, Sept. 29

The assertion of experts from over 75-member states of the UN Food and Agriculture Organisation (FAO) that food price volatility is a major threat to food security is something that policymakers around the world have to consider with due seriousness.

Tracing the reasons, experts have concluded that speculative behaviour and national policy responses (read export embargoes) rather than global market fundamentals have

been the main factors behind the recent escalation of world prices and the prevailing high price volatility.

Among the root causes of the recent food market price volatility is the growing linkage with outside markets, in particular the impact of 'financialisation' on the futures markets.

Experts have recommended further work to address the root causes of price volatility.

### Getting to the root

How does one address the root causes of price volatility? Any student of economics will tell you that when too much money starts to chase limited supplies, prices will rise inevitably. This is exactly what is currently happening in the commodity futures markets.

It is axiomatic that as soon as a mismatch between demand and supply is identified, commodity prices begin to change. If the commodity is in surplus, prices will soften, and if it is in deficit, prices will rise; and the extent of price change will depend on the size of the surplus or deficit.

When speculative capital is introduced in a commodity market with demand-supply mismatch, the market prices change more rapidly and to a different level, often unrelated to the fundamental demand and supply numbers.

### Paper contracts

Speculators do not buy or sell physical goods (which obviously involves huge investment); they simply trade derivatives (paper contracts) by paying a small amount as margin money. Margin trading facilitates and, indeed, fans speculative fervour.

The unfettered flow of speculative capital without the backing of physical goods exerts a disproportionately larger impact on prices. The futures market is the platform that simply encourages huge amounts of paper transactions without the physical backing of the underlying commodity.

Unfortunately, the artificial price rise of commodities on the bourses due to the impact of speculative capital hurts the actual consumers of those commodities by making the

commodity more expensive. In the same vein, it must be stated that the benefit of price rise in the market does not flow to the primary producer — say the grower — who is hardly in a position to benefit from such paper trades.

Currently, such derivatives trading benefits neither the primary producer nor the actual industrial consumer; it merely enriches the speculator who trades on the bourses, often even without knowing anything about the commodity.

#### Avoiding 'financialisation'

Very clearly, in the case of essential food items in short supply, there is great need to avoid financialisation. At the same time, producers, processors, consumers and traders have to make forward purchases and sales. This can be facilitated by encouraging delivery-based forward trading which pre-supposes that all such forward transactions will end up in delivery.

This will ensure that the stakeholders are able to take forward positions and are in a position to plan their production, inventory and marketing activities. Delivery-based forward trading will restrict the flow of speculative capital into commodities in short supply. Simply put, Indian policymakers must ensure we have the facility of forward trading that must end up in delivery which, by itself, will restrict the flow of too much speculative capital.

One must hasten to add that forward or futures trading is no panacea for the ills of the commodity market. In India, our policymakers have forced on us a peculiar situation. There is hardly any attention paid to much-needed reform in the physical sector — primary production, processing, supply chain and distribution. A strong and vibrant cash market or physical trade as well as strict regulatory oversight are pre-requisites for a healthy and beneficial futures market. When will we have them?

**Date:30/09/2010 URL:**

**<http://www.thehindubusinessline.com/2010/09/30/stories/2010093051401900.htm>**

---

**[Back](#) Increasing arrivals, poor offtake pressure edible oils**



Our Correspondent

Mumbai, Sept. 29

Edible oil prices fell sharply on Wednesday with fall of Rs 5-7 in soya refined oil and palmolein, Rs 15 in groundnut oil and Rs 3 in cotton oil.

Local refineries have reduced the rates in line with declining futures. The weak sentiment on Malaysian and Chicago markets weighed on the local market along with the increase of oilseed arrivals at main producing centres.

Malaysia crude palm oil October futures closed 49 ringgits (MYR) lower as CBOT soya oil futures extended losses in Asia. Mr Santosh Bhanushali, a leading broker told Business Line that “lack of demand in the spot market and forward sales by refineries at lower rates in line with foreign markets kept the volume lower.

On Wednesday, in Mumbai market, a total of about 700 tonnes of palmolein was bought by traders directly from refineries. Liberty sold about 400 tonnes and Ruchi sold about 300 tonnes. There was no resale pressure.

“Most of the volume was for October and November delivery.

In spot, month-end poor demand kept volume at bay. Next week, some buying support is expected for Navaratri festival. Groundnut oil and cotton oil continue to decline on higher arrivals at producing centres.”

A commodity analyst said that palm oil production–supply in Malaysia and Indonesia is

expected to rebound during the October-November period.

Moreover, exports from this nation are expected to remain weak in the next two months because of large edible oil stocks in India and China raising the prospect of a build-up in stocks in producer countries at a time when supply is rising.

Pressure of new crop arrivals, weak global markets also weigh on the sentiment, said a local trader.

Malaysia's BMD and NBOT futures: On Malaysia's BMD, CPO October futures closed lower by 49 MYR at 2,710 MYR, November fell by 37 MYR to 2,700 MYR. Indore NBOT soya oil October futures closed lower at Rs 483.50 (Rs 490.50) and November 10 closed at Rs 490.50 (Rs 498.50).

Mumbai commodity exchange spot rates (Rs 10 kg): Groundnut oil 840 (855), soya refined oil 475 (480), Sunflower expeller refined 550 (550), Sunflower ref.ined 600 (600), Rapeseed refined oil 572 (572), Rapeseed expeller refined 542 (542), Cotton refined oil 497 (500) and palmolein 458 (465).

**Date:30/09/2010 URL:**

**<http://www.thehindubusinessline.com/2010/09/30/stories/2010093050562100.htm>**

---

**Back Rains threaten major crops in Karnataka**

---

*All Malnad and coastal districts of the State have received excess rainfall in September.*

---



Rain havoc: A view of a chilli field affected by incessant rainfall in a village in Belgaum taluk.

Nagesh Prabhu

Bangalore, Sept 29

With rain lashing across the State, concerns have cropped up over prospects of various crops, especially at a stage when harvest is set to begin in a couple of weeks.

Even as several districts have received widespread rains for the last few days, the Agriculture Department officials maintained that the impact may not be harsh. Though reports from districts are yet to come, officials said that rain might have damaged crops such as groundnut, red chilli, onion, jowar, redgram, blackgram, cotton, and paddy in the northern and southern districts, particularly in low-lying areas.

“We will know the exact situation only after receiving reports from districts,” the officials said.

#### Excess rainfall

According to the Minister for Agriculture, Mr Umesh Katti, the State has received more than the normal rainfall so far. The State had received 840 mm of rainfall since June against the normal 775 mm, an excess of 8 per cent. All Malnad and coastal districts of the State have received excess rainfall in September. The paddy crop would be harvested in coastal districts in a few days.

“Rain damages to crops are yet to be known. We think the damage may be marginal,” the



officials in the Agriculture Department said.

## Damages

Rain havoc in September end last year in north Karnataka destroyed standing crops on thousands of hectares and farmers are yet to recover from the crop and house damages they had incurred.

In kharif 2010, sowing had taken place on 72.87 lakh hectares against the target of 74.63 lakh hectares, coverage was 98 per cent as on September 25.

The food grain crop coverage is up 5.41 per cent at 48.63 lakh hectares as against the 46.13 lakh hectares covered last year. The tur dal covered on 8.83 lakh hectares against the target of 6.76 lakh hectares. However, the recent rains damaged the crop in Gulbarga, Bidar and other districts.

The State was expecting foodgrains production of 90.94 lakh tonnes, Mr Katti said.

“Damages are highly localised and a few dry spells will improve the situation during the harvesting time,” the agriculture department official said.

A Karnataka State Natural Disaster Monitoring Centre (Ksndmc) official said during the withdrawal of monsoon, thunderstorms would continue for a few more days.

“The rain could be damaging crops if it prolongs for a few more days,” the agriculture department official said. A total of 62 taluks in 11 districts have received excess rainfall in September while 36 taluks in seven districts rainfall was normal.

The Department has distributed 21.56 lakh tonnes of fertilisers against the target of 22.60 lakh tonnes. It has distributed 5.07 lakh quintal of seeds at subsidised prices for 19.18 lakh small and marginal farmers, Mr Katti said.

A sum of Rs. 855.89 crore had been allocated to the Agriculture Department in 2010-11 and Rs. 271.49 crore had been released so far. It had spent 146.26 crore so far (54 per cent).

Date:30/09/2010 URL:

<http://www.thehindubusinessline.com/2010/09/30/stories/2010093053292000.htm>

---

Back AP to get 3 integrated jute parks



Our Bureau

Kolkata, Sept 29

To boost the jute goods market in the country, three jute parks under public-private partnership have been sanctioned under the Jute Technology Mission (JTM) and Scheme for Integrated Textile Parks (SITP) in Andhra Pradesh.

The three parks will come up in Visakhapatnam, Guntur and Mahaboobnagar districts of Andhra Pradesh, according to Mr B. V. Rama Rao, Vice-Chairman and Managing Director, Andhra Pradesh Jute Development Centre Ltd (APJDC) and President of FAPI (Federation of AP Industries).

“Two jute parks sanctioned under JTM will be of 50 acres each and at an investment of about Rs 30 crore for each park, while that under SITP will be spread over 200 acres at an investment of about Rs 100 crore,” Mr Rao told Business Line.

Looking for sops

Mr Rao was in the city recently to meet the Jute Commissioner, representatives of Indian Jute Mills' Association and other mill owners to discuss promotion of the jute industry in Andhra Pradesh and also to urge jute mills in the State to set up their ventures in the proposed jute parks.

“We are requesting mill owners to consider setting up their units in the jute parks as they will stand to benefit from government subsidy on seed and manure purchase as well as power at a subsidised rate,” he pointed out.

The foundation stone for the jute park in Guntur would be laid in November and the commercial operations were likely to begin by January 2011, Mr Rao said.

The other parks were also likely to be operational by the early part of 2011, he added.

The parks would generate employment to 25,000 jobless youths.

APJDC, Mr Rao said, would impart training to entrepreneurs and extend financial assistance, supply raw material and market the products.

**Date:30/09/2010 URL:**

**<http://www.thehindubusinessline.com/2010/09/30/stories/2010093051381900.htm>**

---

**Back Paddy arrivals drop ahead of Govt buying**



Our Correspondent

Karnal, Sept. 29

Paddy arrivals dropped in the Karnal mandi on Wednesday on expectations of procurement by government agencies from October 1 and announcement of bonus. Around 25,000 bags of paddy varieties arrived against the over 40,000 bags that arrived on Tuesday.

Following the sluggish demand in the market, aromatic rice prices have dropped Rs 100 a quintal while the price of non-basmati varieties dropped Rs 25-50 a quintal.

Pusa-1121 (steam) ruled at Rs 5,200-5,250 a quintal, Pusa-1121 (sela) at Rs 4,200-4,300; Pusa-1121 (raw) around Rs 5,250. Pusa (sela) quoted at Rs 3,200-3,300 a quintal and Pusa (raw) at Rs 4,100-4,150. Basmati sela ruled at Rs 6,100-6,150 a quintal, while basmati raw was quoted at Rs 7,100. The Sugandha-999 sela was quoted at Rs 2,700 and PR14 (old) was at Rs 2,200; Sharbati sela at Rs 2,700 and Sharbati steam at Rs 2,850. PR11 sela Rs 2,170, PR11 (raw) at Rs 2,150 and PR (steam) at Rs 2,270 a quintal.

Brokens such as Tibar ruled around Rs 3,700 a quintal; Dubar at Rs 2,500 and Mongra around Rs 2,000. Low arrivals lifted the paddy prices of almost all varieties. PR-13 variety was quoted at Rs 900-960 a quintal; PR-47 was at 1,000-1,050, PR-14 was quoted at 1000-1,060 a quintal while the PR-11 ruled at Rs 990-1,130.

Prices of the Sharbati variety ruled between Rs 1,370-1,480 a quintal while the RS10 variety was at 1,200-1,250. Sugandha-999 prices ruled between Rs 1,300-1,480. Rice millers lifted the new arrival.

According to the forecast by NCMSL, in the global market, rice prices may rule sideways on estimates of higher production and floods in Pakistan. It will remain in the range of \$210-230 a tonne. While in the domestic market, prices may remain in the range of Rs 1,500-1,800 a quintal.

**Date:30/09/2010 URL:**

**<http://www.thehindubusinessline.com/2010/09/30/stories/2010093051501900.htm>**

---

**Back Profit sales cool chilli futures; jeera drops**



NewsWire18

Kochi, Sept. 29

Chilli futures came under selling pressure on profit sales after the gains made in recent past, dealers said.

October chilli fell below 3 per cent to hit intraday low of Rs 4,601 for a 100kg before closing at Rs 4,613, down 2.8 per cent from Tuesday.

November chilli also closed below the 2 per cent initial lower limit at Rs 4,735 from Rs 4,853.

Although chilli futures fell, expectations of steady demand from exporters may help the spice firm up in coming sessions.

Failing to hold gains

Jeera futures failed to hold back gains made earlier in the day on renewed selling, dealers said.

October jeera reached intra-day high of Rs 13,569 a 100 kg before settling at Rs 13,462, down Rs 17 from previous close. November jeera fell to Rs 13,507 from Rs 13,529.

## TURMERIC SLIPS

Turmeric futures came under extended selling pressure earlier in the day before ending mixed due to buying at lower levels, traders said.

October turmeric hit an intraday low of Rs 13,282 a 100 kg before closing at Rs 13,508, up Rs 52 from Tuesday.

November turmeric hit 2 per cent initial lower limit to reach Rs 12,136 before settling at Rs 12,374, down Rs 64.

Turmeric may make gains, taking support from lower carryover stock and resistance by farmers to sell at lower prices, traders said.

Expectations of an increase in output however may limit the gains, they added.

On Thursday, pepper and jeera futures may make slight gains on demand at lower levels, traders said.

Turmeric futures may also benefit from buying at lower levels. — © NewsWire18 Pvt. Ltd. 2010

**Date:30/09/2010 URL:**

**<http://www.thehindubusinessline.com/2010/09/30/stories/2010093051411900.htm>**

---

**[Back](#) Higher supplies crush soyabean, oil prices**



Our Correspondent

Indore, Sept. 29

Soyabean and soya oil continued to witness a downtrend on the back of increased supplies and weak global cues.

Besides, the decline in demand at plant level also contributed to the decline in prices.

State mandis on Wednesday witnessed arrivals of about 2.10 lakh bags against one lakh bags on Tuesday.

In Indore, 2,000 bags of new soyabean arrived on Wednesday and it was quoted Rs 20 lower at Rs 1,850-Rs 1,920. Similarly, plant deliveries of soyabean also plunged Rs 50 to Rs 1,970 - Rs 2,000. Traders attribute fall in prices to better yield of soyabean and its increased inflow in mandis.

Production of soyabean this year has been estimated at 95 lakh tonnes compared with 90 lakh tonnes last year.

According to Mr Dinesh Sahara, Managing Director, Ruchi Soya industries, the country's largest soya unit, sufficient rainfall in soya producing areas of Madhya Pradesh and Maharashtra has improved the prospect of soyabean production this year.

Soya refined oil on Wednesday further slipped by Rs 7 at Rs 455-Rs 458. Similarly, soya solvent also declined by Rs 4 at Rs 427-Rs 431.

Downtrend was also witnessed at the National Board of Trade where soya oil prices after opening at Rs 487, closed at Rs 483 at the close of trading.

**Date:30/09/2010 URL:**

**<http://www.thehindubusinessline.com/2010/09/30/stories/2010093051511900.htm>**

---

**Back Festivals perk up spot castor; futures mixed**



Our Correspondent

Rajkot, Sept. 29

A mixed trend was seen in castor prices during the day with spot price increasing. In the futures market, it increased on Rajkot Commodity Exchange but declined on the National Commodities and Derivatives Exchange.

On the Rajkot Commodity Exchange, December futures increased Rs 3-3,568 a quintal from the previous day's close of Rs 3,565. On the National Commodity and Derivatives Exchange, October futures declined by Rs 21 to 3,820 a quintal with an open interest of 2,580 lots.

In the spot market, castor increased Rs 38 to 3,738 from the previous day.

Arrivals in Gujarat have increased from 1,500-2,000 bags to 3,000-3,500 bags (50 kg each). It is quoted at Rs 740-755 for 20 kg. In the Saurashtra region, about 400 bags of castor arrived and they were quoted at Rs 720-732.

According to market sources, after a sharp decline during last few days, some buying from local parties was seen in the market.

A Rajkot-based trader said: "Export demand may increase in coming days. Demand from the paint industry will add to the trend in view of the oncoming festivals. The market may face some correction after mid-October as some profit booking can be expected."



Date:30/09/2010 URL:

<http://www.thehindubusinessline.com/2010/09/30/stories/2010093053372000.htm>

---

[Back](#) Levy obligation of sugar mills cut to 10%



Mr Sharad Pawar

Our Bureau

New Delhi, Sept 29

The Centre has decided to revert to a 10 per cent levy sugar obligation on mills from the new 2010-11 crushing season (October-September).

During the 2009-10 season, mills were forced to surrender 20 per cent of their production as levy for the public distribution system. The higher levy obligation was imposed following the fall in domestic sugar production.

“We will take 10 per cent as levy sugar for 2010-11 in view of prediction of a bumper crop”, the Union Food and Agriculture Minister, Mr Sharad Pawar, said at the 51<sup>st</sup> Annual Meeting of National Federation of Cooperative Sugar Factories Ltd (NFCFSFL) here on Wednesday.

Decontrol issue

Regarding the issue of decontrol, as demanded by the industry, Mr Pawar said the Centre was “actively considering” the proposal. A final decision will, however, be taken only after

consulting the various stakeholders, including State Governments.

According to the Minister, till two years ago, there was not much enthusiasm for decontrol among the co-operatives.

“I am still not fully sure how co-operatives will manage once decontrol happens. There could be a tendency, for instance, among some factories to sell excess sugar to pay growers high cane prices ahead of elections. You need to be fully aware of the implications,” he told the gathering of cooperative millers.

The NFCSFL President, Mr Jayantilal B. Patel, said that “this is the most opportune time for decontrol”, as the country is set to produce 250 lakh tonnes (lt) of sugar in 2010-11. With 50 lt of carry-forward from the current season, the total availability of 300 lt would more than meet domestic consumption requirements of 225-230 lt.

**Date:30/09/2010 URL:**

**<http://www.thehindubusinessline.com/2010/09/30/stories/2010093050802100.htm>**

---

**Back Pepper futures recover on buying support**

G.K. Nair

Kochi, Sept. 29

Pepper futures moved up slightly on some buying support after high volatility in October.

Investors sold farm-grade and validity-expired stocks held by them at Rs 2 to Rs 3.50 a kg below the October contract price and bought back their sales on the exchange.

Good quantities were traded to different directions. Exporters and inter-State dealers are said to have bought good quantities. Dealers from the primary markets who could not cover from the growers in the plains and the high ranges also covered good quantities of farm-grade pepper from the investors for moving out to Tamil Nadu and other destinations in north Indian markets from there, trade sources said.

“Today's sales might help the market to stabilise in the coming days,” market sources told

Business Line.

## Contracts

October contract on NCDEX moved up by Rs 65 to close at Rs 18,841 a quintal.

November and December were up by Rs 103 and Rs 120 respectively to close at Rs 19,035 and Rs 19,259 a quintal.

Total turnover dropped by around 37 per cent or 6,697 tonnes to close at 11,470 tonnes.

Total open interest declined by 126 tonnes. October open interest fell by 296 tonnes while that of November moved up by 173 tonnes and December declined by three tonnes.

Spot prices on matching demand and supply remained unchanged at Rs 18,700 (un-garbled) and Rs 19,200 (MG 1) a quintal.

Indian parity in the international market was at \$4,425 a tonne (c&f) while other origins were reportedly firm.

However, traders alleged that Indonesia might quote lower rates for prospective buyers to trade directly while giving higher rates to the brokers.

**Date:30/09/2010 URL:**

**<http://www.thehindubusinessline.com/2010/09/30/stories/2010093053352000.htm>**

---

**Back Higher volume on offer at Coonoor tea auction**

P. S. Sundar

Coonoor, Sept 29

A volume of 12.5 lakh kg will be offered at Sale No: 39 of the auctions of the Coonoor Tea Trade Association to be held tomorrow and Friday, reveals an analysis of the listing by brokers. It is 86,000 kg more than last week's offer, and as much as 1.66 lakh kg lower than the offer this time last year.

Of the 12.5 lakh kg on offer, 8.62 lakh kg belong to the leaf grades and 3.88 lakh kg

belong to the dust grades. As much as 11.94 lakh kg belong to CTC variety and only 0.56 lakh kg, orthodox variety. The proportion of orthodox teas continues to be low in both the leaf and dust grades. In the leaf counter, only 0.27 lakh kg belong to orthodox while 8.35 lakh kg, CTC. Among the dusts, only 0.29 lakh kg belong to orthodox while 3.59 lakh kg, CTC.

In the 12.5 lakh kg, fresh tea accounts for 11.19 lakh kg. As much as 1.31 lakh kg comprise teas remaining unsold in previous auctions. "It is imperative that more teas are sold, for which aggressive promotion is required. We have enquiries from the CIS, Pakistan and Egypt for select grades, but more participation from upcountry buyers must be enlisted to ensure that price fall is arrested," Dr S. Ramu, President, Nilgiri Bought Leaf Tea Manufacturers' Association, told Business Line.

**Date:30/09/2010 URL:**

**<http://www.thehindubusinessline.com/2010/09/30/stories/2010093053342000.htm>**

---

### Back Cotton exports postponement hailed

New Delhi, Sept 29

The Confederation of Indian Textile Industry (CITI) has welcomed the Government's decision to defer export of cotton from the new crop by a month to November 1. In a statement, Mr Shishir Jaipuria, Chairman of CITI, also welcomed the "reiteration" that exports would be restricted to the exportable surplus of 55 lakh bales. Global crop estimates Mr Jaipuria said that the estimates of global crop are gradually coming down with the unravelling of the problems that cotton production has faced this year in Pakistan and China. "Similar uncertainties are there in India's crop because of excessive rains in certain areas, and, therefore, the approach to cotton exports should be cautious, especially until firm crop estimates, and a clearer picture of the significantly increasing cotton consumption in the country are available," he said in the statement.