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Wholesale onion prices dip, raises hopes

Staff Reporter

But retail prices topped an eye-watering Rs. 85 a kg in Bangalore yesterday

TOO HOT TO TOUCH?:Suddenly the onion is no longer a poor man's vegetable.

BANGALORE: Speculative fever gripped the onion trade on Tuesday in Bangalore following a sharp decline in prices as a significant section of the buyers kept away, hoping that the slide will continue. However, retail markets in the city continued to remain buoyant, unmoved by the turmoil in the wholesale business.

Trade sources speculated that the Union Government's order banning onion export, issued on Monday, may have played a role.

Dappa, first quality onions, traded between Rs. 2,000 and Rs. 2,500 per bag (of 50 kg) on Tuesday, a decline of about 20 per cent over Monday's prices. Prices of other grades — gulti (very small), golta (small) and medium, also declined significantly. Gulti, generally regarded as the cheapest quality onions, traded between Rs. 600 and Rs. 800 per bag, compared to Rs. 800-1,000 on Monday.

Hoping for a fall

Traders reported a fall in prices as soon as the market opened on Tuesday. Venkappa T., a trader in the Yeshwantpur market, the biggest onion trading centre in the State, said: “Buyers [willing to gamble], waiting for prices to slide further, kept away from making purchases.” Prices are likely to stabilise “in a day or two”.

“Prices,” he said, “are likely to remain high till February because of the shortfall in the crop this year. Even if and when they do fall, retail prices may not fall below Rs. 35-40 per kg,” he warned.

A trader told The Hindu that prices may well drop by 25-30 per cent in a few weeks. “Unlike food grains, onions cannot be stored indefinitely, which means that hoarders will bring them to the market soon,” he said. The last episode of a similar spike in prices was in 1995-96 when prices ranged between Rs. 2,600 and Rs. 3,000 per bag.

Meanwhile, market sources said the Maharashtra consignment started arriving in Bangalore on Tuesday. “As the harvest in Karnataka almost coming to an end, it is now the season for onions from Maharashtra. Prices in the future will depend on the quantum coming from there,” a trader said.

Despite, the sharp decline in the wholesale market, retail prices in Bangalore continued to remain high hovering between Rs. 65 and Rs. 85 a kg.

At Hopcoms

Prices at Hopcoms, the biggest vegetable retail chain in the city, were Rs. 78 a kg for big onions and Rs. 76 for medium sized. Hopcoms is offering ‘economy' grade at Rs. 60 from Wednesday to help its customers.

Sources in Hopcoms said retail prices are unlikely to come down immediately, and prices may decline only after January first week.

“It is so difficult to procure onions, as sellers are refusing to sell on the basis of grading. We get it in bulk and grade them later.”

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Tamil Nadu - Coimbatore

TNAU suggests measures to combat pest and disease

Staff Reporter

Farmers can contact the Heads of Agricultural Entomology and Plant Pathology

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COIMBATORE: Tamil Nadu Agricultural University has suggested some pest and disease control measures to face the situations that may get manifested due to change in weather, especially high rain, low temperature and high relative humidity.

To combat the prevalence of Papaya mealy bug, the university has asked farmers to approach the nearest research station or college of the university to obtain the Acerophagus papaye parasitoid free of cost.

Other major pests like leaf folder, brown plant hopper, green leaf hopper, sucking pests like aphids, whiteflies, leaf miner damage, leaf spot, wilt and stem rot, leaf blight and basal rot, rhizome rot, panama wilt, and downy mildew can occur in rice, cotton, groundnut, onion, turmeric, banana, grapes and maize.

Farmers are asked to set up light traps, yellow sticky traps, and pheromone traps to attract and kill the adult pest population.

They can also drain excess water in rice, turmeric, tapioca and other crop fields to reduce pest and disease. Neem seed kernel extracts are suggested for managing pests when they are in the early stages.

The major diseases in paddy such as blast, brown spot, bacterial leaf blight and sheath rot can be managed by spraying tricyclazole, a combination of carbendazim and dithane, copper hydroxychloride and propiconozole, respectively.

Farmers can contact Head, Department of Agricultural Entomology, and Head, Department of Plant Pathology, of TNAU, for pest and disease control or management in various other crops.

For details, call 0422-6611214 / 6611226.

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Back

Other States - Rajasthan

President to inaugurate agriculture conference

Special Correspondent

JAIPUR: President Pratibha Patil will inaugurate the fifth All-India Krishi Vigyan Kendra Conference-2010 at Mohanlal Sukhadia University auditorium in Udaipur this Wednesday. The three-day conference is expected to take some major policy decisions in connection with agricultural research.

The theme of the event will be “Development of entrepreneurship among farmers” and programme coordinators of 589 Krishi Vigyan Kendras across the country, Vice-Chancellors of 45 agricultural universities, Planning Commission officials, agricultural scientists and progressive farmers will attend.

The Indian Council for Agricultural Research and Maharana Pratap Agricultural University, Udaipur, are jointly organising the conference.

In addition to seven technical sessions at the conference, an exhibition on entrepreneurship in agriculture will also be organised.

According to an official release here, Union Agriculture Minister Sharad Pawar, Union Rural Development Minister C. P. Joshi, acting Rajasthan Governor Shivraj Patil and Rajasthan Chief Minister Ashok Gehlot would also attend the inaugural session.

Ms. Patil will visit Udaipur for a day to inaugurate the conference. She will also give away the Krishi Vigyan Kendra awards and felicitate select farmers for their agricultural innovations.

The President will meet erstwhile Udaipur ruler Arvind Singh Mewar at City Palace after attending the conference. She will leave for Mumbai by a special aircraft of the Indian Air Force in the afternoon.

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Free distribution of saplings soon

P.Oppili

Educational institutions and resident welfare associations can take 100 or more saplings each

— Photo: A. Muralitharan

Green charm:The saplings lined up at the Forest Extension Centre nursery in Nanmangalam.

CHENNAI: A total of 16,800 saplings of 15 species are available at the Forest Extension Centre nursery in suburban Nanmangalam for free public distribution.

The centre, belonging to the research wing of the State Forest Department, started raising the saplings since May. The saplings are two to three feet tall. With the northeast monsoon rain on in Chennai and its suburbs, this will be right time to plant them, according to V.Irulandi, Chief Conservator of Forests (Forestry Extension).

The endemic species are: Mandhaarai, Baadham, Poovarasu, Punnai, Mahagony, Teak, Neem, Manjal Konnai, Ayal Vaagai, Rain tree, Murukkan, Bamboo, Tabebea, Sarakkonnai and Neer Marudhu. The department plans to distribute the saplings free of cost to educational institutions, resident welfare associations and individuals too. The educational institution and resident welfare association can take 100 or more saplings each and plant them. “Our only condition is that they should provide proper protection, watering and ensure that the saplings grow in to a tree,” he said.

Several children visit the 3.5-ha campus, which has more than 1,300 trees of 50 endemic species to learn more about the importance of trees. The centre also imparts training to farmers on raising saplings and nursery techniques and vermi-composting. Those interested in getting the free saplings may contact the Assistant Conservator of Forests K. Asokan on 94454-68679, Mr Irulandi added.

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http://www.thehindu.com/2010/12/22/stories/2010122257340300.htm

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Paddy growers' plight to the fore

G. Nagaraja

Cyclone, heavy rain dash their hopes in West Godavari

5-10 p.c. of production loss reported in the first week of Sept.

The financial loss caused by reduction of paddy yield some Rs. 730 crore

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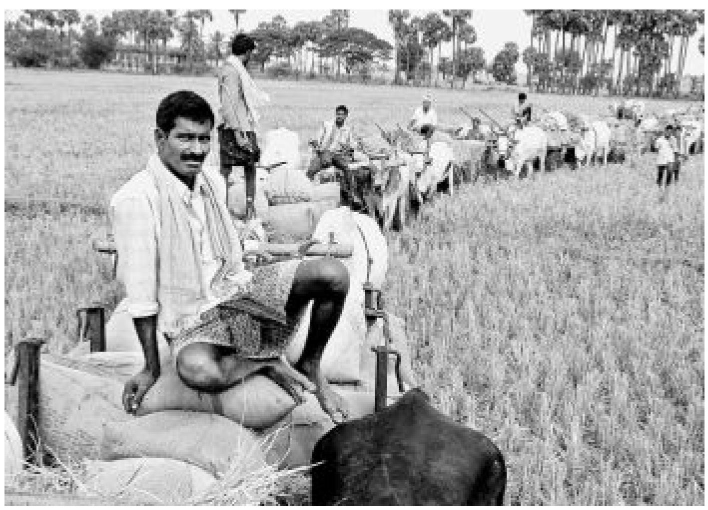

In Trouble: The farmers transport paddy bags in bullock carts for marketing from fields near Unguturu in West Godavari district.

ELURU: The havoc the freak weather conditions wreaked on paddy, the principal crop in the delta-rich West Godavari district, comes to the centre stage in the backdrop of strident protest launched by TDP president N. Chandrababu Naidu and former MP Y.S. Jaganmohan Reddy.

Kharif seemed to be a jinxed season for paddy growers, unfolding a series of cyclones and incessant rain. It was ‘Laila' cyclone which initially struck the farmers in the run-up to the kharif operations, followed by ‘Jal'. The ryots in parts of the district suffered a setback much before transplantation in the form of inundation of seedbeds caused by heavy rain.

Buoyed by what appeared to be a promising Southwest monsoon forecast, the farmers raised the paddy in an extent of 2.52 lakh ha in kharif. The season turned out to be a ‘problem of plenty when the previous rabi was hampered by acute water crisis in the Godavari.

According to a backgrounder prepared by the Department of Agriculture, 5-10 per cent of production loss was reported in the first week of September due to heavy rain when the crop was in the panicle initiation and milking stages. Another 25-30 per cent of loss took place during the last week of October when the crop was in grain filling and maturity phases. Further 25-30 per cent of production loss occurred due to incessant rain from December 5 to 8 as the crop was in grain hardening and harvesting phases. The latest bout of calamity struck the crop in different forms -- lodging of standing crop, inundation of sheaves and discolouration and sprouting of grains. In the beginning, the paddy production in the district was anticipated to be around 12.50 lakh tonnes with average yield of 5004 kg per ha as the base. As the season came to a close, the final estimates however came down to 5.20 lakh tonnes, a 58 per cent drop in production when compared to the previous kharif. The financial loss caused by reduction of paddy yield by 7.30 lakh tonnes is estimated to be around Rs. 730 crore in the district alone. The payment of crop compensation to the victims apart, the typical nature's vagaries also raised serious marketing problems for the discoloured and sprouted grains with high moisture levels, putting the government in a tight spot.

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‘Pay premium for crop insurance'

Staff Reporter

ERODE: The district administration has asked the farmers to pay premium for crop insurance for the 2010-11 rabi season. Farmers who have cultivated all food and horticulture crops including paddy, millets, sugar cane and banana are eligible to get insurance cover. Those who had taken crop loans are eligible to get a subsidy of 50 percent in the premium. Small and marginal farmers, who did not avail crop loans, are eligible to get 55 percent subsidy in the premium.

According to a press release, the last date for the payment of premium for the paddy farmers, who did not obtain crop loans, is March 15, 2011. Those who cultivated millets, oilseeds including sunflower and various horticulture crops such as chilli, banana, tapioca and onion should pay the premium on or before January 15, 2011. For sugar cane, green gram, black gram, and other dal varieties, the insurance premium should be paid on or before February 15, 2011. Those who cultivated potato should pay the premium on or before April 15, 2011.More information about the crop insurance could be obtained from the agricultural extension centres in respective blocks, the release said.

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‘No need to panic over rhizome rot'

S. Ramesh

No major impact: The extent of damage caused by the rhizome rot in turmeric seemed to be negligible in Erode district.

ERODE: Turmeric cultivated in nearly 100 hectares in Erode district has been affected by rhizome rot.

Officials said turmeric had been cultivated in over 10,000 hectares this year and the extent of damage seemed to be negligible.

Many areas under turmeric cultivation were submerged in water due to rain in October and November and famers expressed concern that the disease might spread.

The disease affects the crop both under the ground and above it.

Leaves turn yellow from the tip to the periphery of leaf lamina. Gradually, the leaves dry up and drop. In the collar region of stems soaked in water, rhizomes turn brown and rotten resulting in death of the plant. The disease was pronounced in a few areas in Gobichettipalayam block after the heavy rain.

Horticulture officials, however, said that only a few areas in the district were affected by the disease and there was no need to worry about a fall in the yield.

“Along with revenue officials and experts from Tamil Nadu Agricultural University, we took up a survey recently and found that only a few patches in Kodumudi, Modakurichi, Bhavani and Gobichettipalayam areas were affected by the disease.

The University had already given instructions to the farmers on how to manage the disease. We do not expect any major adverse impact of the disease on the turmeric crop,” officials here say.

The average yield of turmeric in the district is 20 quintals a hectare.

“We expect a good yield this year too. Farmers who have adopted best pest and water management practices can get around 25 to 30 quintals a hectare,” the officials said. Turmeric prices started showing an upward trend since November last year and touched an all time high of Rs. 16,678 a quintal in the Erode Regulated Market on November 29. This prompted farmers in the district to cultivate the crop in over 10,000 hectares this year. The new crop is expected to hit the market in mid January. The March-April period witnesses a peak and heavy arrival continues through June.

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Forest Dept. comes to rescue of farmers under threat from wild elephants

Staff Reporter

Distributes assistance of Rs. 32 lakh as compensation to 669 farmers from loss of crops

Photos: N. Bashkaran

Compensation:A.K. Ulaganathan (third left), District Forest Officer, gives cheque to a farmer in Krishnagiri district on Tuesday. K. Rajendran (second left) Assistant Conservator of Forests, K. P. Chinnaiyan (left) Ranger, Krishnagiri and R. Ravichandran (right), Denkanikottai, are in the picture. (Right) R. Madheswaran, Forest Ranger, Hosur pointing to the progress of the trench work along the Reserve Forests in Sanamavu village, near Hosur.

DENKANIKOTTAI (KRISHNAGIRI): The Forest Department has distributed Rs. 32 lakh to 669 farmers from 22 villages for crop loss due to wild elephants at Denkanikottai in Krishnagiri district on Tuesday. The compensation was given for the loss incurred by the farmers cultivating crops in the periphery of the Reserve Forests for the last one-and-half years. The compensation varied from Rs. 2,000 to Rs. 5,000.

The cheques were distributed by A.K. Ulaganathan, District Forest Officer, in the presence of K. Rajendran, Assistant Conservator of Forests. Mr. Ulaganathan told the reporters that the Forest Department was taking efforts to minimise the crop loss due to wild elephants.

The department had so far distributed Rs. 89 crore to 2,622 farmers. The department also erected solar fencing to a length of 125 km along the borders of the Reserve Forests in Denkanikottai, Anchetti, Royakottai and Jawalagiri in the district. The department was also taking up measures to dig trenches for about 60 km on the borders of the Reserve Forests.

The work on digging of trench along the Reserve Forests in Sanamavu near Hosur for 15 km has also commenced. The department also planned to keep salt mineral cakes to woo the elephants near the water bodies where the pachyderms regularly visit to quench their thirst.

During the special drive conducted recently, as many as seven illegal weapons (countrymade guns) were seized by the joint operation of the STF, Forest and Police departments, Mr. Ulaganathan said.

R. Ramachandran, Ranger, Denkanikottai and K.P. Chinnayan, Ranger, Krishnagiri were also present during the press conference.

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Onion prices climb; PM intervenes

New Delhi: Onion prices touched Rs.85 a kg on Tuesday in some retail markets even as Prime Minister Manmohan Singh directed officials to hold the prices.

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Bankers asked to step up lending to livestock rearing units

Staff Reporter

ONGOLE: Concerned over spurt in incidence of suicide among distressed farmers, bankers were asked to step up lending under various centrally-sponsored schemes announced by the National Bank for Agriculture and Rural Development in the animal husbandry sector for farmers and others in rural areas.

Making a power-point presentation at a Workshop organised by the NABARD, its Manager (Investment and Credit Department) K.V.S. Prasad wanted the bankers to provide advances for economically viable animal husbandry units under various NABARD schemes during the 11th plan period to benefit farmers and others through allied activities.

He highlighted subsidy and other features of the schemes such as Integrated Development of Small Ruminants and Rabits, modernisation of rural slaughter houses, salvaging and rearing of male buffalo calves, pig development, poultry estates and mother units for rural backyard poultry.

Joint Collector P. Lakshmi Narasimham expressed concern over re-emergence of suicidal tendency among farmers due to vagaries of nature. He urged all public sector banks to motivate farmers to take up economically viable livestock rearing units to reduce the risk involved in farming. NABARD Deputy General Manager Y. N. Reddy spoke. NABARD Assistant General Manager M. P. Naresh Kumar (District Development) moderated the discussion involving bankers, prospective loanees and officials of the State Animal Husbandary department.

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38 centres established to procure discoloured paddy

Moisture level should not exceed 17 per cent, says official

Farmers should make arrangements to transport the produceOpposition parties to lay siege to Collectorate today

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SRIKAKULAM: In the backdrop of agitations by opposition parties over issues concerning farmers, the government has intensified its efforts to please the peasants with a series of measures.The administration has established 38 centres for procurement of discoloured paddy from farmers. The government will pay some Rs.800 per quintal for discoloured paddy. They are likely to get more amount if the farmers mix good and discoloured produce.

District Joint Collector E. Sridhar announced the rules and regulations for procurement of paddy. He said the moisture level should not exceed 17 per cent. Farmers should make their own arrangements to transport the produce to the procurement centres. Farmers were even advised to register their names in advance so that they need not wait for longer time to sell their produce.

Transport charges

“Many farmers are requesting us to pay transport charges. We will take a decision after consulting higher authorities in this regard," Mr. Sridhar said.Opposition parties, which were not satisfied with the measures taken by the government, decided to lay siege the collectorate on Wednesday. Former Minister Gunda Appala Suryanarayana, Telugu Desam MLA Piriya Sairaj and party district in-charge Chowdary Babji alleged that the government had failed to come to the rescue of farmers, who suffered heavy losses due to natural calamities."The government should announce Rs.10,000 as compensation per acre. Otherwise, the agitations will continue. All opposition parties, including the Left parties, will participate in the agitation near on Wednesday," Mr. Babji said.

DECCAN Chronicle On The Web

Published on Deccan Chronicle (http://www.deccanchronicle.com)

Rein in onion prices, PM tells ministers

Dec 22 2010

Dec. 21: Growing consumer concern over spiralling onion prices prompted Prime Minister Manmohan Singh to step in on Tuesday and ask the ministries to take the steps necessary for reining in their prices. He directed them to monitor onion prices on a daily basis.

The PM's intervention came on a day when the government came under sharp attack from the Opposition parties over galloping onion prices that have touched a high of between Rs 70 and Rs 80 per kg in retail market in recent days.However, Union agriculture minister Sharad Pawar told reporters on Tuesday that onion prices would remain high for the next two to three weeks. Union finance minister Pranab Mukherjee said he would talk to the ministries to remove the bottlenecks in the supply chain to facilitate ava-ilability of onion at red-uced rates to consumers.

Source URL:
http://www.deccanchronicle.com/chennai/rein-onion-prices-pm-tells-ministers-998

hindustantimes

Wed,22 Dec 2010

Weather

Chennai - INDIA

Today's Weather

Partly Cloudy

Wednesday, Dec 22

Max Min

29.2o | 20.7o

Rain: 1.0 mm in 24hrs

Humidity: 78%

Wind: Normal

Sunrise: 6:26

Sunset: 17:47

Barometer: 1012.0

Tomorrow's Forecast

Rainy

Thursday, Dec 23

Max Min

27o | 22o

Extended Forecast for a week

Friday	Saturday	Sunday	Monday	Tuesday
Dec 24	**Dec 25**	**Dec 26**	**Dec 27**	**Dec 28**
25o | 20o	26o | 22o	27o | 22o	27o | 23o	27o | 22o
Cloudy	Rainy	Cloudy	Cloudy	Rainy

Business Standard

Wednesday, Dec 22, 2010

BS Reporter / New Delhi December 22, 2010, 0:39 IST

Nafed selling the commodity at Rs 35-40/kg to provide relief to the common man.

A day after onion prices shot up in the national capital and neighboring areas due to reduced supplies, Agriculture Minister Sharad Pawar on Tuesday said that it will take two-three weeks for the onion prices to come down. The government, however, asserted that it has no plans to import onions as of now as that might inflate prices further due to increased hoarding and speculation.

However traders did import consignments from Pakistan as wholesale rates at the biggest producing centre Nashik crossed Rs 70 a kg.

“Onion prices will remain high for the next two-three weeks and the situation is likely to improve only after that. Because of heavy rains in Nashik area substantial quantity of onion has been damaged. Our expectation is that with the arrival from Uttar Pradesh, Gujarat and Madhya Pradesh in the next few weeks, prices will come down”, Pawar said.

Meanwhile, an emergency meeting called upon by the agriculture ministry and the National Agricultural Cooperative Marketing Federation Of India (Nafed) decided to suspend onion exports till mid January and increase the Minimum Export price (MEP) to stabilize domestic prices. Nafed and National Cooperative Consumers Federation of India (NCCF) have also released onions from 25 retail stores at almost half the current market price of Rs 35-40 a kg in Delhi and the National Capital Region to ease supplies.

“We hope the impact, the voluntary suspension of exports, raising of MEP and retail sales by Nafed and NCCF will definitely lead to a correction in prices. We cannot understand reasons for the price rise because there is no major damage of crops,” said Sanjeev Chopra, Misson director, National Horticulture Mission (NHM) in the Ministry of Agriculture. Chopra is also the Managing Director of Nafed.

The Agriculture Ministry further in a press release stated that onion prices , following the steps taken by the government, have declined by 35 per cent and 13 per cent respectively in Nashik (Maharashtra) mandies and Azadpur (New Delhi) mandi while arrivals also picked up marginally.

Yesterday, Commerce and Industry Minister Anand Sharma as well as Nafed Managing Director Sanjeev Chopra had attributed the sudden rise in onion prices to hoarding and speculations. Meanwhile, some traders in north India have started importing onions from neighbouring country Pakistan. As many as 13 truck loads (5 to 15 tonnes per truck) of onion have arrived from Pakistan, a senior official of Customs department in Amritsar had said yesterday.

The landed cost of onion from Pakistan stood at Rs 18-20 a kg.

Pawar highlighted the steps taken by the government to control prices such as suspension of exports till January 15 and more than doubling minimum export price of onion to $1,200 a tonne from $525 a tonne.

“Ban on onion exports should help reduce the prices,” he said.

Onion production stood at around 12 million tonnes in 2009-10 fiscal, out of which 1.9 million tonnes were exported.

In 2010-11, production in the kharif season is estimated at five million tonnes.

Low supplies

Onion supplies further dropped by about 20 per cent in wholesale markets of the national

Capital on Tuesday, but a fall in demand kept the prices at Rs 60 a kg, little changed from previous day.

Against arrival of around 1,020 tonnes of onion yesterday, supply slid to nearly 810 tonnes on Tuesday in the Azadpur market (the Asia's biggest fruit & vegetables market), the General Secretary of Onion and Tomato Merchants Association, Rajendra Sharma, told PTI. There has been a drop in the supply of onion in the last 24 hours in Ghazipur vegetables market too.

High prices in Pak too

Rising import of onion by India has flared up prices of the commodity in Pakistan by 25-30 per cent, which would jack up the cost of new import orders from India, traders said on Tuesday.

"Because of increased import by India, the rates of onion in the domestic markets of Pakistan have also shot up in the range of 25-30 per cent. And these new rates will have bearing on new import orders," Amritsar-based vegetable trader Rajdeep Uppal told PTI.

Vegetable traders imported onion at $400 a tonne (around Rs 18,000 a tonne) from Sindh provision in Pakistan. "The size of crop in Pakistan is also not very huge ... therefore rising demand from India has pushed up the rates, which will result in higher payment for imported onion," he said.

THE ECONOMIC TIMES

Wed, Dec 22, 2010 | Updated 11.07AM IST

22 Dec, 2010, 10.52AM IST,PTI

Turmeric futures gain 2 pc, hit contract high on low supply

NEW DELHI: Turmeric futures prices spurted by 2 per cent to hit contract high of Rs 10,700 per quintal today as speculators created huge positions, due to expected delay in fresh arrivals due to unseasonal rain and depleting stocks.

At the National Commodity and Derivatives Exchange counter, turmeric prices for delivery in April rose by Rs 210, or 2 per cent, to hit contract high of Rs 10,700 per quintal, with an open interest of 4,190 lots.

The spice for delivery in May also went up by Rs 202, or 2 per cent, to Rs 10,320 per quintal, with an open interest of 1,145 lots.

Analysts said a squeeze in supplies, driven by expected delay in fresh arrivals due to unseasonal rains and lower stocks in the market mainly supported the rise in turmeric futures prices.

22 Dec, 2010, 06.16AM IST,ET Bureau

Bulk onion prices crash, retail still high

NEW DELHI: Onion prices crashed in wholesale across Maharashtra, the country's leading onion producing region, but retail prices continued to rise in the rest of the country.

A worried government stepped up efforts to contain prices, as political wrangling began with Bihar Chief minister Nitish Kumar blaming the centre for the skyrocketing price of onions.

Onion prices rose to as high as Rs 85 per kg in some retail markets,

In a letter to the secretaries of Departments of Consumer Affairs and Agriculture, the Prime Minister's office urged immediate action to curb prices, an agency report said.

Finance minister Pranab Mukherjee said he would take up the issue of rising onion prices with concerned ministries to facilitate supply.

Onion prices rose further to Rs 70-80 a kg in retail markets, but fell nearly 33% in Nashik on Tuesday. In the other wholesale markets of Maharashtra also prices dropped sharply.

“It is very unfortunate that onion prices have risen very high... There is a mismatch between supply from mandi to the consumer point,” Mr Mukherjee told reporters.

He said he will talk to the concerned ministries to ensure that supply bottlenecks are removed.

“I hope appropriate steps will be taken ... exports have already been banned," he said. The government on Monday more than doubled the minimum export price to $1,200 per tonne from $525 per tonne for the contracts already approved by the regulating agency NAFED to discourage exports.

But the food and agriculture minister Sharad Pawar said prices are not likely to cool immediately.

"Onion prices will remain high for the next 2-3 weeks and the situation is likely to improve only after that," he said.

Commerce and industry minister Anand Sharma had on Monday attributed the spiralling onion prices to hoarding.

“Price have risen because of hoarding. There is enough stock of onion in the country,” he had said.

22 Dec, 2010, 01.00AM IST, Jayashree Bhosale, Sutanuka Ghosal & Madhvi Sally,ET Bureau

Winter vegetables send chill down home budgets; lower production to blame

PUNE | KOLKATA | CHANDIGARH: Parvati Bait, a domestic help in Pune, has got poorer by at least 20% in the past two weeks. Her employers did not cut her wages. But soaring vegetable and fruit prices are eating into what would have been her savings, and are affecting millions of Indians who were told by policymakers for months that prices would ease after rains.

Rains did pour, and signalled that agricultural produce would jump and ease prices. But monsoon stayed a bit longer than was welcome. Unusual winter in north India is worsening crop prospects, potentially shattering calculations of all — individuals, restaurateurs, packaged food companies and policymakers.

The prices of all winter vegetables have risen by at least a fifth in 15 days, forcing many families to cut consumption to match income and expenses. Prices of onion, garlic, potato, tomato, cabbage and cauliflower, which constitute 80% of India's vegetable basket, have remained stubbornly high.

“If the price of a single vegetable rises, I can avoid using it,” said Parvati Bait. “But the prices of all vegetables are so high that I have no choice but to spend more on them.”

Food price inflation, which eased after peaking at 20% at the turn of the year, is beginning to rear its head again. The jump in prices of vegetables, milk, fruit and rice has led to food inflation rising to 9.46% for the week ended December 4.

Onion, a key ingredient in most preparations, has tripled to Rs 60 a kg. Garlic, another essential in many households, has jumped eight-fold to Rs 250 a kg. “Lower production has been the major reason behind this spurt," said Biswanath Pal, a trader at the Posta market in Kolkata.

The Reserve Bank of India risks missing the 5.5% inflation forecast for the second straight year. "The pace of decline in food price inflation has been slower than expected due largely to structural factors," RBI Governor Duvvuri Subbarao said on December 16. "There is a risk that rising international commodity prices will spill over into domestic inflation. The risk to the Reserve Bank's projection of 5.5% inflation by March 2011 is on the upside."

Food price inflation moderated from an average of 15.7% in the first quarter of fiscal 2011 to 6.1% in November 2010 on expectations of higher production of crops. This prompted policymakers to forecast lower prices even as demand pattern was shifting due to rising incomes. "Indications of softening of food inflation are clearly visible. The outlook is further brightened by the fact that a normal monsoon is predicted this year," Finance Minster Pranab Mukherjee told Parliament on April 28.

But the continuation of rains beyond September in most areas has dented output. The frost in states such as Uttar Pradesh and Punjab is adding to the woes of farmers. "The food cost for the hotel industry has gone up to 40% from 25-30%," said Kamlesh Barot, President, Hotel and Restaurant Association, western India. "We have to absorb this rise as we cannot immediately pass it on to customers. There is no substitute for onion."

The inability of food companies to pass on the costs immediately has had an effect on their market values too. Kohinoor Foods , Vadilal Industries , Anik Industries , Modern Dairies and ADF Foods are trading 2-15% lower than their month-ago prices. "Profit margins of these companies will be under pressure as they will not be able to pass over the entire price rise to customers," said Ambareesh Baliga, Vice-President, Karvy Stock Broking.

Price rise could get worse with global commodities such as copper, rubber and crude oil gaining on economic recovery in the US. With the Indian government determined to pass on higher oil prices unlike in the past, worse days may be ahead. “My vegetable budget has doubled in December, while the hike in petrol prices has put pressure on the whole family budget,” said Mrunal Akolkar, a housewife in Pune.

22 Dec, 2010, 04.57AM IST, PK Krishnakumar,ET Bureau

Higher prices trigger cardamom smuggling

KOCHI: Smuggling of large cardamom has become rampant in the country as prices surge to unprecedented levels. The illegal transit of the commodity from its chief producing regions of Sikkim and parts of West Bengal to Pakistan, the single largest buyer, has hit the exports.

“As a result of the high prices and shortage, large cardamom is being smuggled to Pakistan via Kashmir,” says Mukesh Sindhwani, managing director of Amritsar-based Shivanditta Mal and Company, a leading exporter of the commodity. The company, which annually exports around 500 tonne, has suffered 70% drop in the business.

During the April-October period, India exported 275 tonne, half the quantity that went out in the same period last year. In 2009-10, the total large cardamom export touched 1,000 tonne. “Lower crop has prompted a lot of speculation in the market which is driving the prices up,” said

Bharat, proprietor of exporting firm Laxmi Enterprises.

The wholesale prices have moved up to around Rs 1,000 per kg while the retail prices are hovering around Rs 1,300 per kg. It seems to be going the way of small cardamom which peaked at Rs 1,700 per kg during last season.

Spices Board chairman VJ Kurien told ET that a shortfall in production in the main growing region of Sikkim has led to soaring prices. Climatic change coupled with thrust given to tourism has led to a decline in the crop output. “The interest of people in farming is on the wane and they are after tourism that offers better paying jobs,” Mr Sindhwani said.
Big infrastructure projects are eating into cardamom growing area, a Spices Board official said.

22 Dec, 2010, 04.54AM IST, Rituraj Tiwari,ET Bureau

Mustard farmers expect bumper crop, good price

JAIPUR: Mustard farmers in Rajasthan are expecting bumper crop this year. Extended monsoon coupled with unseasonal rains in last month has created a perfect weather condition for the oilseed crop.

Rajasthan agriculture department’s chief statistics officer Panna Lal told ET that the production will go up due to perfect weather conditions. “The acreage is likely to cross targeted 31.65 lakh hectares. The production is likely to be in the range of 35-38 lakh tonne. Last year, the state produced 25 lakh tonne from 22.15 lakh hectares,” he said.

Rajasthan is the largest producer of the seed in the country, contributing 54% of the production. The total output this year is estimated to cross 70-lakh tonne mark, which is 7 lakh tonne more than last year’s production.

The acreage is also likely to swell from 63 lakh hectares to 70 lakh hectares. “Higher the output, better the availability of seed for crushing. It will initiate some action in the mills, which have suspended crushing due to shortage of seed. Farmers have been holding last year’s output anticipating better prices,” said DD Jain of Rajasthan Mustard Oil Industries Association .

22 Dec, 2010, 04.52AM IST, S Sanandakumar,ET Bureau

Global price rise makes rubber import unviable

KOCHI: Tyre industry’s hopes to import rubber recedes as international prices soars significantly. The industry is, however, of the view that imports could have been contracted earlier if the governmenwet had capped the customs duty on rubber or allowed imports at concessional duty.

The record gains in the past few days have put the international rubber prices at a higher level as compared to the domestic prices. Rising international prices have affected the tyre industry’s import plans as the cost would now be substantially higher. Widespread rains in Thailand , the largest producer, have lifted the rubber prices to an all-time high of Rs 220.60 per kg on Tuesday.

The prices were more or less moving in tandem with the domestic prices till the first week of the current month. Thereafter, the international prices have shot past the domestic prices. The domestic price stood at a record level of Rs 207.50 per kg on Tuesday. Taking into account the high prices and severe shortage of rubber in the domestic market, the tyre industry has been pressing for imports. But the difference of Rs 13 per kg between the two prices has made imports unviable at present.

“It is true that the imports are unviable at present,” Rajiv Budhraja, director general, Automotive

Tyre Manufacturers Association told ET. Since the peak season in rubber lasts till January, imports come in handy from April onwards.

"These imports are contracted in January and February," he said. He said that in the current fiscal (Apr to Dec 15) the domestic prices were higher than the international prices for 117 days and lower for 93 days. "In other words, imports would have been viable for a greater number of days if the government had allowed us to import at a concessional rate of duty," he said.

22 Dec, 2010, 04.46AM IST,ET Bureau

Potato prices to remain volatile on supply constraints

KOLKATA | CHANDIGARH: Potato prices have turned volatile across India due to a mismatch in demand and supply. While prices have come down in northern and western India, prices still remain firm in the eastern part due to crop delays.
Farmers in Punjab are getting Rs 250-300 per quintal for the Pukhraj and Jyoti potato varieties.

In the Jalandhar mandi, prices for a 50-kg packet were ruling at Rs 130-160 on Tuesday while in the retail market, it remained at around Rs 5-7 a kg. In the first week of December, prices were at Rs 600 per quintal. On the contrary, retail price of Jyoti potato is Rs 9-10 per kg in West Bengal while the Chandramukhi variety is commanding a price of Rs 12 per kg.

The Jalandhar Potato Growers Association president Raghubir Singh said that the sudden dip in prices was not expected. “Due to non-availability of railway rakes, traders were unable to send the crop to Guwhati and West Bengal. It ensured a glut like situation in the mandis and resulted in a steep fall in prices,” he said. In the previous year, traders from Punjab had sent more than 20 rakes of potato to the north-eastern states. This year, 12 rakes have been transported.

Government officials said that 20% of the crop has been harvested in Punjab. The prevailing cold weather conditions in northern states is a matter of concern for farmers and traders. “If frost-like situation prevails, the yield loss is expected,” said Mr Singh.

Prices continue to remain firm in West Bengal, the second-largest producer in the country. Potatoes that have been in cold storage are being used to meet the demand in the West Bengal market.

“The cold storage potato was supposed to be offloaded by December 15. But that didn’t happen due to procedural delay on part of the state government. Now the date has been extended by another 15 days and the cold storages are charging an additional Rs 15 per quintal for this period,” said Gautam Sinha, secretary of Greater Kolkata Potato and Onion Merchants’ Association.

At present, cold storages in the state are having an inventory 1.5 lakh-2 lakh tonne potatoes which is being offloaded in the market.

Retail consumers are getting these cold storage potatoes at a price of Rs 9-10 per kg. Potatoes from Punjab and Uttar Pradesh have arrived at the mandis of West Bengal.

Business Line

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Back **Onion may continue to rule high for a while**

Rains wreak havoc on 15-20% rabi seedlings.

Retail prices of onion

	Current*	Week Ago	Month Ago	3 Months Ago	6 Months Ago	Year Ago
Delhi	64	31.0	29.0	23.0	11.0	22.0
Mumbai	44	40.0	35.0	21.0	12.0	22.0
Kolkata	45	36.0	36.0	25.0	12.0	22.0
Chennai	60	35.0	35.0	18.0	12.0	26.0

(Rs/Kg)
Source: Department of Consumer Affairs.

M.R. Subramani

Chennai, Dec. 21

The Union Food and Agriculture Minister, Mr Sharad Pawar, on Tuesday said that any respite for the consumer from onion prices is unlikely for the next three weeks but going by a report of the National Horticultural Research and Development Foundation (NHRDF), the issue of high prices is unlikely to end soon.

Harvesting schedule

A report on onion prospects by the Nashik-based NHRDF said that the harvesting schedule of kharif onion has been affected due to delayed monsoon, inadequate rains and untimely erratic rains in some areas of kharif onion growing states. The onion crop has been affected in Andhra Pradesh and Karnataka due to cyclonic rains at the end of October. In other States such as Maharashtra, Gujarat, Madhya Pradesh and Rajasthan, the crop was affected due to untimely and erratic rains in November. Overall damage to the early planted kharif crop around has been estimated to be 30-35 per cent in Maharashtra, 40-50 per cent in Gujarat, 20-25 per cent in Rajasthan, 30-40 per cent in Madhya Pradesh and 15-20 per cent in Andhra Pradesh and Karnataka.

Arrivals at 15 major producing markets in November and up to December 14 were 35 per cent lower compared with the same period a year ago. This, the report said, confirms the assessment of losses during field survey made by the NHRDF in Maharashtra. Late kharif crop in Maharashtra and Gujarat were also reported damaged by continuous heavy rain to the extent of around 15-20 per cent.

But more concerning is what the report has to say on the rabi crop. The recent rain damaged rabi onion nursery. The loss is 20-25 per cent in Maharashtra, 15-20 per cent in Gujarat, 10-15 per cent in Rajasthan and Madhya Pradesh, and 15-20 per cent in Andhra Pradesh and Karnataka. Overall, damage to the rabi onion nursery is estimated around 15-20 per cent, which may affect the rabi onion production in the country.

Production share

Rabi onion production share is around 60 per cent of the total onion production of a little over 12 million tonnes. Transplanting of seedling starts from January. Harvesting begins from March-end.

Meanwhile, onion prices continued to rule high, though they fell from Monday's high. Prices were quoted at as high as Rs 7,100 a quintal at Umrane in Maharashtra, while in Lasalgaon prices dropped to Rs 4,200 before rising to Rs 5,200, said Mr Rupesh Jaju, an exporter from Nashik.

In Gondal in Gujarat, prices slid to Rs 1,081 for a maund of 20 kg from Rs 1,151 on Monday.

On the other hand, 38 truckloads of onion arrived from Pakistan at Amritsar but agencies reports said prices were beginning to rise in the neighbouring country on account of exports to India.

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Back **Onion soup**

High onion prices have caused governments to fall; yet, no important lessons seem to have been learnt or, if learnt, practised.

“If you have tears, prepare to shed them now”, the Bard famously said centuries ago in his masterpiece Julius Caesar; and that is exactly what Indian consumers of onion are doing right now. With unseasonal rains damaging the crop in Maharashtra and Gujarat, a sudden shortage has hit supplies of the popular vegetable as a result of which prices have soared to unaffordable levels (Rs 60 and above per kilogram) even as there is belief the market could soon test the three digit figure. Given the political sensitivity of onion prices, the government has swung into action by suspending exports. On his part, the Commerce Minister has blamed hoarders for the price rise. These allegations may be politically expedient, but serve little purpose in alleviating consumer misery. It is some relief that onion from Pakistan has started to arrive. The import from across the border will surely have a sobering effect on the market although it is unlikely to meet consumer demand fully in the short run.

While consumers are paying a high price for the humble vegetable of daily use, growers in Maharashtra and elsewhere are facing losses arising out of weather-induced crop damage. Given the poor supply chain, growers are unlikely to reap the full benefit of premium prices the market offers. Be that as it may, the ongoing onion crisis, far from being a one-off affair, is a repeat of similar incidents in the past. High onion prices have caused governments to fall; yet, no important lessons seem to have been learnt, or if learnt, practised. Minimising pre- and post-harvest losses (on-farm and off-farm) through improved supply chain management and investment in appropriate rural infrastructure (including warehouses, cool chambers and so on) is the way forward. State governments have a critical role to play in building capacity among growers to face uncertainties. In addition to strengthening the input delivery system and improving agronomic practices, close monitoring of the weather and initiating appropriate and timely policy measures to prevent major glut or shortage are important.

Meanwhile, newer challenges have arisen. Weather aberrations have become more frequent and more intense as a result of which crops have turned more susceptible to biotic and abiotic stresses. Many crops are threatened by the inexorable phenomenon of global warming and climate change. In particular, a tropical country such as ours is at a greater risk of facing the adverse consequences of climate change. We need to make our agriculture climate-resilient. This calls for investment in research. While all this is in the medium to long term, over the next few weeks — until the next crop arrives — high onion prices are set to make the aam aadmi cry.

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Back **Karnataka's credit potential put at Rs 41,085 cr**

Nabard draws up credit plans for all the 30 districts.

“There is a need to narrow the gap between producer and consumer prices through appropriate marketing support,” said Dr V. Tagat, Chief General Manager, Nabard, Bangalore.

— K. Gopinathan

Thrust for marketing support:Mr S.V. Ranganath (2nd left), Karnataka Chief Seretary, released the booklet, The light of dawn, Village development programme at a State credit seminar, organised by the Nabard in Bangalore. Others from left: Mr Prakash Bakshi, Executive Director, Nabard; Ms S. Meera Saksena, Additional Chief Secretary & DC; Mr P. Vijyay Bhaskar, RBI Regional Director; Mr Dilip Mavinakurve, State Bank of Mysore CMD; Mr Ravi Chatterjee, Syndicate Bank ED.

Our Bureau

Bangalore, Dec 21

The National Bank for Agriculture and Rural Development (Nabard) has estimated a credit flow potential of Rs 41,085.23 crore forKarnataka in 2011-12, an increase of 31 per cent over the previous year.

Speaking at the “State Credit Seminar – 2011-12” here, Dr V. Tagat, Chief General Manager, Nabard, Bangalore, said the bank has created potential-linked credit plans for all the 30 districts in the State.

The share of crop loans formed 45 per cent of the total potential estimated, followed by other priority sector at 29 per cent, agricultural term loan at 18 per cent and non-farm sector at eight per cent.

Dr Tagat said the credit flow to crop loans in 2010-11 was Rs 14,622.37 crore and the potential assessed for financing in 2011-12 was Rs 18,373.51 crore.

The credit flow to water resources sector in 2010-11 was Rs 947.22 crore and the estimated potential in 2011-12 is Rs 847.44 crore.

The cumulative irrigation created under major, medium and minor irrigation touched 34.84 lakh hectares.

Credit flow break-up

The estimated credit flow to various activities in 2011-12 is: land development – Rs 905.94 crore, farm mechanisation - Rs 1,975.62 crore, plantation and horticulture – Rs 1,415.94 crore, forestry – Rs 64.99 crore, dairy development – Rs 668.35 crore, poultry development – Rs 257.62 crore, sheep/goat/piggery – Rs 151.05 crore, fisheries – Rs 134.96 crore, storage godown and market yards – Rs 561.09 crore, renewable sources of energy and waste utilisation – Rs 59.78 crore, and food and agro-processing – Rs 731.98 crore, other activities – Rs 678.93 crore, term loan – Rs 7,553.75 crore, non-farm sector – Rs 3,365.83 crore, and other priority sector – Rs 11,792.11 crore.

Dr Tagat said the agriculture sector faces challenges on various fronts.

On the supply side, the yield of most of the crops has not improved significantly while the scope for increase in the net sown area is limited and the farm size has been shrinking.

“There is a need to narrow the gap between producer and consumer prices through appropriate marketing support,” he said.

Farmers' clubs

The State Focus Paper said there are 5,194 farmers' clubs promoted by banks and NGOs.

Farmers' clubs would be used as business facilitators, business correspondents by banks for wider financial inclusion outreach programme in rural areas.

Mr Prakash Bakshi, Executive Director, Nabard, spoke about the various problems confronting the farm sector and called upon the bankers respond to the grievances by timely delivery of service.

Mr P. Vijaya Bhaskar, Regional Director, RBI, Bangalore, and Mr S.V. Ranganath, Chief Secretary, and top officials of various Government departments attended the seminar.

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Back **Shortage keeps coconut oil at higher level; copra firm**

C.J. Punnathara

Kochi Dec. 21

Coconut oil prices continued to rule steady at last week's highs in Kerala and Tamil Nadu markets. The prices ranged between Rs 80 a kg in Kerala and Rs 79 a kg in Tamil Nadu markets. The shortage in coconut is expected to persist until the end of the current pilgrim season in Sabarimala. But copra arrivals are expected to pick up once coconut arrivals in Sabarimala gets converted into copra and later into coconut oil.

Copra

Currently, millers depend on copra from the NAFED for their coconut oil production. Copra prices are down at around Rs 54-55 a kg in Kerala markets from the earlier highs of Rs 58 a kg, Mr Prakash B. Rao, Director with the Cochin Oil Merchants Association (COMA), said. The markets are holding steady because of the temporary respite from the rains in the coconut growing regions of Tamil Nadu and Kerala.

The advent of the lean season over coconut growing regions of South India, the increased demand during the pilgrimage season in Sabarimala and the changing demand for tender coconut is reducing the availability of coconuts which can be converted into copra, sources in the trade said. There has been a systematic growth in demand for tender coconuts, which has been met from the producing regions of Palakkad in Kerala and southern districts of Tamil Nadu.

Demand for oil

In the absence of industrial demand, the market for coconut oil is likely to hold steady in the coming period. The industrial demand is likely to resurface only towards the end of January when the North Indian market for coconut oil based shampoos and cosmetics revive. The markets are expected to ease only by mid-February when the peak coconut production sets in over South India.

Till then, the trends in coconut oil prices are expected to be guided by the price of other competing edible oils. Despite the onset of the peak production season, the heavy rains and adverse weather conditions seem to have hampered palm oil production in Malaysia. Palm oil prices are quoting at Rs 55 a kg while palm kernel prices are at Rs 80 a kg. If there is further escalation in palm oil and palm kernel oil prices, coconut oil prices are also expected to surge up.

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Tata Chem enters branded pulses segment

Shashi Ashiwal

Food is big market: (From left) Mr R. Mukundan, Managing Director, Tata Chemicals Ltd; Mr Ashvini Hiran, Chief Operating Officer, Consumer Products Division; Mr R. Gopalakrishnan, Executive Director, Tata Sons; and Mr V. Shankar, Managing Director, Rallis India, at the launch of ‘i-Shakti Dals' in Mumbai on Tuesday. —

Our Bureau

Mumbai, Dec. 21

Tata Chemicals has expanded its range of branded retail foods business with its launch of pulses under the name ‘i-Shakti Dals'; the company will sell packaged pulses — toor, moong and urad and chana.

The i-Shakti brand has priced the pulses at between Rs 85 and Rs 100 for a one-kg pack. It will also sell 250 gm and 500 gm packets. Two items — salt and cooking soda — are already sold uner the i-Shakti brand.

National presence

“About 4-5 per cent of pulses sold in India are branded, of which most are regional brands. We are looking at creating a national presence,” said Mr R. Gopalakrishnan, Executive Director, Tata Sons, at a news conference on Tuesday.

Although demand for pulses in the country has increased, the availability has remained static, he said.

India is both the largest producer as well as importer of dal, and the issue of shortage of dals in the country has to be addressed, he said.

Over the next five years, the i-Shakti brand aims to sell 0.5 million tonnes of dals.

For sourcing this, it will bring around 6.3 lakh acres under dals production, benefiting close to 2.3 million farmers, said Mr R. Mukundan, Managing Director, Tata Chemicals.

Phased Roll out

The i-Shakti range of dals will be rolled out in a phased manner and will be initially available in Tamil Nadu, Maharashtra and Gujarat, said a statement from the company. The products will see pan-India presence by the next fiscal, said company officials.

Tata Chemicals has already partnered with the Tamil Nadu and Punjab government for its ‘Grow More Pulses' initiative, which is a public-private partnership platform.

TN, Punjab markets

In Tamil Nadu, urad dal has been introduced to farmers while in Punjab, it was moong dal.

The pulses thus produced were procured and distributed under the ‘i-Shakti' brand.

Tata Chemicals is looking to extend this initiative to the other States as well.

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Back **Bears dominate pepper futures in the last hour**

G.K. Nair

Kochi, Dec. 21

Pepper futures, which were ruling nearly steady for most of Tuesday, dropped suddenly in the last hour by around Rs 450 a quintal on bearish activities.

The bears managed to get into the driver's seat following the liquidation by bulls on Monday, market sources said.

Taking cues from the reported government decision to come down heavily on traders of onion, who trade in other food commodities also, bear operators pulled the market down, they said. “Otherwise, there were no reasons for the decline,” said a source.

New crop has not arrived and availability is confined to expired stocks and that of farm-grade pepper held by investors or dealers.

However, the biting cold in Europe might freeze demand. A similar situation is likely from the US also where the players are preparing for Christmas and New Year holidays, they said.

Domestic demand, which is expected to hold the market, is yet to pick up.

Cold wave conditions in North India might slow down the demand, they said.

January contract on NCDEX fell by Rs 319 to close at Rs 21,751 a quintal. February and March also fell by Rs 345 and Rs 238, respectively, to close at Rs 21,992 and Rs 22,274 a quintal.

Turnover increased by 3,382 tonnes to close at 8,785 tonnes. Open interest declined by 3 (three) tonnes to 12,969 tonnes.

January open interest dropped by 240 tonnes to 11,327 tonnes.

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Back **Cardamom soars on domestic demand**

Supply remains limited due to crop failure.

G.K. Nair

Kochi, Dec. 21

Cardamom (small) prices continued to soar on good demand from investors/dealers amid limited availability, at auctions held last week in Kerala and Tamil Nadu. A rise in domestic demand due to its increased use, in place of large cardamom, supply of which is reportedly squeezed due to crop failure, and in the absence of supply from the lone other source, Guatemala, has pushed up the prices.

According to market sources, there are indications that prices might move up in the coming days. Meanwhile, understanding the pulse of the market, investors in commodities and dealers in north Indian markets were actively covering. However, exporters showed restraint as prices started soaring, they said.

According to them, supply of small cardamom from Guatemala continues to be very thin. Besides, it was quoting prices almost the same as that of the Indian parity, making imports more expensive , they said. They said that demand is likely to increase further, if prices go up in in the coming days.

High prices have reduced the exports of both small and large cardamom. Shipments of small cardamom dropped to 450 tonnes in April-October, from 600 tonnes in the same period last year. The unit value (rate) realised was Rs 1,149 a kg this year, whereas it was Rs 722.57 a kg in April-October 2009, according to Spices Board sources. They told Business Line that shipments of cardamom (large) also fell to 275 tonnes from 550 tonnes in April-October 2009, following short supply and consequent rise in prices to Rs 491.96 a kg in April-October from Rs 150.65 a kg in the same period last year.

The increase has been more than three-fold, they said. According to growers in Idukki district, the fourth round of picking has begun and the peak arrival period of the current season has ended. Hence supply will slow down in the coming days, Mr P. C. Punnoose, General Manager, CPMC told Business Line.

Arrivals last week declined to 345 tonnes from 420 tonnes, he said. The individual auction average from Monday to Sunday last week went up, and was in the range of Rs 1,100-1,225 a kilogram, he said.

Total arrivals at yesterday's auction conducted by the KCPMC stood at 77 tonnes and the entire quantity was sold out. The maximum price fetched was Rs 1,477 a kg and the minimum was Rs 1,002 a kg, he said. The auction average was Rs 1,217.20 a kg, he said.

Arrivals

Total arrivals during the current season from August 1 to December 19 stood at 5,384 tonnes. Of this, 5,275 tonnes were sold.

Arrivals and sales in the same period of the previous season were 5,431 tonnes and 5,290 tonnes, respectively. Weighted average price as on December 19 was Rs 1,186 a kg, up from Rs 794 a kg on the same day, last year.

In Bodinayakannur, the 8mm green colour bold fetched Rs 1,450-1,500 a kg while bulk is being sold at Rs 1,100-1,150 a kg, trade sources told TNS.

The prices for graded varieties in rupees/kg, on Monday, were: AGEB 1,350-1,360; AGB 1,240-1,250; AGS 1,180-1,190; AGS1 1,150-1,160.

The prices quoted in the open market in Bodinayakannur were: AGEB 1,325-1,340; AGB 1,225-1,235; AGS 1,150-1,160; AGS 1 1,110-1,130.

The growing areas received rains on one day last week and weather conditions continue to remain favourable. Good showers in summer, could help improve the late crop, growers said.

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Back **Thin retail orders weaken sugar**

Our Correspondent

Mumbai, Dec. 21

Sugar prices, after rising of more than Rs 130 at mill-level and Rs 100 at ready market in the last four days, ruled weak on Tuesday, with a decline of Rs 10-15 on poor retail demand.

The morale was weak due to month-end poor retail demand. Arrivals in the market were higher at 54-55 truckloads (10 tonnes each) and dispatches to local traders were at about 47-48 truckloads. The volume at mills eased as buying by neighbouring States weakened, said traders.

Speculative build

The Bombay Sugar Merchants Association's Secretary, Mr Mukesh Kuwadia, told Business Line, “The Forward Markets Commission is moving forward to restart the sugar futures trading, but the Bombay Sugar Merchants Association is strongly opposing it.”

Elaborating this, he said, “If Government declared 15 lakh tonnes of sugar quota for a particular month, currently mills are bound to offload that quantity in the market within time frame. But in future trading environment, a handful of people may purchase/ corner from the open market, say, three lakh tonnes of sugar in physical/ready markets and store it in exchanges. That stored quantity will reduce the physical liquidity in the markets. It could be the other way round also. This will lead to artificial shortage of sugar, or any essential commodity. Actually in India there no need of future trading in essential items. Till now neither farmer nor traders, producers are benefited from that.”

On Monday evening 12-15 mills came forward with tender offer and sold about 1-1.10 lakh bags in the range of Rs 2,900–2,940 for S-grade and Rs 2,940–3,000 a quintal for M–grade.According to the Bombay Sugar Merchants Association, spot sugar rates were: S–grade Rs 2,960–3,026 (Rs 2,980–3,021) and M–grade Rs 3,021–3,091 (Rs 3,028–3,091). Naka delivery rates were: S–grade Rs 2,970–3,000 (Rs 2,975–3,010) and M–grade : Rs 3,000–3,050 (Rs 3,010–3,070).

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Back **Poor offtake grinds tur, masur dals**

Indore, Dec. 21

Pulses ruled steady barring masoor and tur dal which declined by Rs 25 and Rs 100, respectivel,y following further decline in demand.

The reasons for steadiness have been attributed to lack of demand in the physical market both from the retailers and bulk traders. Added to this, prospect of good harvest of pulse seeds this year has also added to sluggishness in pulses.

In the spot, chana dal (bold) quoted at Rs 3,000-3,025 a quintal, chana dal (medium) quoted at Rs 2,900-2,925, while chana dal (average) quoted at Rs 2,800 a quintal, respectively.

Moong dal and Urad dal ruled steady on lack of buying interest. Moong dal (chilka) quoted at Rs 4,600-5,200 a quintal, depending upon its quality, while moong mongar quoted at Rs 5,600-5,800 a quintal.

Similarly, urad dal also ruled steady with urad dal (chilka) in the spot quoting at Rs 4,500-4,600 and urad mongar quoting at Rs 6,400-6,600.

On the other hand, masoor dal and tur dal declined with further drop in demand. Arrival of imported masoor in large numbers caused downslide in masoor dal. On Tuesday, massor dal (medium) and massor dal (bold) quoted at Rs 3,550 and Rs 3,750 a quintal, down Rs 25, while tur dal declined by Rs 100 with arrival of new tur in the mandis.

In the spot, tur dal (old) quoted at Rs 5,100, tur dal (new) quoted at Rs 5,400, tur dal (marka) quoted at Rs 5,900, while tur dal (sawa No.) quoted at Rs 4,100 and tur dal (new sawa no.) quoted at Rs 4,800 a quintal respectively.

Chana quoted at Rs 2,350-2,360, masoor quoted at Rs 3,000- 3,025, moong at Rs 3,500-4,200 a quintal, urad quoted Rs 3,500-Rs 3,800 and tur quoted at Rs 2,600-3,000 a quintal.

As compared to previous year, the prices of pulses have gone alarmingly low this year. Similarly prices of urad, tur, masoor and chana have also declined by Rs 1,700, Rs 1,600, Rs 1,750 and Rs 60 a quintal, respectively.

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http://www.thehindubusinessline.com/2010/12/22/stories/2010122250621700.htm

Back **Domestic demand lifts dara wheat**

Our Correspondent

Karnal, Dec.21

Domestic demand lifted the prices of the dara variety of wheat up by Rs 15-20 a quintal, whereas the desi wheat variety witnessed a downtrend at the beginning of this week.

On Tuesday, the prices of dara variety was quoted at Rs 1,230-1,240 a quintal, against the levels of Rs 1,215-1,220 a quintal quoted last weekend.

The prices at retail outlets ruled at around Rs 1,245-1,255 a quintal and the fine quality was quoted at Rs 1,260 a quintal. Only 120 quintals of the dara variety were offloaded at the flour mills in Karnal on Tuesday. Wheat prices at the Narela Mandi in Delhi are ruling around Rs 1,300 a quintal. There is a difference of Rs 70-80 a quintal between the markets of Karnal and Delhi.

Following the thin trading in desi wheat, prices of desi wheat varieties dropped from their upper levels. Prices of the Tohfa variety ruled around Rs 2,450 a quintal, Aaj Tak at Rs 2,350 and Nokia at Rs 2,400 a quintal. A new brand, Bhojan King, was quoted at 2,350-2,400 a quintal.

Prices of dara variety witnessed a drop of Rs 20 a quintal, whereas the desi wheat variety witnessed a price rise of Rs 50 a quintal last week.

Following the uptrend in wheat, flour prices rose marginally by Rs 10 for a 90-kg bag. Flour prices ruled at Rs 1,240 for a 90-kg bag. Chokar prices dropped by Rs 10-15 and were quoted at Rs 575 for a 49 kg bag.

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http://www.thehindubusinessline.com/2010/12/22/stories/2010122250641700.htm

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Back **Groundnut oil steady on branded cos buying**

Rajkot, Dec. 21

Groundnut oil prices ruled steady in the markets here on stable demand. According to market sources, only branded companies are buying, keeping prices steady.

Groundnut oil was traded on Rs 1,270-Rs 1,275 a 15-kg new tin, loose groundnut oil price was quoted Rs 725-Rs 730 a 10 kg. Price of 15-litre tin was Rs 1,165-Rs 1,170.

Edible oil prices declined last week due to absence of fresh local demand and weak reports from overseas markets.

According to traders, demand in groundnut oil is also weak. In Rajkot, groundnut price was Rs 710-Rs 730 for 20 kg. Around 60,000-65,000 bags of 50 kg arrives in a day in Saurashtra region.

Arrivals have decreased almost more than half but lower demand is keeping the prices under leash, said a Rajkot–based trader.

Groundnut oil may decrease in coming days in view of the lower demand. Other edible oil such as cottonseed oil and palm oil also traded lower due to lower demand. People now prefer cottonseed oil instead of groundnut oil.

Price of cotton oil is ruling at Rs 945-Rs 950 for a 15-litre tin.

According to Saurashtra Oil Mills Association, groundnut production in Gujarat is expected higher by 5-6 lakh tonnes at 20 lakh tonnes in 2010-11. Last year it was 14 lakh tonnes.

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http://www.thehindubusinessline.com/2010/12/22/stories/2010122251111800.htm

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Back **Water chestnut**

P.V. Sivakumar

Christmas goody:Baskets of “shingada,” the pistachio water caltrop or water chestnut (Eleocharis dulcis), on sale at Nagole Road on the outskirts of Hyderabad on Tuesday. Priced at Rs 80-100 a kg, known for its crisp inner fruit and sweet flavour, this aquatic vegetable grows along fresh water ponds. The chestnut is abundantly available in winter and its flour is mainly used for making cakes during Christmas and New Year.

Date:22/12/2010 URL: http://www.thehindubusinessline.com/2010/12/22/stories/2010122251141800.htm

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Back **Spot rubber zooms to new peak**

Our Correspondent

Kottayam, Dec. 21

Spot rubber finished firm on Tuesday. The trendsetting Japanese markets continued to explore new highs as heavy rains in major producing countries triggered fund buying amidst tight market conditions.

But the gains in domestic spot were limited as buyers stayed back following the weakness on the National Multi Commodity Exchange (NMCE). Sheet rubber created yet another record at Rs 207.50 (Rs 207) a kg according to traders.

The grade increased to Rs 207.50 (Rs 206) a kg both at Kottayam and Kochi, according to the Rubber Board. Reacting to the current developments in the market, Mr N. Radhakrishnan, President, Cochin Rubber Merchants Association, said that it has become a part of the vicious circle.

Speculators in the international futures increased their prices, while our speculators also enhanced prices simultaneously.

Growers take it for granted that futures prices would become a reality soon. Since the current market prices are lower compared with futures, growers hold the stock which opens the way for further hike in prices.

The January series declined to Rs 210.05 (Rs 212.36), February to Rs 214.92 (Rs 216.76), March to Rs 219.96 (Rs 220.85) and April to Rs 224.20 (Rs 225.41) a kg for RSS-4 on the National Multi Commodity Exchange.

The December futures improved further to ¥ 405 (Rs 218.94) from ¥ 398.1 during the day session and then to ¥ 406.4 (Rs 219.65) a kg for RSS-3 in the night session on Tokyo Commodity Exchange (TOCOM).

Fundamentally, rubber is likely to extend gains, according to reports from Bangkok. Still there are worries over short supplies as rains may continue until early next year till the low-production period sets in. RSS-3 (spot) flared up to Rs 220.60 (Rs 217.45) a kg at Bangkok.

Spot rubber rates (Rs/kg) were: RSS-4: Rs 207.50 (Rs 207), RSS-5: Rs 201.50 (Rs 201), Ungraded: Rs 197.50 (Rs 197), ISNR-20: Rs 202.50 (Rs 201) and Latex 60 per cent: Rs 134 (Rs 134)

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Back **Sunflower arrivals steady in Bagalkot market**

Anil Urs

Dharwad, Dec. 21

Arrivals of kharif sunflower have been steady at Bagalkot, a key oilseed market in North Karnataka. Daily arrival is ranging between 150 and 200 tonnes.

According to trade sources, due to low arrivals sunflower prices are ruling steady between Rs 2,500 and Rs 2,800 a quintal.

Daily arrivals at the Bagalkot market slowed down in November to six tonnes (average price Rs 2,867.83 a quintal), but now in December, it has picked up to touch 53 tonnes and the price quoted is Rs 2,852 a quintal. October arrivals were 330 tonnes (average price Rs 2,496.16 a quintal) and September arrivals stood at 281.05 tonnes (average price Rs 2,252 a quintal).

Due to good rains in September- October in the North Karnataka region, farmers are still busy sowing the crop. The area under Rabi sunflower has expanded to touch 4.5 lakh acres and yield is expected to be around 1.9 lakh tonnes.

PRICE-BASED SOWING

Domestic and Export Market Intelligence Cell (Demic) of Agri-Business Management, University of Agricultural Sciences, Dharwad, has advised farmers to keep in mind the price their produce is likely to fetch them at the time of harvest and then choose the right crop for sowing among the various alternatives available.

Farmers going in for sunflower should also keep in mind the Minimum Support Price (MSP) announced by the Central Government for the crop for this year which is Rs 2,350 a quintal.

According to Demic's price forecasts based on opinions of traders and suggestions of the experienced farmers, the prices of sunflower is expected to be around Rs 2,400 to Rs 2,600 a quintal during January and February in Bagalkot market.

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Back **Bambino to build wheat storage facility**

Our Bureau

Hyderabad, Dec. 21

Bambino Agro Industries, the makers of Bambino brand vermicelli, will spend Rs 20 crore on building wheat storage facilities to face price fluctuations and increase margins. The storage capacity will go up to 5,000 tonnes from the present 500 tonnes, officials said.

The company, which registered a turnover of Rs 201 crore for the financial year ended September 30, showed a net profit of Rs 2.34 crore.

“In order to increase profit margin, we are launching value-added products. As part of this initiative, we are going to enter lifestyle food category. We are targeting specific groups such as diabetics and those suffering from high blood pressure,” Mr Easwara Das, Executive Director of Bambino Agro Industries, said.

Addressing a press conference here on Tuesday, to announce their foray into the instant pasta business, he said the company was carrying out clinical trials on a functional food product that it was planning to release in three months. He said the company was also on the lookout for smaller local brands to expand its portfolio of products. “We have identified a few candidates,” he said.

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Back **Milma's 24-hour retail outlet**

Our Bureau

Kozhikode, Dec. 21

A 24-hour retail outlet of milk and products has been opened here by the Malabar Region Cooperative Milk Producers Union under Kerala Cooperative Milk Marketing Federation Ltd (Milma).

Styled ‘Milma Shoppe', the outlet will sell products including Milma icecream, Milma-Plus, peda, chocolates, mango juice and dairy fresh cakes.

Mr P.P. Gopinatha Pillai, Chairman of Milma Malabar Union, said dealers and individual customers could rely on the Shoppe for their milk-related products requirements.