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## NAFED defers onion imports from Pakistan

Sujay Mehdudia

— Photo: A.M. Faruqui



Protesting in Bhopal on Thursday against the rising prices of onion are (from right) BJP Madhya Pradesh Mahila Morcha president Neeta Pateria; Chief Minister Shivraj Singh Chouhan's wife Sadhna Singh; and BJP Rajya Sabha Member Maya Singh. They demanded bank loans for buying onions.

NEW DELHI: In the wake of a fall in onion prices in the wholesale markets across the country, the National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED) on Thursday said it had deferred imports from Pakistan.

"Earlier, we decided to send our officers to Pakistan for importing 2,200 tonnes of onion. However, as the prices have started declining, we have deferred the onion import plan for the time being," NAFED chairman Bijender Singh told reporters.

NAFED had started imports and written to the State governments, saying it was ready to provide any amount of onions they required. To provide relief to the common man, it had started selling the kitchen staple at Rs. 40 a kg through 25 stores in Delhi. It was also supplying onions to Mother Dairy, DMS, the National Cooperative Consumers' Federation of India Limited and Kendriya Bhandars for distribution through their retail outlets.

Officials said that since the availability had increased in the domestic market, the prices are expected to decline further and it would not be feasible for the NAFED to look for imports now. To rein in the prices, the government suspended exports and abolished import duties on onion.

Secretary, Consumers Affairs, Rajiv Aggarwal said the retail prices were likely to come down shortly after a drastic fall in the commodity's wholesale rates.

The NCCF told the Tamil Nadu government that it was ready to sell medium-grade onion at Rs. 25-30 a kg in the retail market. It was for the State to take the call.

According to data compiled by the Ministry of Consumer Affairs, the average retail price stood at Rs. 51.4 a kg. The highest was reported from Mumbai at Rs. 72, followed by Tiruchirapalli and Itanagar (Rs. 70).

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**<http://www.thehindu.com/2010/12/24/stories/2010122460600700.htm>**

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**Jumbos go on rampaging spree in Therveethi tomato farm**

R. Arivanantham

*Herd destroys over half a tonne of ragi and paddy stocked at agriculture field*



**Huge loss: S. Kalappa, a farmer at Therveethi, near Gamonthotti, in Krishnagiri district with the crates**

Krishnagiri: Farmers near Hosur lost most of their crops to a rampaging herd of 26 wild elephants on Wednesday night.

The pachyderms destroyed nearly two tonnes of tomatoes, harvested and kept in the fields in Therveethi in Gamonthotti panchayat.

Fear has gripped the villagers living near the Sanamavu Reserve Forest, hardly 200 metres away from the Bangalore-Chennai National Highway.

Farmer S. Kallappa suffered the worst, losing most of the 1.5 tonnes of tomatoes he had harvested yesterday to be sent to the market on Thursday.

He said he lost about Rs. 50,000 due to the damage caused to his farm. He had invested about Rs. 60,000 on the crop by pledging his wife's ornaments and had hoped to make a decent profit out of the venture.

The marauding elephants also destroyed over half a tonne of ragi and paddy, respectively, stocked at the agriculture field in Therveethi and Azhiyalam villages.

After damaging the crops in Therveethi in Gamonthotti panchayat, the herd moved on towards the Reserve Forest via the Gobasandhiran and Pannapalli villages, chasing away some villagers who were guarding harvested paddy. Some residents took shelter on

rooftops of houses to escape the wrath of the jumbos.

The brave among the villagers chased the pachyderms, bursting firecrackers and succeeded in driving the herd into the Sanamavu Forests.

Meanwhile, the Forest Department made elaborate arrangements to drive away the elephants. On information of Wednesday night's attack, forest officials rushed to the spot with firecrackers and powerful torch lights to chase away the animals, said Mr. R. Madheswaran, Ranger, Hosur Range.

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**Crop loss in rain: compensate farm workers too**

Special Correspondent

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*Many farm workers have taken land on lease for cultivation*

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Coimbatore: President of Puthiya Tamizhagam K. Krishnasamy has urged the Government of Tamil Nadu to provide compensation for crop loss caused by recent heavy rain to farm workers who had taken land on lease.

Dr. Krishnasamy told reporters that compensation for crop loss should be paid to those who are cultivating the land after taking them on lease and not to the land owners.

The heavy rain that lashed the State recently had caused extensive damage to crops besides loss of cattle. State Government should provide compensation at the rate of Rs. 20,000 an acre to the farming community. Farm workers should be compensated for the loss of job opportunities.

Dr. Krishnasamy criticised the Union Government for its "failure" to combat rise in price of

onions.

He said that the PT would face the elections in AIADMK alliance and take all efforts to strengthen the alliance.

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<http://www.thehindu.com/2010/12/24/stories/2010122462080300.htm>

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## A friend of farmers

Special Correspondent

Photo: M. Periasamy



**The Tree Information Centre at the Institute of Forest Genetics and Tree Breeding in Coimbatore. —**

Coimbatore: The Tree Information Centre at the Institute of Forest Genetics and Tree Breeding (IFGTB) is a helping hand for the farmers in the region offering guidance to them on growing trees.

Director of IFGTB, N. Krishnakumar said that the centre launched recently on the institute premises was for the benefit of farmers and tree growers in the region.

Farmers involved in tree cultivation could obtain information from the centre on agro forestry, medicinal plants, clonal forestry, pest and disease management of tree crops, suitable bio-fertilizers for trees, seed handling and treatment of tree species and soil nutrients.

Henceforth, any help on tree growing is just a dial away or within the reach of the farmers at IFTB campus on Cowely Brown Road.

Farmers could also contact the centre over phone at 0422-2446633 from 9 a.m. to 5.30 p.m. (except Saturday, Sunday and public holidays) for any information regarding tree cultivation.

The service would be provided free of cost and the information would be communicated at the earliest. This is a novel effort initiated by IFGTB to support tree cultivation in Tamil Nadu, Kerala, Puducherry and other States.

The helpline 2446633 for free cultivation would enable scientists to interact with farmers effectively to provide speedy solutions for promotion of tree cultivation.

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**<http://www.thehindu.com/2010/12/24/stories/2010122460400600.htm>**

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**Delay in granting crop loans flayed**

Staff Reporter

*Need for releasing excess water*

Photo: N. Rajesh



**Tale of woe: A farmer speaking at the grievance day meeting in Tuticorin on Thursday.**

Tuticorin: Farmers' grievance meeting was convened here on Thursday.

A group of farmers from Pasuvanathanai of Ottapidaram block raised the issue of delay in providing crop loans to them.

E. Saravanamuthuvel, a farmer, said small farmers, who owned five acres of land and below, were treated partially by employees of the agricultural cooperative society. Crop loans were not sanctioned in time to raise crops.

Small farmers also did not get fertilizers and pesticides through the society.

V. Ganapathi Raman of Masarpatti stressed the need for releasing excess water from Irukkankudi reservoir through proper channel for the benefit of farmers.

The reservoir, located between Ettayapuram and Vialthikulam, would help farmers cultivating dry lands.

He said insurance benefits for affected crops should be extended to farmers.

V. Krishnamurthy, Tamil Nadu Vivasayigal Sangam, said excess water in the Tamirabarani near Murappanad could be channelised to drought prone areas of Kovilpatti, Ettayapuram, Vialthikulam and Ottapidaram blocks.

D. Ravichandran, District Revenue Officer, who presided, said appropriate measures would be taken to solve these problems. A. Dhanasingh David, Personal Assistant to

Collector (Agriculture), was present.

Date:24/12/2010 URL:

<http://www.thehindu.com/2010/12/24/stories/2010122455700100.htm>

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### Costlier onion pushes food inflation up

NEW DELHI: Fuelled by the soaring onion prices, food inflation re-entered the double-digit zone, after a gap of one month. It stood at 12.13 per cent as on December 11.

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<http://www.thehindu.com/2010/12/24/stories/2010122466280100.htm>

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### Onion prices fall in Dindigul wholesale market

Staff Reporter

— PHOTO: G. KARTHIKEYAN



**For less: Onion prices crash in the markets in Dindigul on Thursday.**

DINDIGUL: With the arrival of big onions from Pakistan and a ban on onion exports, wholesale onion market in Dindigul, one of the biggest markets in the State, witnessed a crash in the prices of big onions. However, prices of small onions remained stable.

The prices of big onion that were hovering between Rs.90 a kg (top quality) and Rs.70 a



kg for medium quality last week, came down to Rs.40 and Rs.35 respectively on Thursday, more than half of the prices that prevailed on December 15 and 17. In the retail market, big onion was sold up to Rs.110 a kg last week.

Prices of small onions were oscillating between Rs.45 and Rs.40 a kg owing to destruction of standing onion crop in hundreds of acres.

Unexpected rain shattered big onion production in Karnataka and Maharashtra too, said Rajendran, onion wholesale commission agent.

With sharp increase in exports to Thailand, Indonesia, Sri Lanka and Singapore and other eastern countries, entire old stock of big onions was completely wiped out. Wholesale agents too cleared all old stock expecting new arrivals in the first week of December.

“Yield was massively hit in the district. Farmers, who got 80 bags in one acre last year, could get only 25 bags this year. One farmer had ploughed the onion crops in frustration. Even the price rise did not match yield loss. Wages for agri-labour too shot up to Rs.80 to Rs.100 a day from Rs.50 and Rs.60 last year. Efficiency of single labour too slumped to half. Many abandoned onion cultivation and shifted to other crops,” he added.

Normally, the wholesale market receives onion in large scale from Nilakottai, Sengurichi, Gujiliamparai in Dindigul district and Thuraiyur and Namakkal in nearby districts, major onion production centres. Huge arrival of small and big onions in January alone would make onion affordable to the public, said Marimuthu, another trader.

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**<http://www.thehindu.com/2010/12/24/stories/2010122452670300.htm>**

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### **Onion at Rs. 22 a kg**

CUDDALORE: The Cooperative Department here started selling onion (Bellary variety) at Rs. 22 a kg through its 10 outlets located across the Cuddalore district from Thursday.

Joint Registrar of Cooperatives S.R. Venkatesan in a statement here said the soaring prices of onion in the open market had seriously affected the households. Hence, to

enable them get onion at reasonable prices, the department had started the sale of onions through cooperative outlets from Thursday.

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## Tomatoes going the onion way

Staff Reporter

*The price of the vegetable has increased to Rs. 36 a kg*



**The prevailing price of tomatoes is about 20 per cent more than it was in December last year.**

BANGALORE: Tomatoes seem to be going the onion way. After the high onion prices, which are hovering over Rs. 55 a kg affecting the common man, price of tomatoes jumped on Thursday by Rs. 3 to Rs. 4 a kilo.

Hopcoms, which sold tomatoes at Rs. 33 a kg on Wednesday, increased the price to Rs. 36, owing to the increase in wholesale price. Elsewhere, it ranged from Rs. 32 to Rs. 34 a kg. Price of tomatoes is normally 20 per cent higher in December when compared to other seasons.

## Rain damage

“Rain has damaged tomato crops. Besides the late arrival of dolichos lab lab (avarekayi) has kept the demand on tomato high. Once big quantum of avarekayi comes into the market, the price of tomato is expected to come down,” sources in Hopcoms, told The Hindu.

Prevailing price of tomatoes is about 20 per cent more when compared to the corresponding period last year, sources said and added that a box of 20 kg tomatoes traded at Rs. 600 in the wholesale market. “By February when tomato season commences, the price for a kg will come to less than Rs. 5,” sources said.

## Other vegetables too

The high tomato price is corresponding to general increase in prices of vegetables this season.

Generally, vegetable prices have been reported to be 20 per cent to 30 per cent higher when compared with last year.

Garlic, which was Rs. 84 a kg in December last year was sold at Rs. 210 at Hopcoms on Thursday. In neighbourhood shops, it has even touched Rs. 300 a kg.

The cost of leafy vegetables ranged between Rs. 20 for a kg of palak to Rs. 51 for a kg of Dantinsoppu. However, during the same period last year, it ranged from Rs. 16 to Rs. 40 a kg.

Hopcoms price (in kg) for some vegetables on Thursday were: capsicum (Rs. 32), Ooty carrot (Rs. 58), traditional carrot (Rs. 46), ladiesfinger (Rs. 39), ridge gourd (Rs. 35), jabalpur peas (Rs. 43) and traditional peas (Rs. 105).

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## Middlemen benefit from increase in onion prices

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*About 45 per cent of the crop in the State has been totally lost There has been no scarcity of onions in Bangalore*

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BANGALORE: The record price of onions earlier this week has only meant moderate gains for farmers, with the bulk of the profits going to middlemen. Some farmers, in fact, did not benefit at all as their onion crop was destroyed by untimely rain.

A harvest of about 13 lakh tonnes from a total area of 1.2 lakh hectares in Karnataka was expected in 2010.

About 45 per cent of the crop has been totally lost while 15 per cent suffered damage.

Farmers in Bellary, Raichur and other districts in that belt, where onions were harvested early, did not benefit much. "In November, farmers got between Rs. 17 and Rs. 19 a kg when the wholesale prices hovered between Rs. 20 and Rs. 25 a kg," said Aralihalli Jayanna, an onion farmer from Itagi in Hoovina Hadagali taluk of Bellary.

By the second week of November, most of the onions grown in the rain-fed districts of Bellary, Raichur and surrounding areas were harvested.

Those who harvested in late November got a better price when the wholesale prices started increasing.

"On an average, farmers earned between Rs. 20 and Rs. 25 a kg when the retail prices hovered between Rs. 50 and Rs. 60 a kilo," Karnataka Rajya Raitha Sangha leader Kodihalli Chandrashekar, pointed out.

The late harvest came from Dharwad, Haveri, Gadag and Bagalkot region, where farmers were lucky to salvage crops despite untimely rain. Around the same time prices started rising.

“Though farmers got between Rs. 20 and Rs. 25 a kg, when the retail price was between Rs. 65 and Rs. 85 per kg, it is still a higher farmgate price when compared to last year. In 2009, they earned between Rs. 10 and Rs. 12,” Mr. Chandrashekar said.

Horticulture Department officials blamed the National Agricultural Marketing Federation (NAFED) for failing to foresee the unprecedented jump in onion prices.

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<http://www.thehindu.com/2010/12/24/stories/2010122459410300.htm>

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### **Paddy purchase centres disappoint ryots**

G. Nagaraja

*Mallavapu Narasimha Rao, a farmer, finds it difficult to dispose 300 bags of Swarna and BPT varieties*

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*IKP members refuse to accept produce with some 13.5 per cent moisture*

*Government orders for procurement of produce with moisture up to 17 per cent*

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KOVVALI (WEST GODAVARI DIST): The 'model' relief package extended by the State government for the calamity-hit farmers has failed to become a reality in the case of Mallavapu Narasimha Rao, a resident of this Kolleru belt village in spite of a strident protest launched by TDP president N. Chandrababu Naidu and former MP Y.S. Jaganmohan Reddy.

A paddy purchase point run by Indira Kranti Padham (IKP) located next to his house literally failed to come to his rescue. He finds it difficult to dispose 300 bags of Swarna and BPT varieties which he reaped from his 15-acre plot.

Waiting for buyers

The pleas of Bhagati Lakshmana Rao, a sharecropper from the village, for purchase of his produce failed to move the operators of the centre. He received 100 bags of paddy as his share and kept the produce in his house waiting for buyers. The IKP members reportedly refused to accept his produce with some 13.5 per cent moisture in spite of the government's orders for procurement of produce with moisture up to 17 per cent with no value cuts. "I know the GO. But what should I do if it is not implemented at the ground level. Virtually chased by lenders, I have no alternative but to take my life if fail to get cash for my produce immediately," a crest-fallen Lakshmana Rao said.

Yerneni Nagendranath of the Andhra Pradesh Rytanga Samakhya led a small group of farmers into the purchase point at the village for a cross-check on the complaints of farmers.

The test of paddy samples carried out by IKP women at his request revealed that all of them had moisture below the 17 per cent mark. J. Ewsamma, IKP group leader who runs the centre, expressed her inability to accept the produce with moisture beyond 11.5 per cent as directed by the official top brass. She admitted that the centre had not yet started its procurement business even a week after its opening as the samples arriving to them did have moisture beyond the 'tolerable' levels. The DRDA has opened 75 IKP-run purchase points across the district as part of its ambitious plans to procure 4 lakh out of 5.5 lakh tonnes of paddy production in the district in the current season.

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**<http://www.thehindu.com/2010/12/24/stories/2010122458530300.htm>**

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## **Discoloured paddy purchase from today**

Correspondent

VIZIANAGARAM: Collector M. Veerabrahmaiah in a press release has said the government had released circular for purchasing discoloured/sprouted paddy through the A.P. Civil Supplies Corporation and it will be done from Friday at all Agriculture Market Committees and rice mills in Vizianagaram division and at all tehsildar offices in Parvathipuram division.

He said the rate fixed for discoloured paddy with damage up to 10 per cent at Rs. 1,030 per quintal for grade 'A' variety and Rs. 1,000 for common variety. Over and above the 10 per cent damage, value cut would be one per cent of the support price for every one per cent increase in the damage i.e. paddy with 11 per cent damage would receive Rs.1,019.70 instead of Rs. 1030 (Grade 'A' variety) and Rs. 990 instead of Rs. 1000 (common variety). A farmer would receive Rs. 618 per quintal (Grade 'A' variety) and Rs.600 (common variety) for 50 per cent damage. The Collector said that officials would monitor the purchases at every centre.

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## **Sugarcane ryots want fair deal**

*Agitation held seeking Rs. 2,500 per tonne from sugar mills*

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*Discussions held by officials with managements fail to yield result Farmers stage dharna in front of Minister Geeta Reddy's residence*

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SANGAREDDY: Even after the crushing of sugarcane started in the three mills – Ganapati (Sangareddy), Nizam Deccan Sugars Limited (NDSL –Medak) and Trident (Zaheerabad), the price of sugarcane per tonne was not yet decided to the satisfaction of farmers.

As on date, 1.3 lakh tonnes of sugarcane to Trident, 40,000 tonnes to NDSL and 77,000 tonnes to Ganapati was supplied by farmers. While Ganapati and NDSL managements had offered a price of Rs. 2,000 per tonne, the Trident offered Rs. 2,050 per tonne. However, the farmers are agitating for the past few weeks demanding that the managements pay Rs. 2,500 per tonne.

Several rounds of discussions held by the officials at district level, involving Joint Collector T. Vijaya Kumar did not yield any result.

Major Industries Minister J. Geeta Reddy held discussions with both the parties on Wednesday at Hyderabad and suggested that the Trident management offer a price of Rs. 2,250 per tonne, the same that was offered last year. But the management offered to pay only Rs. 2,050 at the best. With this the three hour-long discussions remained inconclusive.

Irate over the pending issue, the sugar cane farmers went to Hyderabad from Zaheerabad on Thursday and held dharna in front of the residence of Ms. Geeta Reddy. Expressing solidarity with the agitating farmers, former Minister P. Babumohan held dharna along with them at Ganeshgadda near Sangareddy.

“Fair and remunerative price fixed by the Union government comes around Rs. 1,450 per tonne. The managements are offering more than that,” said Ch. Venkat Ravi, Assistant Cane Commissioner.



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## State will buy all the damaged paddy: Lagadapati

Special Correspondent

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*Paddy and cotton were the most damaged crops, says Lagadapati He finds fault with the Telugu Desam and Jagan for launching agitations*

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VIJAYAWADA: Farmers affected by the recent rains need not panic because the State government is going to “buy every grain of paddy” however discoloured it may be, according to Vijayawada MP Lagadapati Rajagopal.

Addressing a press conference here on Thursday, Mr. Rajagopal said that he was very much concerned about the suicides of farmers. While it was understandable that some misguided and misinformed persons were frightening the innocent farmers, it was unfortunate that those who ruled the State for several years were also doing the same, he said, in an oblique reference to former Kadapa MP Y.S. Jagan Mohan Reddy and former Chief Minister N. Chandrababu Naidu.

Two types of leaders – one who had no understanding and the other who were fully aware of what was happening – were agitating for the farmers. Mr. Rajagopal said farmers were already depressed were susceptible to suicide and it was the responsibility of every citizen to give them self-confidence.

Pointing out that paddy and cotton were the most damaged crops, the MP said that the Food Corporation of India (FCI) would take care of paddy while the Cotton Corporation of India (CCI) was the instrument of market intervention for cotton.

He found fault with the Telugu Desam and Mr. Jagan for launching agitations. At least 10 to 15 days were needed for the damaged paddy to dry for farmers to bring them to the

purchase centres.

The MP said that the Government had ordered the FCI to purchase paddy that was up to 50 per cent discoloured. As much as 90 per cent of the paddy was well within this limit. Even the paddy that was discoloured beyond 50 per cent would be purchased, but the price at which it would be purchased had not yet been decided.

He said that both input subsidy and insurance would fetch the farmers not less than Rs. 7,500 an acre. Even the tenant farmers were being identified in grama sabhas and given input subsidy and crop insurance.

About the party MLAs who went to call on Mr. Jagan at Lakshya Deeksha, the MP said that in his opinion they had only made a courtesy call.

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**hindustantimes**



**Nivedita Khandekar, Hindustan Times**

Email Author

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### **Onion prices fall, tomatoes a worry**

With the government taking decisive steps over the past two days, retail onion prices finally began falling on Thursday, even as the price of tomatoes rose alarmingly.

Tomatoes are currently selling at Rs 40 per kg (best variety) against the usual cost of around Rs 15 per kg at this time of the year.

This prompted the government to consider a temporary suspension of tomato exports, just as it had banned onion exports on Tuesday.

"We'll write to the Centre seeking a ban on tomato export if the situation doesn't improve in the next two days," said Delhi development minister Raj Kumar Chauhan.

Onion prices in the Capital dipped on Thursday immediately after the Delhi government started selling the staple vegetable at Rs 40 per kg bypassing the private traders and using Mother Dairy shops, NAFED (National Agricultural Cooperative Marketing Federation of India Limited) and National Consumer Cooperative Federation outlets.

The government also imposed a limit of two kg of onions on every buyer to prevent further hoarding.

At private outlets in markets across the Capital, the price for the best variety of onions fell to around Rs 60 per kg against Rs 70 on Wednesday.

"By Friday, onions will be available at every one of these publicly owned or cooperative outlets. We are hopeful that retail rates in the open market will also drop further," said Jayashree Raghuraman, secretary in the Delhi government's food and supplies department.

However, the government has no plan at present to sell other vegetables the way it is selling onions. Private traders claimed onion prices had fallen because of better supply on Thursday.

<http://www.hindustantimes.com/StoryPage/Print/642101.aspx>

New Delhi, December 23, 2010

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Last Updated: 21:22 IST(23/12/2010)

### **Rate monster looms as food inflation bites**

Bad news on food prices could be bad news for industry's borrowing rates.

Government economists are grappling for options to sustain growth, keep prices in check and maintain interest rates at moderate levels to ensure that cost of borrowing for companies do not go up to an extent that it discourages investment.

And their latest worry is that food prices, which touched 12.13% for the week-ended December 11, are revealing a new consumption pattern reflecting the challenges of a growing economy. More persistent and "structural" in nature, this flies in the face of old assumptions in price control.

Economists expect inflation to rise further in the coming months, triggering prospects for an upward resumption in the interest rate hike cycle that the Reserve Bank of India (RBI) had paused in its mid-quarter review last week.

"Inflation is not easing as we would like it to be... Upside risks to inflation are still high," RBI deputy governor Subir Gokarn said on Wednesday.

"We expect inflation to be higher and maintain that the RBI will resume tightening in January," said Rajeev Malik, senior economist with broking and research firm CLSA.

The RBI has raised key policy rates six times so far this year as prices raced into high-double digits, pummelled by a supply crunch in staple items, the latest being onion.

Last week, RBI maintained the repo and reverse repo rates, at which lends to banks and borrows from them, respectively, at 6.25% and 5.25% respectively, raising hopes that interest rates will not get higher.

A higher repo, the rate at RBI lends to lenders, raises the banks' borrowing costs prompting them to raise interest rates for final home, auto and corporate borrowers.

A higher reverse repo — the rate at which RBI absorbs excess cash — means it would suck cash from the system to stymie demand and cool prices.

**Protein is in, fat is out, cost is up**

<http://www.hindustantimes.com/StoryPage/Print/642050.aspx>

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# THE ECONOMIC TIMES

24 Dec, 2010, 11.24AM IST,PTI

## Cardamom futures up by 1.29 pc on strong demand

NEW DELHI: Supported by rising demand at the physical market, cardamom continued its upward march and prices rose by another Rs 19.50 to Rs 1,531.50 per kg in futures trading today.

At the Multi Commodity Exchange counter, cardamom for delivery in January surged by Rs 19.50, or 1.29 per cent, to Rs 1531.50 per kg, with an open interest of just one lot. Similarly, the spice for delivery in February rose by Rs 14.60, or 0.93 per cent to Rs 1591.70 per kg, with a business turnover of just one lot. Market analysts said rising demand at the spot markets amid tight supplies mainly influenced cardamom futures prices here.

25 Dec, 2010, 07.00AM IST, Vikram Doctor,ET Bureau

## Go organic as vegetables turn pricey

Commodity	March-Dec*	Y-o-y**
Vegetables	66.77	15.54
Potatoes	85.57	-27.99
<b>Onions</b>	<b>133.93</b>	<b>33.48</b>
Fruits	13.28	20.15
Milk	4.28	17.83
Egg, meat and fish	12.06	19.35
Oil seeds	4.19	2.76
Rice	2.15	1.40
Wheat	0.41	-5.14
Pulses	-5.61	-10.7

\* % Increase/decrease in prices; Source: Ministry of commerce & industry

MUMBAI: Last Sunday, as aunties across Mumbai's suburb of Bandra were gasping with shock at how much they had to pay for onions, there was one place where they could have got some relief. At the Farmer's Market set up near St Andrew's Church, onions sold for Rs 40 a kg while outside they were Rs 60-70. And this was for onions grown organically, with no chemical fertilisers and pesticides. "People are now paying more for the chemicals!" said Kavita Mukhi, a long-time activist for organic produce who has initiated this market.

Ms Mukhi can be excused some triumph in her tone. Organic produce has long been saddled with the reputation of being an expensive luxury for a privileged few. But here it was the other way around, and the reason was the other end of the equation with organic produce. By increasing the importance of farmers in the production cycle, it gives them a better price for their produce and brings them closer to the final consumers, cutting out the middlemen who inflate prices. Organic produce will never be cheap, but it can be fairer to both farmers and consumers.

The vegetables at the Farmer's Market are produced by Organic Farmers, a co-operative of over 2,000 farmers in the Nashik region near Mumbai, whose practices are attested by Ecocert, one of the leading organic certification organisations. The farmers grow a variety of produce, and a group of them agreed to plant vegetables specifically for the Farmer's Market. They harvest and transport it to the city at their own expense while the Farmer's Market provides them publicity and a space to sell. Prices are set by the farmers depending on their labour, costs and a fair return. They are rarely cheaper than the market, but with the current spike in the general market, they can be surprisingly competitive. Tomatoes are Rs 40 a kg whereas the retail price has touched Rs 50 and carrots are Rs 50 while the retail price is around Rs 40.

Potatoes are where the price difference is highest, possibly because they aren't grown in this region: at Rs 30 per kilo the organic ones are close to double the regular price. Given the demand for onions, this coming Sunday, the prices might go up to Rs 50, but Ms Mukhi says the farmers have assured a decent supply at that price, which would still be cheaper than many retail markets.

The Farmer's Market may not be exactly a fair comparison with them, since there are costs involved which don't go into the price of the vegetables, like the space rental, which is met by sponsors who believe in the organic cause, or other sellers who use the space to sell everything from organic cotton garments to healing crystals to Mulshi Springs, a bottled water that really is from natural springs. But its proponents would argue that the market is for those who also count the cost of abuse of chemicals, or marginalisation of farmers—and from that viewpoint they are demonstrating a viable alternative.

25 Dec, 2010, 01.33AM IST,ET Bureau

### **'Onion won't impact March inflation target'**

MUMBAI: The spike in onion prices will not have any impact on the medium-term inflation assessment , which is expected to go down to 6% by end March 2012, Planning Commission Deputy Chairman Montek Singh Ahluwalia said on Friday.

"I don't think its going to affect the basic medium-run assessment that inflation will soon be coming down again," Ahluwalia told reporters, adding that by March, he expects the inflation to cool down to 6%. Headline inflation for November had stood at 7.48% while it is widely expected that onion price spike may take the number up for December.

Ahluwalia also said that the onion price rise creates a "bit of a problem" in the short term and added that the prices are already coming down. "We have seen a good agricultural production this year...what we have seen in an unusual spike in one product which has already started to come down," he said, exuding confidence that it will slide further.

# Business Standard

Monday, Dec 24, 2010

## Spices exports may rise 7% in FY11

NewsWire18 / Mumbai December 24, 2010, 0:58 IST

India's spices exports this financial year are expected to rise seven per cent from 502,750 tonnes the previous year due to rise in global demand, a trade ministry official said on Thursday.

Total revenues from spices exports are seen rising 15 per cent from Rs 5,560 crore the previous year, said the official, who handles spices exports.

"There is good demand for our value-added spice products from countries like the US, Malaysia, Singapore, Dubai and Germany, which is pushing overall exports higher," he said.

"Chilli will continue to be the leading contributor in the country's total spice exports in terms of volume and revenue," said the official. He said chilli exports are likely to exceed the target of 200,000 tonnes this financial year. The official did not give any numbers on the rise expected.

He expressed concerns there could be a drop a chilli output and its quality due to unexpected rains in main growing states such as Andhra Pradesh, Tamil Nadu, and Karnataka. According to industry estimates, Andhra Pradesh's chilli output is seen falling 25 per cent on year this crop year (July-June).

The country's chilli exports in April-October rose 26 per cent from a year ago to 141,000 tonnes and generated revenues of Rs 865 crore, Spices Board data showed. Asked about the drop in exports of turmeric and pepper, the official said, "High prices of turmeric and pepper amid low stocks in the domestic market is the main factor for weak exports."

In April-October, India's exports of turmeric declined 14 per cent on year to 29,500 tonnes and of pepper fell 14 per cent to 10,500 tonnes.



This year, spot prices of turmeric rose to record high of over Rs 17,000 a quintal due to low stocks this season.

On Thursday, black pepper and red chilli prices rose by Rs 100 a quintal each in the national capital on Thursday on increased buying by stockists on the back of pick up in domestic and export demand. Fall in supplies from producing regions also supported the rise in prices.

Black pepper prices rose by Rs 100 to conclude at Rs 22,200-22,300 a quintal. Red chilli prices remained higher by Rs 100 to settle at Rs 6,500-11,700 a quintal. Traders said increased buying by stockists on the back of pick up in domestic and export demand against fall in supplies from producing belts, mainly pushed up pepper and chilli prices on the wholesale market.

#### **Domestic coffee planters seek international certification**

**Debasis Mohapatra / Bangalore December 24, 2010, 0:56 IST**

Domestic coffee exporters and planters are increasingly seeking eco-friendly certification from international certifying bodies like UTZ, Rainforest and Fairtrade in their bid to get higher premium over competing produce in the international market as well as a premium over prices.

According to estimates, this crop year alone is expected to see an addition of around 10 per cent to the present certifying area of 50,000 acres in the country.



“International certification from organisations like UTZ, Rainforest or Fairtrade gives an eco-friendly tag to the coffee. So, exporters are able to fetch premium over international prices,” Sahadev Balakrishna, chairman of Karnataka Planters’ Association said.

He, also, said that even individual coffee estates from major growing regions of Coorg and Chikmagalur were seeking such certification.

UTZ, Rainforest, Fairtrade among others are the international certifying agencies, which certify an estate on the basis of good agricultural and business practices, social criteria and environmental parameters.

Such certified coffee, in turn, fetches higher premium over competing produce from other nations and over current international prices. "While premiums are low at the time of high prices in international futures, it is usually higher by 20-30 per cent over competing produce from Brazil and Vietnam," Balakrishna said.

He, however, said certification was done for getting long-term dividend as organisational rules, sound crop practices, efficient use of natural resources became a part of the coffee production process.

Usually, Indian arabica gets a 20-30 per cent higher price over Brazilian produce and robusta gets a 30-40 per cent higher price than Vietnamese coffee. So, certification will further help domestic coffee to get a higher premium than usual rates.

Some export houses are of the opinion that international certification will help domestic planters to get right price at the time of crisis in the international market. "While prices are high, certified coffee may not give planters a distinct price advantage, but it will definitely of help during crisis period," a top official of Ned Commodities said.

He, also said, international certification process was still in an infant stage in India and should catch up fast to meet international standards. Ned Commodities is one of the largest coffee exporter of India and it facilitates the process of certification for small planters.

About certification by small planters, he said small planters were certified under 'group certification scheme' to reduce cost of certification.

Referring to this matter, Jabir Asghar, vice-president of Coffee Board of India said, " Coffee Board is trying to push certification of Indian coffee as it is classified under premium coffee and

fetch higher price. However, this process is in an initial stage.” He, also, said that Coffee Board had no plans to come up with any new schemes for facilitating certification process.

### **Export reopening hope keeps up cotton prices**

**Rajesh Bhayani / Mumbai December 24, 2010, 0:55 IST**

Cotton prices remained high on Thursday due to the expected demand from exporters, who are waiting for fresh export registration to begin in the middle of next month. Shipments are expected from February 1. Prices may correct only once the export demand is met.

As the global market is also tight, with prices rising again in recent weeks, exporters are interested in tapping this demand.

Those who had got the registration earlier but could not export before the stipulated date of December 15 are understood to be holding on to nearly 1.5 million bales (a bale is 170 kg), anticipating that registration will reopen soon.

The price of the benchmark Shankar-6 variety in Gujarat is around Rs 42,000 per candy (356 kg).

The textile commissioner’s office has received confirmation for a little over 2.2 million bales for exports. It estimates that a little over three million bales have been exported. The confirmation to the commissioner has to be sent in 21 days and so the cutoff date will be January 5. The market expects the Directorate General of Foreign Trade to start fresh registration from February 1.

The government had earlier decided to permit exports up to 5.5 million bales and so the new registration will be for the balance 2.5 million bales. As noted, exporters have cornered half of that. The rest will have to be bought and ginners are holding on to stocks in anticipation.

“The export demand for cotton is good and still remunerative, going by prices in the overseas market,” said Mumbai-based Shirish Shah, partner, Bhaidas Cursondas & Company.

On the IntercontinentalExchange (better known as ICE, the American financial company that operates internet-based market places which trade futures and over-the-counter energy and

commodity contracts, beside derivatives), cotton futures are being traded at a huge premium to the spot prices.

Traders there are importing cotton from countries like India and selling in futures. Market sources said multinational trading companies were also active in procuring cotton from here. Of the 5.5 million bales registered earlier, 600,000, or 11 per cent, exports were registered in the name of MNC traders.

However, once the export demand is fulfilled, "cotton prices might see some correction, as fresh arrivals are increasing and demand from yarn manufacturers has come down", said Arun Dalal, an Ahmedabad-based cotton trader. Yet, he does not see prices going below Rs 40,000 per candy, unless the market abroad falls sharply, affecting exports.

### **Onion prices dip 45% in Nashik markets on high arrivals**

**Tushar Pawar & Sanjay Jog / Nashik/mumbai December 24, 2010, 0:52 IST**

Maharashtra govt to file criminal charges against speculators, hoaders.

After government's measures like export ban and import from Pakistan, average wholesale prices of onion in Nashik district's various Agriculture Produce Market Committee (APMC) markets have come down by around 45 per cent to Rs 2,071 a quintal in the last three days.



On Thursday, the sale of onion in Lasalgaon, Asia's biggest onion market, increased by 83.61 per cent to 13,000 quintals, against 7,080 quintals on Monday.

In Nashik's retail market, good quality onion was sold at Rs 35 a kg on Thursday, against Rs 70 a kg on Monday. Prices in retail markets are expected to settle between Rs 20 and Rs 25 a kg in a week, according to market sources.

On Monday, onion prices doubled to Rs 70 a kg in Nashik's retail market due to low supply of the commodity in the district.

The average wholesale price of onion in Lasalgaon APMC, came down from Rs 3,800 a quintal on Monday to Rs 2,071 a quintal on Thursday. Around 13,000 quintals of onion were sold on Thursday at Lasalgaon APMC, against 7,080 quintals on Monday.

The average wholesale price of onion in Pimpalgaon APMC came down from Rs 3,501 a quintal on Monday to Rs 1,951 a quintal on Thursday. Around 5,250 quintals of onion were sold on Thursday, against 4,673 quintals on Monday.

Around 40 per cent of the crop was damaged in Nashik district due to unseasonal rain in November. Arrival of survived crops is expected to begin in the next couple of weeks, sources told Business Standard.

### **Maharashtra govt orders prosecution for hoarding**

The Congress-led government in Maharashtra on Thursday asked divisional and district heads to have criminal charges filed against speculators and hoarders of onions, to increase its flow and curb prices.

It said it would soon convene meetings with consumer bodies for organising the sale of onions at a reasonable price. These decisions were announced separately by agriculture minister Radhakrishna Vikhe-Patil and food and civil supplies minister Anil Deshmukh.

Chief Minister Prithviraj Chavan was said to be having a vigil kept on the movement of prices in the onion growing Lasalgaon and Nashik regions, in the wake of the central government's decision to ban exports and waive import duty.

On Thursday, sales at Lasalgaon, the biggest onion market in Asia, surged by 83.6 per cent to 13,000 quintals against 7,080 qtls on Monday. In Nashik's retail market, good quality onion was sold at Rs 35 per kg against Rs 70 per kg on Monday.

Vikhe-Patil, who met officials of the State Marketing Federation and the agriculture commissioner in Pune, told Business Standard: "Officers have been directed to carry out extensive raids on godowns and register criminal offences against hoarders. Despite the

availability of about 5,000 quintals, retail sellers almost doubled the price. The situation will become normal in the next four days, as the flow of onion in the market has improved.”

He said both the kharif and rabi onion crop were severely damaged due to unseasonal rain. “However, the government will keep a tab on the flow of onion and its prices for the next four months,” he said.

Vikhe-Patil said nearly 40 containers, of 40 tonnes of onion, were on way from Pakistan to Mumbai and are expected to be here in next two to three days. This would help ease the shortage, he added.

Deshmukh said his department had also stepped up a drive against hoarders across the state.

### **Export ban eases pressure on onion**

**Siddharth Kalhans / Lucknow December 24, 2010, 0:49 IST**

Onion prices in the wholesale markets of Uttar Pradesh fell sharply after the Union government’s announcement of a ban on exports.

In the mandis, orders worth several lakhs have been cancelled in the past three days. In this city alone, export orders of 600 quintals were cancelled yesterday and another 435 qtls on Thursday. In Farrukhabad district, the only wholesale centre for onions in UP, orders worth several lakhs have been cancelled.



Traders said the prices would fall further in the coming weeks, once imports from Pakistan begin. They said the crop in Pakistan started coming in the second week of January and would ease domestic supplies.

According to the general secretary of the UP Fruit and Vegetable Traders Association, Faizan Ahmad, due to soaring prices, the demand had dropped. Several traders had been exporting to Nepal but they've now begun cancelling these. Rates had fallen in the past four days at Nashik and in Karnataka, from where 70 per cent of UP's demand is met.

In the wholesale markets, prices had come down to Rs 20-35 a kg on Thursday. Earlier, these were as high as Rs 45-60 a kg. These will fall further, say traders, since the high water content in the onion makes it difficult to hoard it for long.

### **Wheat acreage in Gujarat up by 1.74 lakh hectares**

**Vimukt Dave / Mumbai/ Rajkot December 24, 2010, 0:46 IST**

Despite the untimely rains last month delaying sowing in Gujarat, the area under wheat sowing in the state has seen an increase of 1.74 lakh hectares over the last year. Many farmers are said to have chosen wheat over jeera in the wake of erratic weather in November as jeera crop is quite sensitive to vagaries of the weather.

As per the data provided by the state agriculture department, the area under wheat cultivation so far is 9,75,200 hectares as against 8,01,400 hectares in the corresponding period last year, which shows a rise of 1.74 lakh hectares.

“Good monsoon and sufficient availability of water has helped increase the sowing of wheat in Gujarat. This will translate into a good wheat production in the state,” said B R Shah, agriculture director, department of agriculture, government of Gujarat.

The wheat sowing has increased in the most parts of Saurashtra region, including Junagadh, Jamnagar, Rajkot, Amreli, Bhavnagar and Surendranagar districts.

Amid growing fear among farmers that taking up jeera crop could prove risky after unseasonal rain in November, farming community decided to opt for wheat leading to an increasing in area under wheat crop. The farmers in Jamnagar and Surendranagar districts, who saw their cotton getting damaged due to untimely rains, have also turned to wheat.

“Weather is also very much favorable for the wheat crop. It will help increase the yield too,” said Dr B A Kunadiya, research analyst on wheat at the Junagadh Agriculture University.

### **Natural rubber prices rise to all-time high**

**Press Trust Of India / New Delhi December 24, 2010, 0:08 IST**

Natural rubber prices on Thursday touched a new record at Rs 207 a kg in Kerala, on concerns over the domestic supply coupled with rising global rates.

“There is a tight supply situation which has fuelled the price rise and also a spurt in the international prices of natural rubber which are now ruling at Rs 222 a kg,” Rubber Dealers Federation of India President George Vally said.

Natural rubber prices are on a gaining spree for the past few months due to continuous rain in central Kerala and in Malabar region which adversely affected tapping, according to the federation.

Last month, rubber prices had zoomed to a high of Rs 203 a kg but later it came down to Rs 196 a kg.

The rising global prices have also contributed in the increase in domestic rubber rates.

Rubber prices have gone up in the international market due to increase in demand from China, coupled with disruption in production in Thailand, the largest producer, due to floods.

According to the Rubber Board estimates, India is likely to produce 893,000 tonnes of rubber in the current financial year, while consumption would be around 978,000 tonnes.

Recently, the Association of Natural Rubber Producing Countries, which accounts for 92 per cent of global output, has announced that the global natural rubber supply may drop by 3.8 per cent in the October-December period.



# THE HINDU Business Line

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Back **Surging prices**

— K.K Mustafah



Low arrivals: A roadside vendor arranging coconuts for sale at suburban Kochi. Coconut prices are ruling at an all- time high due to low arrivals from Tamil Nadu and low production in Kerala, according to traders. The Central Government has increased the minimum support price for copra by Rs 75 a quintal for the 2011 season. This increase is expected to encourage farmers to initiate investment in coconut cultivation, and thereby increase output.

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Back **No shortage of linters: Cotton processors**

G. Chandrashekhar

Mumbai, Dec. 23

Uncertainty looms large over export of raw cotton linters as Ordnance factories have complained of cotton linters shortage. However, production and consumption data conclusively prove that there is no shortage whatsoever, assert cotton processors.

Bleached cotton linters - prepared out of raw cotton linters manufactured by cottonseed processors - are used by Ordnance factories for production of propellant used in ammunition. For Defence purposes, annual requirement of such linters is an estimated 1,500 tonnes maximum.

On the other hand, annual production of raw cotton linters is several-fold higher. From 21,300 tonnes in 2008-09, cotton linters production has doubled to an estimated 44,800 tonnes in 2009-10. Exports constitute about half of the total production which leaves a fairly large surplus for the domestic market, much beyond the estimated need of Ordnance factories, according to industry representatives.

There is suspicion suppliers of bleached cotton linters to the Ordnance factories may be behind the attempt to curtail linter exports by raising the bogey of shortage, said a processor.

The All-India Cottonseed Crushers Association has taken up the matter with the Textile Commissioner. The association compiles production, export and price data for widespread dissemination. This year, the country has produced a record cotton crop as a result of which availability of linters is liberal.

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**[Back](#) 'Chilli Mela' to check crop diversion in Dharwad**

Anil Urs

Hubli, Dec. 23

Alarmed at the rate of crop diversion taking place in major chilli growing areas in Dharwad district, the Karnataka Horticulture Department is taking initiatives to make chilli cultivation viable for farmers.

As a step towards this, the Department is planning to create market for the produce by holding 'Chilli Mela' in the third week of January in Hubli city. "The mela is to give emphasis on direct farmer-consumer interface. A special focus will be on promotion of varieties of Byadgi chillies and chilli-based value added products like pickles, masala powders and other food ingredients," said Dr S.V. Hittalmani, additional director of horticulture. The Department has roped in Hubli-based Karnatak Chamber of Commerce and Industry (KCCI) to bring on board agro and food processing industries located in North Karnataka region.

Talking about crop diversion, Dr Hittalmani said "Due to good rains this year, crop diversion has taken place in major chilli growing areas. Farmers have taken to cotton and other commercial crops such as maize and sunflower." "This has resulted in area under chilli cultivation dropping by 15 per cent at 40,000 hectares in the financial year 2010-11 against 47,000 hectares in 2009-10," he added.

Earlier, speaking at 'International Farmer Day celebration' held by KCCI, Dr Hittalmani said "Similar to chilli, the Department is planning to partner with Karnatak Chamber to hold 'mango mela' as well next year. The modalities are being worked out."

People praise farmers a lot at all platforms, but nobody is coming forward to solve their issues. "If the issues are addressed or settled, we will not have these dharnas, stirs, suicides in the country," he pointed out.

Mr M.C. Hiremath, President of KCCI, said "Weather-based crop insurance should be more scientific and realistic. The insurance companies' trial and error methods are harming the farming community."

Prof P. Chaidanand Mansur, agronomists at UAS-Dharwad, said government departments should give special focus to rainfed areas. These areas contribute nearly 60 per cent to country's food basket and major cereals, other food-related crops and commercial crops like cotton are grown here."

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<http://www.thehindubusinessline.com/2010/12/24/stories/2010122453061700.htm>

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## Back Rising trend in soya oil prices continues

Our Correspondent

Indore, Dec. 23

Uptrend in soya oil continued on Thursday on strong global cues wherein Malaysia palm oil futures closed at 38 plus.

Soya refined quoted Rs 8-10 up at Rs 550-558 for 10 kg. Soya solvent also quoted Rs 7 up at Rs 525 (spot)-530 (delivery) for 10 kg.

According to trade sources, notwithstanding strong global cues and positive soy oil futures at NBOT, the demand for soya oil continued to be subdued, more so because of end of marriage season on account of 'malmaas'. Plant operators taking cues from bullish foreign market and rise in futures, normally hike the rate in physical market to reap benefit, they said.

According to a soya oil trader Mr Ramesh Malpani, trading in soya refined is primarily being done in the resale and as such there is very few fresh buying in soy refined.

However, according to another soya oil trader, Mr Mukesh Purohit, the demand for soy refined would pick up with the freezing up of palm oil and recommencement of marriage season next month after January 14.

Soya oil also traded positive both on the NBOT and the NCDEX. On the NBOT, soya oil futures after opening at Rs 598 went up to as high as Rs 601.50 and it was only at the close of trading that soya oil futures finally closed at Rs 597.70, up Rs 2.

Similarly on the NCEDX, soy oil January contract closed Rs 2.3 up at Rs 601.8 and February contract closed Rs 2.7 up at Rs 618.5.

Similarly soy seeds also traded higher with improved demand for DOC in the export market.

On Thursday, soyabean saw a gain of Rs 15-20 with its plant rates quoted at Rs 2,240-2,260, while mandi rate quoted at Rs 2,1302,170 a quintal. On the National Commodities and Derivative exchange also soyabean traded higher with its January and February contract closed Rs 4 and Rs 5 higher at Rs 2,293 and Rs 2,358 respectively. Arrival of soya seeds in Indore mandis was recorded at 7,000 bags against 2 lakh bags at state-level.

Soyameal also gained Rs 100 on improved export demand. Soymeal rate at Kandla port quoted at Rs 18,200. The rate at Kandla port had gone as low as Rs 17,500 till few days ago in the wake of decline in export.

According to a soyabean trader, Mr Sanjay Bansal, notwithstanding rise in meal prices, buying continues to be weak.

Currently, there is no fresh purchasing in soyameal from foreign market. Shipments of only those meals are being made that had been purchased by traders in surplus sometime ago, he added.

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**Back Buyer resistance drags spot rubber**

Our Correspondent

Kottayam, Dec 23

Spot rubber prices declined further on Thursday. Prices fell on buyer resistance amidst scattered transactions though there has been no visible selling pressure in the market.

Traders appeared to be moving in to a holiday mood with Christmas a couple of days away. According to observers, growers were not interested to sell their produce prior to the festive season as the international rates ruled much higher above the domestic scene and hence, the volumes were low.

Sheet rubber weakened to Rs 206.50 (207) a kg as quoted by the traders. The grade continued to finish flat at Rs 207.50 a kg at Kottayam and Kochi, according to Rubber Board.

## FUTURES IMPROVE

January futures improved to Rs 210.28 (208.60), February to Rs 215.38 (213.09), March to Rs 220.10 (218.22) and April to Rs 225.40 (223.32) a kg on the National Multi Commodity Exchange (NMCE).

RSS 3 (spot) finished marginally higher at Rs. 222.58 (222.46) a kg at Bangkok. The Tokyo Commodity Exchange remained closed on account of the Emperor's Birthday.

Spot rubber rates (Rs/kg) were: RSS-4: 206.50 (207); RSS-5: 200 (201); ungraded: 195 (195.50); ISNR 20: 204 (204.50) and Latex 60%: 137 (137).

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**<http://www.thehindubusinessline.com/2010/12/24/stories/2010122453051700.htm>**

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### Back Bulk purchases boost turmeric further

Our Correspondent

Erode, Dec. 23

Due to heavy demand, the price of spot turmeric increased by Rs 300-500 a quintal on Thursday.

“ North Indian traders require good quantity of turmeric stock, so they depend on Erode alone as turmeric is not available in other centres . Consequently placing huge orders through bulk buyers, the North Indian traders purchased the commodity for a high price. Because of this, the prices increased by Rs 500 a quintal on Thursday,” said Mr R.V. Ravishankar, President, Erode Turmeric Merchants Association.

He said: “Most of the farmers bring very limited stock to the market and if the price quoted is below Rs 16,500, no farmer is ready to sell the product as they expect more than Rs 17,000 a quintal. Because of this trend , it was necessary for the bulk buyers to quote the price more than Rs 17,000/ quintal.” The same price and sales trend will remain for another ten days, he added.

On Thursday, in the Erode Turmeric Merchants Association sales yard, the finger variety was sold at Rs 9,501-16,889 a quintal and the root variety, Rs 9,210-16,816 . Out of the 1,531 bags that arrived, 679 were sold. In Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety was sold at Rs 16,039-17,046 a quintal and the root variety Rs 16,036-17,017 . All the 270 bags kept for sale were sold.

In Erode Cooperative Marketing Society, the finger variety was sold at Rs 16,669-17,089 a quintal and the root variety, Rs 16,689-17,056 . Out of the 323 bags, 252 were sold.

In the Regulated Marketing Society, the finger variety was sold at Rs 16,834-17,136 and the root variety, Rs 16,9800-17,266. Out of the 1,744 bags, 1,378 were sold.

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**[Back](#) Lower sowing reports perk up jeera**

Our Correspondent

Rajkot, Dec. 23

Jeera futures gained on Thursday on reports of lower sowing in Gujarat, a major producer of the crop. After the fall on Wednesday, the market witnessed some fresh buying that could push up prices.

On the National Commodity and Derivatives Exchange (NCDEX), jeera January delivery gained Rs 151 or 1.09 per cent at Rs 13,962 with an open interest of 11,733 lots. February contract increased by Rs 103 to Rs 14,203 with an open interest of 12,957 lots.

Analysts said fresh positions created by speculators, driven by reports of lower sowing in Gujarat, the biggest producer of the spice, due to un-seasonal rains influenced prices on futures exchanges. They said, however, weak exports and spot demand restricted the gains.

According to the Gujarat Agricultural Department, as on December 5, 56.23 per cent of jeera sowing for the season had been completed in major growing areas of Gujarat.

According to Kedia Commodity from Mumbai, overseas demand is very weak and unlikely to pick up in coming days because exporters are expecting further fall in prices. Lower sowing of jeera in Gujarat, however, limited the fall. In India, jeera is cultivated during winter from October to December, and harvested in February-April.

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**<http://www.thehindubusinessline.com/2010/12/24/stories/2010122451851900.htm>**

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### Back **Pepper recovers on domestic, export buying interest**

G.K. Nair

Kochi, Dec. 23

Pepper futures witnessed the usual high volatility on Thursday and ended above the previous close, on reports of enquiries from upcountry markets for good quality pepper and reported trading of some quantity of pepper with US buyers.

These factors kept the market bullish and that in turn pushed the prices for all contracts up, market sources told Business Line.

On the spot market, cued by the positive trend in the futures, sellers were quoting higher rates while the buyers stayed away and consequently no trading took place. However, the IPSTA has kept the spot prices notionally high by Rs 100 a quintal in tandem with the futures market trend, they said.

#### Overseas buying

US buyers said to have bought MG 1 at \$4,985 a tonne (c&f) besides showing interest to buy more at this rate has activated the market. However, according to market sources, the rate could be above \$5,000 a tonne (c&f).

There is also a school of thought that looking at the declining trend of the market for the past couple of days somebody might have offered at lower rates on the expectation that the prices would fall further today, they said.



In the spot market, sellers were quoting Rs 212 a kg for high range pepper and Rs 210 a kg for ordinary and Rs 205-207 for low bulk density pepper. However, buyers were offering Rs 210, Rs 208 for high range and ordinary pepper respectively depending on the moisture content, the amount new pepper in the mix, area of production etc., they said.

January contract on the NCDEX was up by Rs 189 to close at Rs 21,698 a quintal. February and March moved up by Rs 176 and Rs 207 respectively to close at Rs 21,950 and Rs 22,195 a quintal.

Total turnover dropped by 2,650 tonnes to 6,781 tonnes. Total open interest also dropped by 237 tonnes to 12,443 tonnes and yet the market moved up, they said.

January open interest dropped by 302 indicating liquidation while that of February and March moved up by 63 tonnes and 1 tonne respectively to 1,323 tonnes and 218 tonnes. Spot prices moved up by Rs 100 to close at Rs 20,400 (ungarbled) and Rs 20,900 (MG 1) a quintal.

According to an overseas report from the US Indonesia was said to be willing now to wheel and deal and offer below market for select repeat customers.

Prices quoted for black pepper of different origins per tonne in dollar c&f New York were: MG1 asta – 5,050-5,150; Malabar faq 500g/l – 4,750 fob; Lampong asta – 4,725-4,825 fob; Lampong 550g/l – 4,650-4,700 fob; Lampong 500g/l – 4,600-4,650 fob; Brazil B2 - 500g/l – 4,700 fob; Brazil B1 - 560g/l – 4,800 fob; Brazil Basta – 4,900 fob; Vietnam faq 500g – afo; Vietnam faq 550g – afo; Vietnam asta – 5,200-5,250 Jan/Feb; Vietnam asta – 5,100-5,150 Mar/Apr; Spot USA MLSV asta treated – 5,400 ex warehouse New York/New Jersey.

White pepper prices quoted for Muntok and Vietnam (double washed) in dollar per tonne c&f were – 7,225-7,325, respectively.

**Date:24/12/2010 URL:**

**<http://www.thehindubusinessline.com/2010/12/24/stories/2010122453041700.htm>**

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**Back Spot sugar steady on muted retail buying**

Our Correspondent

Mumbai, Dec 23

Spot sugar prices on Vashi market ruled steady on Thursday on month-end limited retail demand. Resale selling pressure from stockists for their outstanding purchases of December 25th maturity also weighed on the sentiment.

At the mill level, prices ruled steady at a higher level due to continued demand from neighbouring States, especially the eastern part of the country. In the later part of the day, tender and naka delivery rates gained by Rs 5/10.

Mr Jagdish Rawal, a wholesale trader, said sugar arrivals in the market were 48-50 truckloads (each of 100 kg), dispatches to local retail traders were also high at 45-46 trucks because of the agitation/disturbance by traders on Wednesday .

On Wednesday evening, 12-13 mills came forward with tender offers and sold about 70,000-75,000 bags at Rs 2,860/2,920 for S grade and Rs 2,900/2,960 a quintal for M grade, including two rail rakes (each of 27,000 bags).

The mills were not too eager to sell and keep the tender offer open. They continued to hold tender rates higher. Freight rates were also steady at a higher level on expectation of an increase in diesel prices soon.

According to the Bombay Sugar Merchants Association, spot sugar rates for S-grade were Rs 2,960/3,021 (Rs 2,960/3,021) and M-grade Rs 3,011/Rs 3,081 (Rs 3,011/3,081).

Naka delivery rates for S-grade were Rs 2,940/2,975 (Rs 2,940 /2,970) and M-grade, Rs 2,975/3,015 (Rs 2,980/3,030).

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**Back Rally continues in wheat; flour firm**

Our Correspondent

Karnal, Dec. 23

Wheat market continued to witness an uptrend; prices of dara variety rose marginally by Rs 10 a quintal. On Thursday, prices of dara variety was quoted at Rs 1,245-1,250 a quintal against the levels of Rs 1,230-1,240 on Tuesday.

The prices at retail outlets ruled around Rs 1,260 a quintal, the fine quality was quoted at Rs 1,270 a quintal. Around 250 quintals of dara variety were offloaded at the flour mills in Karnal on Thursday. The dara variety had witnessed a price rise of around Rs 30 a quintal this week.

Mr Subhash Chander, a wheat trader, told Business Line that low availability and domestic demand lifted the prices of dara variety. The weather has started showing its effect, arrivals may drop further, he said.

After witnessing a drop at the beginning of this week, prices of desi wheat varieties ruled firm and maintained their previous levels. Prices of the Tohfa variety ruled around Rs 2,450 a quintal, Aaj Tak at Rs 2,350, Bhojan King was quoted at 2,350-2,400 and Nokia at Rs 2,400.

Flour prices continued to rule firm and were quoted at Rs 1,240 for a 90-kg bag. Chokar prices maintained their previous quoted levels and ruled at Rs 575 for a 49-kg bag.

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