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Onion prices will be under control: Pranab

Kolkata Finance Minister Pranab Mukherjee on Sunday said the prices of onions had come down from the sky-high levels seen earlier this week and the situation would be under control soon, as the government was taking all steps.“Export of onion has been banned and the import duty has been made zero; besides some imported onions are reaching the market. The prices have come down,” he told reporters at his residence here.“Some fruits, vegetables and milk have an element of seasonality in them and sometimes in the market there is gap between the demand and supply, which leads to the increase in prices...,” Mr. Mukherjee said.Onion prices had jumped to as high as Rs. 85 per kg in retail markets earlier this week, due to a severe supply crisis.This was attributed to the damage suffered by crops in Maharashtra, main producing State, on account of unseasonal rains, though some quarters have alleged that hoarding by traders was responsible.

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Bill to protect fisherfolk's traditional rights on anvil

The Hindu Union Minister for Environment and Forests Jairam Ramesh at the inauguration of the integrated mangrove fishery farming system in Vedaranyam, near Nagapattinam, on Sunday. Looking on is chairperson of the M.S. Swaminathan Research Foundation M. S. Swaminathan (second from left). Photo: B. Velankanni Raj

The Fisherfolks Rights Bill, guaranteeing traditional marine rights, is on the anvil, Union Minister for Environment and Forests Jairam Ramesh said on Sunday.

Conceived on the lines of the Forest Rights Act that guarantees traditional user rights and land rights to tribals, Adivasis and forest dwellers, this Bill would provide security of dwelling and habitation, apart from marine resources, to the 70-lakh fisherfolk living along the coastal areas. The draft text was posted on the Ministry's website and the Ministry was open to suggestions.

Mr. Ramesh was unveiling the M.S. Swaminathan Research Foundation-led integrated mangrove fishery farming system here.

Sea water as social resource

The initiative is an attempt to introduce “sea water as a social resource” where saline farming will thrive along with fishing practices.

The project envisages cultivation of salt-resistant vegetation such as mangroves and halophytes alongside aqua culture for, salinity-ravaged soil has made farming difficult.

Protection shield

Referring to the Vedaranyam Salt March led by Rajaji in April 1930 which was launched a week after Mahatma Gandhi ended his Dandi March, the Minister proposed an eco-restoration-cum-conservation project at the salt memorial. Cultivation of mangroves as protection shields and development of a genetic botanical garden for salt-resistant species were a component of the initiative.

Describing the endeavour as one that would generate round-the-year-livelihood, MSSRF chairperson M.S. Swaminathan said integrated fishery farming practices could prove beneficial to salt workers of Vedaranyam who had seasonal employment for just six months.

Four-fold objective

Tapas Paul, senior environmentalist, World Bank, said the Integrated Coastal Zone Management Project aimed at reducing loss of coastal lives; protection of coastal lives and assets; conservation of coastal livelihoods; and sustainable management.

At present, West Bengal, Gujarat and Orissa were part of the project.

Scholarship

The MSSRF's Vedaranyam initiative would also constitute phase I of the project. A scholarship programme for three girls and two boys from the fishing community in each of the 13 coastal States was proposed.

The scholarships would be granted for university education in fisheries or coastal zone management studies.

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BHUBANESWAR, December 27, 2010

Olive Ridley nesting at peril

Will the spectacular sight of mass congregation of endangered Olive Ridley sea turtles for mating and nesting on the beaches of Gahirmatha become history?

The beaches coming under the Gahirmatha Marine Wildlife Sanctuary have shrunk considerably. A 32-km-long beach has shrunk to less than one kilometre in the past 35 years.

Gahirmatha is one of the first rookeries of turtles discovered along the Orissa coast.

A group of researchers from the Wildlife Institute of India and the Orissa Forest Department noticed the trend while studying the offshore distribution and migration pattern of Olive Ridleys along the country's east coast.

While presenting the outcome of the study spanning from 2007 to 2010 here recently, B. C. Choudhury, WII scientist and principal investigator of the study, said: “When as a researcher I worked in 1975, we used to walk a 32-km stretch beach where nesting used to take place. When the fragmentation occurred, at that point of time the nesting beach was six km long. And today it is about 950 metre.”

Fragmented space

In 2004, Islands of Nasi-I and Nasi II in Gahirmatha used to be continuous, but now the space was fragmented, Mr. Choudhury said. “Smaller patches of beach are often submerged. But when these are exposed, there is very little space available for nesting by turtles.” The area available for nesting was 1,80,000 square metre in 2004.

Mr. Choudhury said that in 2009, all smaller patches went under water and a very small piece of extended sand bar got attached to the Wheeler Island, which was being used by the Defence Research Development Organisation for missile testing. The nesting took place on the sandbar which was about 78,300 square metre.

“In 2010, the total mass nesting area is about 1,000 metre long by 53 metre width. You can easily calculate what is the total area? And even by wildest stretch of imagination, can you believe that 4.5 lakh turtles will lay their eggs in that area,” the WII scientist asked.

“Nesting by four to five turtles in a square metre area is very high density. Imagine the scenario on one metre square area where the first turtle will lay eggs, the second turtle will probably dig out those eggs. When 1.5 lakh eggs are laid and covered, probably 50,000 eggs are taken out.”

Apart from Gahirmatha rookery, two other mass nesting beaches are located on the mouth of rivers Rushikulya and Devi along the Orissa coast.

The study also said that nesting density (4 to5 turtles per square metre area) was high in Gahirmatha compared to Rushikulya (0.80 to one per square metre area) during the 2009-10 nesting season. Low erosion and sporadic nesting resulted in high hatching success at Devi.

Researchers say beach erosion is the major reason behind the gradual loss of nesting sites of Ridleys. Besides, proper management of turtle nesting has to be put in place as development activities (20 existing projects and 21 proposed ones, including ports along the coast) could prove to be the death-knell for Olive Ridleys.

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Many trees at botanical gardens reduced to cinders

Staff Reporter

KOLKATA: Several trees of the Acharya Jagadish Chandra Bose Botanical Gardens, the oldest in the country, were reduced to cinders in a fire that lasted over two hours here on Saturday.

While officials of the gardens claimed that not more than half-a-dozen trees, none of which was “particularly rare,” were burnt in the incident that occurred near a “garbage pit,” environmental activists said the number was much higher.

“What is most alarming is that it is indicative of the overall mismanagement in the gardens where piles of dried leaves, grass and twigs are just left out in the open in several places,” said Subhash Datta, who had filed a public interest litigation petition in the Calcutta High Court in 2003 on the garden's functioning.

Understaffed

Mr. Datta said that the botanical gardens were understaffed and very few people could be mobilised to assist the fire brigade in dousing the flames.

The authorities did not deny this.

“There is less number of staff in the gardens. Even though the security strength has been raised with the presence of personnel of the State police, it is not sufficient to manage such a situation,” said S. S. Hamid, senior scientist of the Botanical Survey of India, currently in charge of the gardens.

It is believed that a carelessly discarded cigarette butt had ignited the fire, he added.

Mr. Datta said that 28 trees had been fully or partially charred in the incident, apart from 10 banana trees and other shrubs that were also burnt down.

Spread across 273 acres on the banks of the Hooghly, the gardens are particularly famous for the Great Banyan Tree, which is more than 250 years old. With over 2,800 prop roots covering 1.5 hectares, the tree resembles a miniature forest.

Established in 1787, the gardens are home to over 12,000 trees and shrubs belonging to 1,400 different species, but several incidents over the past few years have indicated a drastic decline in the upkeep of the gardens.

A similar fire broke out two years ago. “There is no disaster-management plan that the authorities can follow in situations such as this fire,” Mr. Datta pointed out.

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Farmers should purchase only BEE star-rated pumpets

Special Correspondent

COIMBATORE: Pumpset manufacturers here have expressed concern over the sale of duplicate name plates of four and five-star rated pumpset brands at low prices.

President of the Southern India Engineering Manufacturers' Association R. R. Ranganathen in a memorandum to the Chairman of the TANGEDCO, C.P. Singh, that duplicate name plates were available at just Rs. 350 each. Farmers who purchased pumpsets under the one pole scheme would not be aware that they were purchasing low-efficient pumpsets that had false name plates.

Under this scheme of the State Government, farmers should purchase only Bureau of Energy Efficiency (BEE) star-rated, energy-efficient pumpsets. The manufacturers reiterated that there was no shortage of original star-rated pumpsets in the market.

However, sale of duplicate name plates would “totally nullify all the hard work put in by the State Government and the board to conserve energy in the State,” he said.

Hence, Mr. Ranganathen suggested that the board should send a letter immediately to all the approved pumpset manufacturers asking for details of their dealers. The officials should also verify with the BEE whether a particular model of pumpset of an approved brand had a star marking.

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More than onions

The more conventional explanation attributes the price rise to hoarding by traders

— PHOTO: P. V. SIVAKUMAR

resurgence of inflation:People buying small size onions at Rytu Bazaar at Erragadda in Hyderabad.

The Centre has unleashed a number of fire-fighting measures to moderate the sharp spike in vegetable prices, especially onion. Onion exports have been banned and duties on imports of this commodity have been done away with. Imports from Pakistan and neighbouring countries have been undertaken on a priority basis.

At the highest level, the government has tried to talk down the onion prices. But it is the prospect of imminent imports (more than any other factor) that has resulted in moderation of prices although the retail prices are still uncomfortably high.

High onion prices, above all, pose a political problem. Viewed as a manifestation of all that could go wrong with official food policies, the high prices can cost the ruling parties dear.

In the past, there have been occasions when the widespread public discontent and anger over high prices of vegetables, especially of onion, became the rallying point of political opposition. In 1998, the BJP Government in Delhi lost the elections because it could not rein in the onion prices. In fact so politically sensitive have been the onion prices that it is surprising that governments do not monitor the supply of this commodity on a continuous basis, the way they keep tab on the demand and supply of cereals, pulses and so on.

Crop damage

It would have been prudent to anticipate the problem instead of letting it grow to such crisis proportions. It was known that unseasonal rain and inclement weather in the main onion-growing regions of western India have damaged the crop. The demand for onions (as well as other vegetables forming part of the food basket across India) is inelastic. Rising prices may, therefore, discourage consumption only marginally. On the other hand, it may encourage housewives to buy more of the vegetable than they would have in normal times. Persistently high prices of essential commodities may induce ‘stocking up' of a commodity before its price goes up. This ‘hoarding by consumers' phenomenon ought to be studied in greater detail but anecdotal evidence suggests that it does exist.

The more conventional explanation attributes the price rise to hoarding by traders. There is no doubt at all that some traders are trying to capitalise on the shortages. Many point to the sharp mark-up over the retail price as evidence. In the middle of last week, onions were sold for Rs.80 a kg in the retail market whereas in the wholesale market the price was just a third or fourth of that. The most efficient anti-hoarding measures should include steps to increase supply (also through timely imports, if need be) and competition in the distribution. A related suggestion is to streamline the supply chain and reduce the bottlenecks. There are far too many intermediaries between the farmer and the consumer.

According to a recent study, as many as nine or ten middlemen, with their own mark-ups, drive up the prices. Eliminating or minimising their number, however, has not been easy so far. Among other reasons, such moves have political repercussions. Besides, alternative proposals such as bringing in big retail have been opposed politically.

For policymakers, the high vegetable prices have plenty to do with inflation and inflation expectations. Surveys, by, among others, the Reserve Bank of India, point to a hardening of inflation expectations recently.

The rise in the retail prices of petrol and the possibility of diesel prices following suit have certainly contributed to the belief that prices of essential commodities will not come down in the near future. Quite ominously, global oil prices have touched near-time highs. High onion prices have forced the government to absorb the price increases in diesel, whose retail prices are still controlled. That is one instance of the government having to back down on reform in a critical area in the face of a sharp spike in food prices. But quite obviously it is the monetary policy that will be watched with renewed interest.

Most analysts expect the RBI to hike short-term interest rates at the time of the next policy statement due in January, 2011.

In its recent policy statements, the RBI had hinted that there would not be interest rate increases in the near term. This was taken to mean that the period of monetary tightening was over. Yet, as always, the RBI's stance is subject to a few caveats.

Other risk factor

Rising global commodity prices have been one risk factor. A resurgence of inflation and the need to frame appropriate monetary responses has always been on the cards. In fact, the central bank has stated that it might have underestimated its inflation target of 5.5 per cent by March 31, 2011. As for food inflation, it has been pointed out that there is a shift in the consumption pattern towards milk, meat, eggs and so on. There is less dependence on wheat, rice and other cereals.

The moderation in the prices of items in the former category has been less compared to the latter category. In addition, the hardening of inflation expectations would necessitate a rate hike. Interestingly, the softening onion prices will not be reflected in the forthcoming weekly inflation index which is always announced with lag.

The annual headline inflation eased to 7.48 per cent in November, its lowest level in a year, from 8.58 per cent in October. However, the food inflation index, which is released at weekly intervals, rose to 12.13 per cent on December 11 while the fuel price index climbed to 10.74 per cent over the previous year (the overall WPI inflation index, monetary policy's reference point, is released at monthly intervals). In the previous week, annual food and fuel inflation stood at 9.46 per cent and 10.67 per cent, respectively.

C. R. L. NARASIMHAN

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Project to mechanise dairy farms

Thiruvananthapuram: The Animal Husbandry Department would implement a Rs. 5-crore project with an aim to encourage farmers to strengthen and upgrade existing infrastructure so as to make dairy farming commercially viable, official sources said.

In the initial phase, 40 dairy farms here would be modernised with mechanised equipment as part of the project, official sources said.

The department proposed to create a network of scientifically managed model demonstration units for hygienic milk production and better livestock management, they said.

By making easy funds available, the project would seek to promote large-scale commercial livestock farming by adopting advanced technology, the sources said.

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Garlic prices shoot up

— PHOTO: K. K. Mustafah.

ON DISPLAY: Garlic displayed for sale at a retail shop in Thrissur on Friday. Drastic drop in arrival of garlic in the State from neighbouring States due to incessant rain led to garlic prices shooting up to Rs.220-270 a kg in the retail market against Rs.160-200 a month ago, depending on the quality. Even poor quality garlic available in the market is priced high. The volatility has been driven by a fall in production in Uttar Pradesh, Madhya Pradesh and Gujarat.

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Jagan writes to Centre on farmers' problems

Special Correspondent

HYDERABAD: Former MP Y.S. Jaganmohan Reddy has requested the Central government to take immediate steps for rescue of farmers, weavers and other artisans who were seriously hit by series of floods and other natural calamities.

He addressed three separate letters to Prime Minister Manmohan Singh, Agriculture Minister Sharad Pawar and Textiles Minister Dayanidhi Maran. He sought the audience of the Prime Minister and the Union Ministers to personally explain to them about the hardships being suffered by farmers and other sections of society before January 3, 2011, the day he is to start the next phase of his ‘odarpu yatra' in Visakhapatnam

Meanwhile, he is understood to have initiated efforts to fine-tune the agenda of his proposed party with his supporters and senior leaders. Mr. Jagan formally launched a website hosted by a group of non-resident Indians. The website www.i4jagan.in highlights the spree of welfare and development programmes launched by his father, former Chief Minister Y.S. Rajasekhara Reddy.

Some MLAs belonging to the ruling Congress and other parties called on Mr. Jagan who entered into his new residence at Banjara Hills.

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Training on millet-based value-added product

Staff Reporter

MADURAI: A one-day training programme on ‘Millet based value-added product' is going to be held here on Wednesday by Madurai District Tiny and Small Industries Association (MADITSSIA) Business Information Centre. In a statement, association president N. Somasundaram said the trade body was conducting this event jointly with the Department of Home Science, Home Science College and Research Institute, Tamil Nadu Agricultural University, Madurai. The university would also issue certificates to the participants.

Objective

The programme is aimed at youth interested in starting their business ventures. It would deal with various aspects such as preparing project reports, Government schemes available, details of machinery manufacturers, raw material suppliers and potential export opportunities.

Entry for pre-registered candidates

The programme would be held at MADITSSIA Hall in Dr. Ambedkar Road between 10 a.m. and 5 p.m. on Wednesday.

Entry would be restricted to pre-registered candidates. Further information could be obtained from Joint Secretary, MADITSSIA, Dr. Ambedkar Road, Madurai – 625 020. Telephone No: (0452) 439 3965.

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People turn to farmers' markets in Erode district

Staff Reporter

Availability of vegetables at nominal rates attracts consumers

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ERODE: The farmers' markets in Erode district are now witnessing sharp increase in consumers as vegetable prices have skyrocketed in the open market.

All the five farmers' markets in the district have registered 20 to 30 percent increase in the footfall during the last two weeks. The market in Periyar Nagar normally gets around 1,400 consumers a day.

“We are now getting more than 1,700 consumers per day. The total volume of the sale has also registered a sharp increase,” market officials said. The prices of almost all the vegetables sold in the farmers' market are 15 to 20 percent less when compared to the rates in the open market. The rates of small onion, tomatoes, potatoes and other vegetables have escalated in the open market during the past few weeks. Tomatoes are sold at Rs. 50 per kg in retail shops, whereas it is available for Rs. 38 per kg in the farmers' markets. Similarly, small onion and brinjal are sold at Rs. 35 a kg in retail shops and Rs. 25 a kg in farmers' market.

“A coconut is sold at Rs. 7 to Rs. 9 at the Periyar Nagar market. It is charged Rs.15 in retail shops. A few established vegetables shops even sell at Rs. 18 in Erode town,” officials said.

The availability of vegetables at nominal rates had attracted a large number of consumers to the farmers' markets. The market in Sampath Nagar even gets people from areas located 10 to 15 km away. S. Chelladurai, a resident of Thindal, visits the Sampath Nagar market to buy vegetables at least thrice a week. “The shops in our neighbourhood sell the vegetables at higher rates. Tomatoes are sold at Rs. 55 per kg in Thindal. The same was Rs. 38 per kg in the farmers' market. Many people in my neighbourhood have become regular consumers to the Sampath Nagar market,” he says.

The district has five farmers' markets - two in Erode town (Sampath Nagar, Periyar Nagar,) one each in Perundurai, Gobichettipalayam and Sathyamangalam.

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Annamalai University to evaluate submergence-tolerance of paddy

A.V.Ragunathan

International Rice Research Institute, Manila, assigns task

CUDDALORE: The International Rice Research Institute (IRRI), Manila, the Philippines, has assigned the task of evaluating submergence-tolerant paddy varieties in Tamil Nadu to the Department of Agronomy, Faculty of Agriculture, Annamalai University.

Rm.Kathiresan, head and professor, Department of Agronomy, told The Hindu that the existing paddy varieties would withstand partial submergence only for a limited period and would perish soon if submerged fully.

In the recent years, in the delta districts, the food basket of Tamil Nadu, submergence of standing paddy crops for over a week had become a common phenomenon. If the problem was not tackled in a scientific and consistent manner, it might endanger food security and seriously threaten the livelihood of lakhs of farmers and farm labourers.

Mr. Kathiresan said that the IRRI, through the project called “Stress-tolerant rice for Africa and South Asia (STRASA)” funded by the Bill and Melinda Gates Foundation, the U.S., had isolated the submergence tolerant gene and introduced it in paddy varieties such as IR-74, Swarna, Samba Mashuri and CR-1009, all with the suffix ‘sub-1.'

Various agricultural research institutions were evaluating these varieties elsewhere in India and in Tamil Nadu the task had been assigned to Annamalai University. Mr. Kathiresan further said that his department had already been implementing the World Bank-Indian Council of Agricultural Research-funded National Agricultural Innovation Project for livelihood enhancement of 2,400 farming households in the disadvantaged districts of Tamil Nadu.

On the strength of the latter project, the IRRI had given the responsibility of evaluating the new varieties to the department. The evaluation process for these new cultivars had already started.

Mr. Kathiresan observed that the Department of Biotechnology under the Union Ministry of Science and Technology had involved the Agronomy Department as a partner in a network mode in collaboration with the IRRI to speed up the process of evolving many more flood and saline-tolerant paddy varieties.

He hoped that the new varieties would come as a boon to the delta farmers to mitigate the crop losses on account of floods.

hindustantimes

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Economy can surpass 8.5% growth: Pranab

Finance Minister Pranab Mukherjee on Saturday expressed confidence that the economy in this fiscal could surpass 8.5% growth rate with some 'luck'.

"While drafting the economic survey for 2010-11, (Chief Economic Adviser to the Finance Ministry) Kaushik (Basu) had predicted a growth of about 8.5%. I am confident that with luck, it may be surpassed," Mukherjee said at the 101st Annual General Meeting of the Bharat Chamber of Commerce.

In the first two quarters this fiscal, the economy grew by 8.9%.

Mukherjee said he did not believe that 8.9% expansion in the second quarter of this fiscal could be achieved from a growth rate of 5.5% in 2008-09.

The government's Mid-Year Analysis has projected the economy to grow by up to over nine per cent this fiscal.

Mukherjee said although the Indian economy had withstood the international financial crisis with fortitude and was now the fastest growing economy after China, there were challenges to the country's aspiration for growth in double digits.

If nine per cent growth projected in the Mid-Year Analysis is met, the Indian economy would expand at a pace registered during the three years prior to the global financial crisis.

Observing that there were inflationary pressures on agriculture, he said in the past six-and-a-half years, the government had raised the minimum support price of rice and wheat to encourage farmers to grow more.

Incidentally, food inflation was back in double digits after three weeks in December. The inflation was 12.13% for the week ended December 11.

Earlier on Thursday, Mukherjee had said that "I am afraid there has been some upward movement of food items... of course the weekly fluctuations take place and one of the reason may be the high prices of onion, which (we already) have taken steps".

The wholesale price based inflation for November stood at 7.48%.

The government is trying hard to bring down rates of food items, including onion whose prices have skyrocketed, to tackle high inflation which can affect growth.

The finance minister expressed hope that a good kharif harvest this season would ease the pressure on prices.

Mukherjee said inflation would stand at a 'managable' level of 6.5% by the end of the current fiscal. "Thanks to the fiscal and monetary policies, we could tackle inflation. But more needs to be done," he said.

Admitting that price fluctuation of perishable fruits and vegetables was resulting in price rise and onion prices bringing 'tears to the eyes,' Mukherjee said there was need to set up more cold chains and scientific storage facilities.

"Farmers are ready to produce. The government is ready to provide incentives. But there is a need to reduce the cost of taking the food from the field to the consumer's table. That is an area on which we must concentrate," he said.

He said the current international oil price at 91 USD per barrel was draining a huge amount in government subsidies.

http://www.hindustantimes.com/StoryPage/Print/642820.aspx

Weather

Chennai - INDIA

Today's Weather

Partly Cloudy

Monday, Dec 27

Max Min

30º | 20.1º

Rain: 00 mm in 24hrs

Humidity: 89%

Wind: Normal

Sunrise: 6:28

Sunset: 17:50

Barometer: 1013.0

Tomorrow's Forecast

Rainy

Tuesday, Dec 28

Max Min

28º | 22º

Extended Forecast for a week

Wednesday	Thursday	Friday	Saturday	Sunday
Dec 29	**Dec 30**	**Dec 31**	**Jan 1**	**Jan 2**
25º | 23º	27º | 24º	27º | 23º	26º | 24º	27º | 23º
Rainy	Rainy	Cloudy	Cloudy	Cloudy

THE ECONOMIC TIMES
Mon, Dec 27, 2010 | Updated 10.57AM IST

27 Dec, 2010, 04.44AM IST,PTI

Onion prices dip marginally

NEW DELHI: Onion prices fell further by about Rs 10 in the retail markets of major metros to Rs 40-50 per kg on Sunday even as finance minister Pranab Mukherjee exuded confidence that the situation will be in control soon.

“Export of onions has been banned and the import duty has been made zero. Besides, some imported onions are reaching the market. The prices have come down,” he told reporters.

“The government is taking all possible steps and things will be in control soon,” he added. While retail prices of onions have started easing from their peak of Rs 70-85 per kg earlier this week, tomato and garlic rates remain high, at Rs 40-60 per kg and Rs 250-300 per kg respectively.

Prices of onions had surged due to crop damage in the major producing region of Maharashtra , besides hoarding.

There was a decline in the prices of onions in Kolkata and Chennai. Prices of the commodity fell by Rs 10 a kg and were ruling at Rs 40-50 /kg in the two metros , depending on the quality.

However, prices remained high in the financial capital of Mumbai, where the going rate was Rs 60-75 a kg.

26 Dec, 2010, 01.24PM IST,PTI

Onion prices have come down, will be in control soon: Pranab

KOLKATA: Finance Minister Pranab Mukherjee today said prices of onions have come down from the sky-high levels seen earlier this week and the situation will be in control soon, as the government is taking all steps.

"Export of onion has been banned and the import duty has been made zero, besides some imported onions are reaching the market. The prices have come down," he told reporters at his residence here.

"Some fruits, vegetables and milk have an element of seasonality in them and sometimes in the market, there is gap in the demand and supply of products, which leads to the increase in their prices... Ultimately, it depends on the series of the core chain," Mukherjee said.

Onion prices had jumped to as high as Rs 85 per kg in retail markets earlier this week, due to a severe supply crisis. This was attributed to the damage suffered by crops in Maharashtra, the main producing state, on account of unseasonal rains, though some quarters have alleged that hoarding by traders was responsible.

26 Dec, 2010, 03.27AM IST,IANS

Jharkhand farmers dump tomatoes on roads

RANCHI: Call it irony. At a time when tomatoes are selling for up to Rs 40 a kg, farmers in Jharkhand are dumping them on roads because they are not getting money that meets even their production cost. At Rangamati, on the Ranchi-Jamshedpur national highway just 70 km from here, angry farmers are throwing away their produce.

“There is bumper production of tomatoes. There is no place to keep them. In the evening when we return home we dump them on the roads. Who is going to bear the transportation cost?” farmer Gurudas Mahto asked Saturday. Echoing his view, Jagdish Oraon said: “Why should we sell tomatoes at any cost less than what it cost us?”Farmers say it costs them Rs 5-6 to produce a kilogram of tomatoes. They want Rs 8-10 from the middlemen, who are willing to pay only Rs 4-6.

The government is indifferent, say the farmers. Jharkhand agriculture department secretary AK Singh said: “The farmers should form a cooperative to sell their products in the market. The government can assist in the formation of the cooperative but can’t buy vegetables or sell them.”

Farmers content they cannot afford to sell in the market. “It is impossible to travel 70-100 km every day to the market. It is the duty of the government to form such cooperatives in each block and in villages,” said Khagendra Mahto, another farmer.

26 Dec, 2010, 07.03PM IST,PTI

Onion prices slide marginally; tomatoes & garlic remain costly

NEW DELHI: Onion prices fell further by about Rs 10 in the retail markets of major metros to Rs 40-50 per kg today even as Finance Minister Pranab Mukherjee exuded confidence that the situation will be in control soon.

"Export of onions has been banned and the import duty has been made zero. Besides, some imported onions are reaching the market. The prices have come down," he told reporters at his residence in Kolkata.

"The government is taking all possible steps and things will be in control soon," he added.

While retail prices of onions have started easing from their peak of Rs 70-85 per kg earlier this week, tomato and garlic rates remain high, at Rs 40-60 per kg and Rs 250-300 per kg respectively.

Prices of onions had surged due to crop damage in the major producing region of Maharashtra, besides hoarding.

Onion prices at retail outlets in the national capital dropped further to Rs 40-50 a kg today from the Rs 50-60 per kg level seen in the last two days, traders said.

There was a decline in the prices of onions in Kolkata and Chennai, too. Prices of the commodity fell by Rs 10 a kg and were ruling at Rs 40-50/kg in the two metros, depending on the quality.

However, prices remained high in the financial capital of Mumbai, where the going rate was Rs 60-75 a kg.

In order to maintain adequate supply of onions in the city, the Delhi government kept Azadpur market (Asia's biggest wholesale fruits & vegetables market) open even on Sunday to facilitate the sale and purchase of the politically sensitive item.

"Not much sale was witnessed in the mandi today. Fresh arrival of onion was very low. There was some sale from yesterday's stock," Onion Merchants Association General Secretary Rajendra Sharma told PTI.

Explaining the reason behind the rise in food prices, Mukherjee said: "Some fruits, vegetables and milk have an element of seasonality in them and sometimes in the market, there is gap in the demand and supply of products, which leads to the increase in their prices... Ultimately, it depends on the series of the core chain."

26 Dec, 2010, 07.11PM IST,PTI

Soaring veggie prices make eggs costlier by Re 1 each in Delhi

NEW DELHI: Skyrocketing vegetable prices have pushed up the retail cost of eggs, the poor man's protein food source, by Re 1 apiece in Delhi and the NCR over the past 10 days.

Eggs, which were selling at Rs 3 apiece 10 days ago, now cost Rs 4 each in the National Capital Region (NCR), traders said. The cost of a dozen eggs has gone up to Rs 45-50 a dozen in the NCR.

Wholesale egg prices in Delhi stood at Rs 3.05 apiece on Saturday, up from Rs 2.85 apiece 10 days back, they said.

The cost escalation has been attributed to soaring prices of onions and other vegetables, besides heightened demand during the winter and festival season. Onion prices had surged to Rs 70-80 a kg earlier this week, but have now come down marginally to Rs 50-60/kg.

Similarly, the rates for tomatoes, garlic, potatoes and other vegetables have also escalated in the NCR.

"The rise in vegetable prices has contributed to the increase in prices of eggs, as in many cities, the main vegetables are costlier than a dozen eggs," Poultry Federation of India (PFI) spokesman Ricky Thaper told PTI.

"The poor who can not afford vegetables, which are available at exorbitant prices in retail, are preferring eggs in their diet," he said, explaining the reason for the increased demand for the item.

Demand has also gone up due to cold weather conditions and festivals like Christmas and the New Year, Thaper added.

Egg prices will remain high in January, 2011, as consumers are earmarking a larger portion of their stretched food budgets for eggs, the PFI official added.

Eggs come to Delhi mainly from Punjab and Haryana. However, no significant increase has been witnessed in the prices of broiler in the NCR, as supply has been increased to meet escalating demand, sources in the Ghazipur wholesale broiler market said.

Against the normal supply of about 125 tempos, each carrying around 800 chickens, arrivals have been enhanced to about 180 tempos now, the sources added.

26 Dec, 2010, 07.50PM IST,PTI

Sugar futures trading to restart tomorrow

NEW DELHI: Futures trading in sugar will resume tomorrow after a gap of one-and-a-half years, with the country's top two national exchanges MCX and NCDEX launching new contracts.

The government had banned sugar futures trading on May 27, 2009, to control rising prices of the sweetener. The ban was valid till September 30 this year, following which it was allowed to lapse by the regulator, the Forward Markets Commission (FMC).

However, despite lifting the ban, the FMC did not permit the immediate relaunch of sugar futures trading as it was waiting for realistic estimates of production in the 2010-11 sugar year (October-September).

"We will relaunch sugar futures from tomorrow. We will offer contracts for six months from January to June, 2011," an MCX spokesperson said, adding that delivery would be linked to the Delhi, Uttar Pradesh and West Bengal markets.

In a circular, NCDEX said that three futures contracts for sugar trading would be available for January, February and March, 2011.

"The correlation between the futures contract prices and spot market prices is high. As the exchanges enable a transparent interplay of demand and supply forces, leading to efficient price

discovery, the domestic sugar industry will definitely benefit from the re-introduction of sugar futures," MCX Deputy Managing Director P K Singhaln said.
Sugar production is estimated to rise to 24.5 million tonnes in the 2010-11 sugar year, as against 19 million tonnes in the previous year.

Annual demand has been pegged at 23 million tonnes. Buoyed by increased supplies, retail sugar prices have declined sharply from their peak of nearly Rs 50 a kg in mid- January to Rs 30 a kg at present in the national capital. India is the world's second-biggest producer and the largest consumer of sugar.

By Express News Service
27 Dec 2010 03:33:39 AM IST

Tomato prices shoot up

CHENNAI: After onions, the price of tomatoes has shot through the roof. They now cost `50 per kg in the retail market in Chennai and its suburbs.
“The rates have gone north, thanks to the recent spell of rains that took a toll on crops, particularly vegetables like tomatoes, which rot in a short period,” said S Chandran, secretary of Koyambedu Periyar Wholesale Vegetable Market Merchants Association. “Though we sell the vegetables at Rs 35 per kilogram, the prices escalate once it reaches the local markets,” he pointed out, while adding that the price of brinjal too had climbed from Rs 18 to Rs 30 on Sunday.
However, there was no big change in the rates of other vegetables, including drumstick, onion, beans and yam. Apparently, potatoes are cheaper than the rate at which they were sold on Saturday - between Rs 10 and Rs 13 at the wholesale market.

Business Standard

Monday, Dec 27, 2010

Wheat acreage in Gujarat up by 1.74 lakh hectares

Vimukt Dave / Mumbai/ Rajkot December 25, 2010, 0:20 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.

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.

Business Line
Business Daily from THE HINDU group of publications

Monday, December 27, 2010

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http://www.thehindubusinessline.com/2010/12/27/stories/2010122751600100.htm

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Back Farm output bounces back

Official data show reversal of fortunes in key crops under UPA rule.

Annual production

(million tonnes)

Crop	Five-year average ending		
	1999-2000	2004-05	2009-10
1. Foodgrains	197.11	199.20	221.87
(a) Rice	83.40	84.36	94.03
(b) Wheat	69.09	69.80	77.02
(c) Maize	10.76	13.10	17.04
(d) Pulses	13.57	12.72	14.30
2. Oilseeds	22.66	20.70	26.93
(a) Soybean	6.23	6.12	9.61
(b) Mustard	5.76	5.41	7.00
3. Cotton*	16.54	17.12	28.26
4. Sugarcane	285.25	270.30	309.53
5. Potato	21.81	23.27	29.25
6. Onion	4.42	5.19	10.47
7. Milk	72.23	86.35	104.78
Fertiliser use@	34.52	35.87	47.39
Tractor sales**	2.35	2.12	3.20

*Million bales; @Consumption of products;
**Lakh units

Harish Damodaran

New Delhi, Dec. 26

Has Indian agriculture turned the corner? Official data on crop production as well as consumption of key farm inputs suggest so.

The accompanying table shows output trends for major crops over three periods: 1995-2000, 2000-2005 and 2005-2010 (April-March). For each of these five-year periods, the average production has been taken, in order to minimise the impact of unusual year-to-year fluctuations arising from the vagaries of weather.

A clear picture emerges. The early half of this decade was pretty bleak for agriculture, with output stagnating or rising only marginally in most crops, and declining in the case of oilseeds and pulses.

Turnaround time

However, the subsequent five-year period – roughly coinciding with the United Progressive Alliance (UPA) in office – has witnessed a reversal of fortunes in foodgrains, oilseeds and sugarcane. In some crops – cotton, maize, potato and onions – the production increases have been quite significant. Even milk has posted a bigger jump relative to the preceding period.

The evidence of a turnaround is further borne out when one looks at the ‘input' side. There has been a robust rebound, for instance, in tractor sales and consumption of fertilisers, reflective of higher demand originating from farms.

Part of the overall improved agricultural performance is explained by higher yields. This is particularly apparent in cotton and maize, where Bt technology and increased penetration of hybrids have made a difference.

But equally, if not more, important has been the role of prices. During 2005-06 to 2009-10, the average wholesale price index (WPI) for ‘food articles' went up by 40.76 per cent, which was more than the 24.14 per cent for ‘all commodities'.

It was the other way round in the previous five years, where the cumulative general WPI inflation of 20.30 per cent exceeded the 9.27 per cent of food.

Twin bonanza

The more favourable terms of trade for agriculture in the recent period are likely to have induced farmers to ramp up output, just as the earlier lower relative prices may have discouraged expansion of cultivation. The combination of higher production and better price realisations has, in turn, helped boost rural incomes.

That still begs the question: Why have food prices spiralled so much despite the farm sector staging a revival of sorts during the UPA regime (unlike the earlier period when prices ruled soft even in face of stagnant production)?

The answer could lie in the increased purchasing power accompanying higher economic growth rates over the last 5-6 years. This has led to a situation where food production is now having to keep pace not just with rising population (as in the past), but also rising incomes.

Demand-pull

The growth in the purchasing power base may have made prices more volatile than before – with the result that even a 10 per cent production shortfall nowadays translates into a 100 per cent price increase. Onions are a live example of this.

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Back **Palm oil may test resistance, fall**

Malaysian palm oil futures ended higher on Friday on weaker output and expectations of China re–stocking ahead of the Lunar New Year holidays. Crude oil going above $90 a barrel could see palm oil extend gains going forward.

Heavy rains in palm oil-producing South-East Asia and a dry spell in soya exporting South America have boosted vegetable oil markets in recent weeks.

The strongest La Nina weather event in nearly half a century, resulting in heavy rains and flooding which has damaged crops and flooded mines in Australia and Asia, may be at its peak. With weather and fundamentals supporting prices, it is unlikely to expect any major declines.

CPO futures moved against our expectations. As mentioned in the previous update, unexpected rise above 3630 Malaysian ringgit (MYR) a tonne will dampen our bearish view. A possible extension to 3700-45 MYR/t looks likely again. Major near-term support is at 3470-500 MYR/t.

Despite a bearish price structure, prices are inching higher which signifies underlying strength. Instead of fighting against the tide it is better move with it till it shows further clues that the trend has reversed.

Only a daily close below 3,425 MYR/t will hint at a stronger corrective decline targeting 3200 MYR/t also being a long-term trend line support point and a Fibonnaci retracement point.

However, indicators are still hinting at minor corrections going forward. Therefore, though prices are on the rise, possibility of a quick decline looks likely in the coming sessions.

We believe the impulse that began from 1,427 MYR/t, which hit 4,486 MYR/t ended and a prolonged corrective move has possibly ended at 1,335 MYR/t. We will review our wave counts now in line with the bullishness seen in the complex. In the big picture, a new impulse began from 1335 MYR/t and we are now in the third wave with a projected objective of 3790-3800 MYR/t.

The third wave impulse has possibly ended at 3765 MYR/t. The corrective fourth wave move we have been expecting materialised.

But, the present move could be an irregular wave “B”. RSI is still in the highly overbought zone and showing multiple negative divergences. The averages in MACD are still above the zero line of the indicator indicating the bullish trend to be intact.

Only a cross-over below the zero line again could indicate bearishness again. Therefore, look for palm oil futures to test the resistances initially and then fall lower.

Supports are at MYR 3625,3575 & 3500 Resistances are at MYR 3705, 3745 & 3800.

Gnanasekaar T.

(The author is the Director of Commtrendz Research and also in the advisory panel of Multi Commodity Exchange of India Ltd (MCX). The views expressed in this column are his own and not that of MCX. This analysis is based on the historical price movements and there is risk of loss in trading. He can be reached at gnanasekar_thiagarajan@yahoo.com.)

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Back **Sugar prices set to spurt on global, domestic cues**

Retail rates may touch Rs 40/kg in 2-3 months.

G. Chandrashekhar

Domestic sugar prices, already on an upward trajectory, are set to accelerate given the explosive global conditions which are likely to feed into domestic market soon.

Currently, the sweetener trades in the wholesale market at around Rs 3,000 a quintal, but the emerging trend points to a 10-15 per cent rise in the next 2-3 months. Retail prices may well touch Rs 40 a kg. To be sure, there is no shortage of sugar. Opening stocks (35 lakh tonnes) plus production (currently projected at 245-250 lakh tonnes) are sufficient to take care of domestic demand, estimated at a healthy 235-240 lakh tonnes.

In fact, there is a surplus, albeit small. It is to ease inventory burden that the Government has allowed export of five lakh tonnes, in addition, of course, to the previous export obligation of about 11 lakh tonnes. If exports are taken into account, market fundamentals turn somewhat tight — even a small change in demand or supply or both can have a disproportionate impact on prices. Now, factor in global cues the domestic market seldom ignores. ICE sugar prices have risen to a fresh 30-year high of 33.65 cents a pound. If this is not explosive, consider what would happen in the domestic market when futures trading in sugar is opened in the next few days.

If anything, sugar futures trade is likely to set the market on fire simply because a lot of speculative money will flow into paper contracts that create artificial demand.

It is possible the imminent price spurt may remain muted over the next 6-8 weeks because of the peak crushing season.But once crushing activity tapers off, prices are sure to surge, as always.

By end-March or early-April of 2011, we should have a good idea of acreage under cane.

Anything less than 50 lakh hectares is sure to send bullish signals. It is a frightening prospect that India may be forced to go into the world market to import sugar to contain soaring prices in the second half of next year. Plagued by shortage, the world sugar market is already in the grip of speculators. Any hint of Indian import — for whatever reasons including domestic price control — can have a devastating effect on world sugar prices.

caution

So far, rallies in the world market have faced minimal resistance as commercial (producer) selling remains scarce on reduced production prospects in Brazil and expectation of higher prices next year, commented an expert. The only caution is such an expectation has pushed the market into overbought status and domestic prices in importing countries have failed to keep pace with this increase in future prices, the expert added.

It is essential that caution is exercised in resuming sugar futures. If left unchecked, the Government may be forced to suspend trading once again. It is necessary the Government explains whose benefit it seeks to serve by opening up sugar futures when some of its other physical market actions such as exports are going to create market tightness.

Futures trading can hurt consumers. If decisions are taken in ‘public interest', it devolves on the Government to explain what it means.

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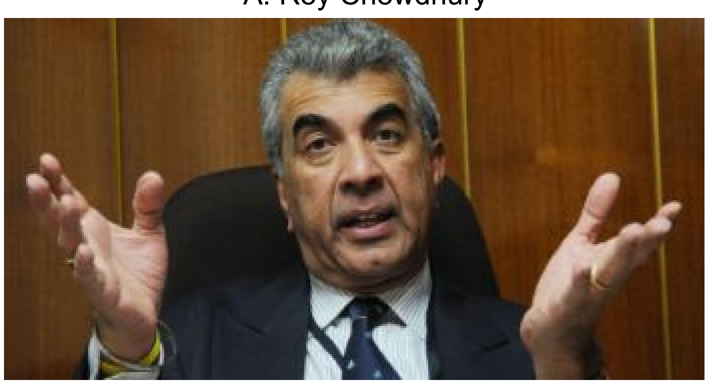
Back **Tea industry in for a good run, says Ashok Batra**

– A. Roy Chowdhury



Expecting a good brew: Mr Ashok Batra, Chairman and Managing Director, J Thomas and Co.

Santanu Sanyal

Kolkata, Dec 26

The world's first public tea auction started in Kolkata (then Calcutta) on December 27, 1861. R Thomas & Company, which later became today's J Thomas & Company Pvt. Ltd, was the auctioneer. As J Thomas & Company enters 150 th year of operation today, its Chairman, Mr Ashok Batra, discusses with Business Line, various issues facing tea broking business.

How it is like heading a company engaged in tea broking business for the past 150 years?

A bit of history first. The original company did not start as a tea broking firm. In 1776, Thomas Marten & Company, which after several changes became J Thomas & Company, started in Calcutta as broker of indigo, jute and shellac. The world's first public tea auction was organised in Calcutta by R Thomas & Company on December 27, 1861. The company later became J Thomas & Co. Pvt Ltd.

Ours is a unique firm in more ways than one. It is the largest and oldest tea auctioneer in the world, handling about 200 million kg of tea annually. Maintaining this leadership position continuously for 150 years has not been easy. It has been possible not only by the company's large pool of trained and expert tea tasters and auctioneers, but also by its accent on ethics and integrity. The company is uniquely structured, with current working employees being the shareholders. This ensures independence, transparency and professionalism, while empowering employees.

How many auction centres does it have?

We operate in all six tea auction centres — three each in north and south India, with head office in Kolkata. We're also a major coffee auctioneer through our outfit in Bangalore and act as procuring agent for rubber .We also provide varied consultancy services for the tea industry.

You yourself have been tea broker all your life. How do you see the change over the years?

I joined this company as a management trainee in 1972, fresh from college. I became the Chairman this April after serving various positions in different places, both in north and south India. Till 1984, the sellers were at liberty to sell their teas in whichever way they thought correct

– direct exports, private sales and sale through the auction system. Both the auction system and private sales had, and still have, their own distinct advantages. Before 1984, close to 50 per cent of the tea produced in the country was sold through the auction system. In 1984, Tea Marketing Control Order was issued. Tea Board ruled that 70 per cent of the country's production must be routed through the auction system but exemptions were granted to tea for exports, packet tea and instant tea. The order was in force till 2000.

Why was it withdrawn? Wasn't the objective achieved?

The withdrawal of TMCO was in tune with the Union Government's policy of economic liberalisation. The objective was by and large achieved. At one point, the auction system handled nearly 80 per cent of the total production, gradually declining to 75 per cent, then 70 per cent and finally stabilising at around 67/68 per cent.

What is the present figure?

Around 50 per cent; similar to the pre-1984 level. But the volume is now much larger due to increased production.

What is your market share?

Last year, our market share was around 40 per cent, 200 mkg out of a total 500 mkg offered in the auction system. Last year, the total production was 979 mkg, likely to be lower by 20-25 mkg this year. Out share too will drop to around 36/37 per cent.

About the tea brokers in the country

Most brokers are active in one auction centre, or at best in two to three centres. Ours is the only company which has presence in all six centres. The oldest tea broking firm in Kochi, Forbes, will be a little over 60 years old. Over the years, many old firms folded their operations such as W S Cresswell, A W Figgis, Best Tea Brokers, Tamil Nadu Tea Brokers and recently, Carritt Moran.

What is your view on e-auction?

Like almost everything else in today's world, tea auctioning too must change with times. These days everybody wants speed in payment and delivery. Right now, the e-auction is in force in all auction centres in South India, and at Siliguri and Guwahati centres in North India. In Kolkata, CTC and Dust varieties are fully in electronic mode, only Orthodox and Darjeeling varieties are left out. In Kolkata, export teas by and large are still under the old manual system. We understand a move is afoot to bring Orthodox under the e-auction from the next season but nothing has yet been decided about Darjeeling. At the national level, I believe about 300 mkg are now sold through the e-auction system.

Why Kolkata a laggard?

Unlike other centres, where e-auction system is fully in place, the system being followed here is slightly different. This is presumably because the entire rules have not yet been fully implemented. But then any new system takes times to stablilise.

Any comment on the tea price trend?

The prices will be buoyant for next three to five years. We're very bullish about it. The tea industry is in for a good run. This will be especially true of all varieties of good quality tea, not only orthodox but also good CTC teas. Frankly, poor quality teas have little future. The consumers are very discerning these days.

What is the biggest challenge facing the tea broking community?

The brokers must constantly update themselves to be in tune with the changing requirement of the trade. They have to be quicker, faster, more transparent. They need to innovate, think on their feet and must always be one step ahead of their seller and buyer clients. We, in J Thomas, always try to address these issues.

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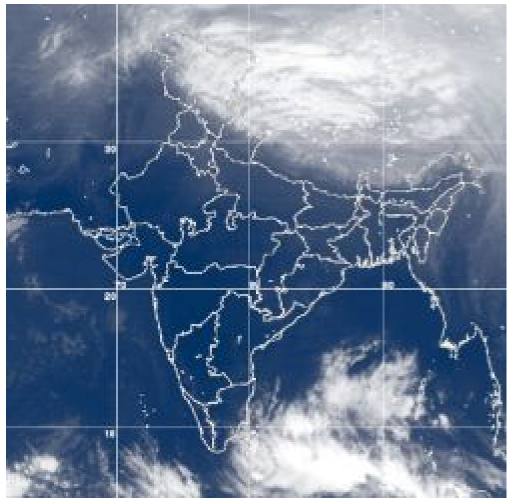
Back **Fog may linger until next westerly pushes in**



Vinson Kurian

Thiruvananthapuram, Dec 26

Wind, temperature and moisture values have conspired to set up fog to dense fog conditions over parts of northwest India.

Horizontal movement of moist air over a cold surface and the consequent cooling of that air to below its dew point are possible reasons.

NEXT WESTERLY

Clear nights, below-normal temperatures and humidity (ranging between 80 to 90 per cent) only abet these conditions.

It would take another western disturbance, one of which is forecast to enter the northwest in the next couple of days, to upset this pattern.

An India Meteorological Department (IMD) update on weather during the 24 hours ending Sunday morning said that mercury dipped over northwest India after seeing off the last western disturbance.

MERCURY DIPS

The lowest minimum in the plains of the country was 1.0 deg Celsius recorded at Narnaul in Haryana during this period.

Dense fog conditions prevailed over parts of Punjab, Haryana, Delhi and north Rajasthan during morning hours.

The cool and dry weather is expected to prevail over northwest, west, central and east India over the next two days.

Lingering moisture would cause the fog to linger over Punjab, Haryana, Delhi, Chandigarh, north Rajasthan and west Uttar Pradesh.

COLD DAY, SNOW

No significant change in night temperatures is expected over northwest and adjoining central India during this period. In fact, cold day conditions would prevail over isolated pockets of Haryana, Punjab, north Rajasthan and west Uttar Pradesh on Monday, the IMD said.

But forecast valid until Friday said that scattered rain or snow would occur over the western Himalayan region. Scattered rain or thundershowers would also occur over parts of plains of northwest India as the incoming western disturbance establishes its presence.

RAIN CLOUDS

Satellite imagery showed the presence of convective clouds over parts of Jammu and Kashmir, south Arabian Sea and south Bay of Bengal.

Meanwhile, in the south, an easterly wave with an embedded upper air cyclonic circulation over southwest Bay of Bengal has started affecting extreme south peninsular India. A few international models have been indicating the possibility of the circulation strengthening to become a low-pressure area or even a depression.

An IMD forecast valid until Friday (December 31) said that fairly widespread rainfall could occur over parts of south peninsular India. Meanwhile, an IMD agro-advisory bulletin dated December 24 said that the early sown rabi crops like wheat, mustard and gram have reached vegetative/late vegetative stage in Punjab, Haryana, Himachal Pradesh, Rajasthan, Delhi, Madhya Pradesh, Chhattisgarh and Bihar.

After the abatement of low temperature conditions and application of irrigation coupled with ideal soil moisture conditions, farmers have been advised to undertake intercultural operations and application of fertilisers.

Severe cold conditions prevailed across north and eastern states of the country during the last week. These had triggered ground frost in some parts.

As there are chances of cold injury in the standing rabi crops in the above region, farmers are advised to apply light irrigation to the standing crops and build up smoke to protect the standing rabi crops from cold/frost injury.

Due to heavy rainfall during early part of December, rice crop have been extensively damaged in Thanjavur, Nagapattinam, Thiruvarur and Cuddalore districts of Tamil Nadu.

Similarly, most of the paddy, sugarcane, banana, pulses and vegetable fields in

Srikakulam, Vizianagaram and Visakhapatnam in Andhra Pradesh got submerged. Farmers have been advised to arrange for drainage facilities.

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Back **Pepper market bullish on buying support**

G K Nair

Kochi, Dec 26

Pepper market turned bullish at the weekend on good buying support from both overseas and internal markets. Just before the beginning of the Christmas holidays some of the buyers resorted to fishing in Indian market for black pepper and consequently some good quantity of material was traded last weekend.

At the same time there were good demand from the domestic market for quality pepper also. These latest developments are viewed as the undertone of the market fundamentals, on which the bull operators capitalised. The current trend gives the impression that availability in the domestic and international markets is tight at present. This phenomenon is keeping the prices at around $5,000 a tonne in all the origins for asta grade pepper. At present, the demand continues to outweigh the supply and that might be the reason for the prices to rule at the current levels, market sources told Business Line.

January, February and March contracts declined by Rs 201, Rs 168 and Rs 129 respectively to Rs 21,957, Rs 22,238 and Rs 22,452 a quintal.

Total turn over dropped by 14,618 tonnes to 31,822 tonnes. Total open interest fell by 885 tonnes to 12,776 tonnes. Spot prices on good buying support at the weekend recovered and closed Rs 100 below the previous weekend close at Rs 20,600 (ungarbled) and Rs 20,700 (MG 1) a quintal.

Indian parity in the international market was at $5,050 a tonne (c&f) and remained almost competitive with other origins. However, the overseas markets are on Christmas and New Year holidays and would become active only after Jan 3.

Availability in all the origins appears to have dried up except in Brazil where harvesting is nearing completion. Indonesia is said to have sold out its crop and hence availability there is reportedly very tight. Harvesting in India which used to commence in November has been delayed and the new crop is now expected next month. Harvesting in Vietnam is to begin in late Feb/early March. Normally, the availability of pepper these months should have to be in India. But, here also the availability is tight due to delay in harvesting of new crop and depletion of carry over stocks. Added to this is the huge domestic demand which is estimated at around 50,000 tonnes at present.

North Indian dealers said to have exhausted their stocks they had built up earlier with pepper from Karnataka and hence they have been showing signs of re-entering the market now. Surprisingly, reported good buying by Pilgrims returning from Sabarimala from the southern districts, where harvesting begins first in Kerala, has also squeezed the supply from this region this year. Already, the total production this year is projected at around 48,000 tonnes, they said.

Untimely incessant rains in the growing areas had resulted in shedding of spikes from the vines accompanied by low berry formation is responsible for the fall in output. Besides, the high prices of other commodities such as rubber, cardamom and, of late, coconut have motivated the pepper growers to shift to these lucrative crops.

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Back **Slack demand hits cotton**

Our Correspondent

Rajkot, Dec 24

Despite the government allowing to rest 25 lakh bales cotton export, market witnessed some weakness during the past few days. Cotton price has come down almost Rs 2,000 a candy (of 356 kg) to Rs 41,500 in Gujarat in the past four days.

At Rajkot, Sankar-6 variety was traded at Rs 41,000-41,500 a candy , price of raw cotton was Rs 880-900 for 20 kg. Price of cotton in Maharashtra was Rs 40,000-40,500 a candy.

Arrivals were about 75,000-80,000 bales (of 170 kg) in Gujarat and 2.15-2.22 lakh bales at the national level. Rajkot-based Mr Arvindbhai Raichura of Balkrishna Ginning, said, “It is true that the government allowed 25 lakh bales cotton but still date or time is not announced. Exporters are waiting for the announcement and that's why buying is limited.”

NOT BELOW RS 40,000

According to a broker, cotton prices will decrease but it will not come down more than Rs 40,000. Global market is also weak since few days so there will not be any gain till mid-January.

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Back **Stink of rising food prices**

The Central and State governments were too busy to monitor the adverse impact of weather on crops. They did little to ensure that damage was minimised or hoarders did not take undue advantage.

It is not just onion prices that are forcing consumers to tears; other food items of mass consumption have joined the inflation bandwagon. Prices of fruits and vegetables (tomato, in particular), milk, egg, meat and fish as also condiments and spices have shot up by anything between 15 and 30 per cent in the past year, burning a bigger hole in the already tattered pockets of consumers. For three consecutive weeks, food prices have risen without respite. No doubt, extended monsoon and unseasonal rains have affected crops in different parts of the country. Freak weather may be the proximate cause for crop damage; but there are other issues which ought to have engaged the close attention of governments – Central and State. Far from taking timely cognisance of adverse developments on the crop production side, the government has remained a silent spectator, perhaps hoping against hope that seasonal factors will help moderate price rise. The commercial intelligence within the government seems to be either non-existent or dysfunctional. Surely, crop damage is not an overnight phenomenon; it is a process that may take days. The fact of the matter is that governments were too busy to monitor the adverse impact of weather on crops. They did little to ensure that damage was minimised or hoarders did not take undue advantage.

A poor supply chain is the principal weakness of agriculture in general and horticulture crops in particular in India. Inadequate marketing infrastructure (storage, transportation, approach roads to marketing yards, to name a few) is a bane of farm produce marketing. Also, there are too many intermediaries who add to the cost but not value. Considering the size and complexity of our agriculture, public investment especially in rural infrastructure is inadequate and needs to be stepped up. There is also need to hone the commercial intelligence skills to make timely assessment of developments on the farm front and initiate corrective measures. The point that in recent years robust demand growth for food products is unmatched by supply growth has been laboured innumerable times. Yet, scant attention is paid to supply side issues.

Tightening supplies of food and resultant high prices are here to stay, barring brief periods of small respite. While the poor need protection from the ravages of high food prices, it would be a great incentive to the primary producer if even a significant part of high open market price flows back to him through efficient management of the supply chain.

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Back **National Spot Exchange to cover 17 more products**

Potato, chilli among commodities to get trading platform.

Expansion plans: Mr Anjani Sinha, Managing Director and CEO of National Spot Exchange, addressing a press conference in Hyderabad on Friday . - P. V. Sivakumar

Our Bureaus

Ahmedabad/Hyderabad

Dec. 24

The National Spot Exchange Ltd (NSEL), which provides an electronic platform for spot trading in agriculture and non-agriculture commodities, is planning to introduce trading in 17 new commodities, including potatoes and red chilli, next year.

Potato from march

“Immediate in the pipeline is potato trading, which we want to commence from March next year. We will be linking major production and consumption centres across Delhi, Agra, Karnataka and Mumbai.

This will benefit farmers and traders,” Mr Anjani Sinha, NSEL's Managing Director and CEO, told news persons here on Friday.

The additions to the present three (gold, silver and copper) under its e-series scheme will include lead, zinc, aluminium, platinum, cadmium, steel and nickel and also non-perishable agro-products such as castor, castor oil, menthe oil, guarseed, guargum and black pepper.

NSEL's daily turnover from the e-series trade has increased from Rs 30 crore when it was launched about a year ago to Rs 300 crore at present.

“We expect to touch a figure of Rs 500 crore by the end of this fiscal and Rs 1,000 crore a day by end of December 2011,” Mr Sinha said.

Bullion

Bullion is expected to constitute 30 per cent of this turnover.

Launched on November 16 this year, e-copper under the e-series offerings has given a return of nearly 17.5 per cent to investors with a total turnover of Rs 1,300 crore, which closely corresponds with the returns given by physical copper. “E-gold and e-silver, the first two commodities introduced in our e-series product line, have given returns of nearly 22 per cent and 62 per cent respectively since their launch earlier this year,” he said.

E-services

NSEL's e-services earned a turnover of Rs 2,604 crore in November, a growth of 243 per cent from its October trade.

While the returns from the stock market was -3 per cent in November, e-gold and e-silver returned 5 per cent and 18 per cent respectively during the same period, he added.

PRESENCE

The exchange, present in 14 States with 30 commodities, 89 delivery centres and 284 commodity contracts, plans to take on board 300 new members by January 11 to take the total membership to 610.

The e-series was launched to develop a cash segment in commodities for promoting savings and investment of retail investors in commodities in demat form.

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Back **Agri university ‘grows' two pest-resistant groundnut varieties**

One can be planted in kharif, the other in ‘summer kharif'.

M.R. Subramani

Recently in Junagadh

The Junagadh Krushi (Agricultural) University in this town, 100 km from Rajkot, has come up with two varieties of groundnut that are pest resistant and have higher yield.

The University's Main Oilseed Research Station, set up in 1956, is the hub for groundnut research and development in the country.

According to Dr K.L. Dobariya, Research Scientist of the university, one of the varieties (GJG-9) can be sown as a kharif crop, while the other (GJG-3) as summer kharif. (Summer kharif planting takes place towards January-end and harvest is done in May.)

“Both the varieties have big kernels and were released by our university last year. We have to produce sufficient seeds before getting it ready for commercial release. Once it is ready to enter the commercial release chain, the Centre will notify the varieties,” Prof Dobariya said.

Both the varieties can yield on an average 3,400 kg a hectare and with shelling being 29 per cent. “We tested the varieties for three years at different local research stations before releasing it,” he said.

Dwelling on lower groundnut output in the last couple of years, Prof Dobariya said the main problem is groundnut is cultivated more during kharif. “The main drawback is that in kharif, 80 per cent of the area under groundnut is rain-fed. Due to this, the production gets affected,” he said, adding that summer kharif is the ideal one for growing groundnut, particularly in irrigated areas. “The conditions are controlled and most of the areas are irrigated. Damage due to pest is also limited,” he said, pointing out that it was one of the reasons why the yield was the highest in Tamil Nadu. The research station so far released 20 high yielding varieties suitable for different agro-climatical conditions such as in Rajasthan, Punjab, Haryana, Uttar Pradesh, Tamil Nadu, Karnataka, Maharashtra, Madhya Pradesh and Andhra Pradesh.

It also undertake research in castorseed and its importance can be underlined from the fact that Gujarat leads the country in yield, production and acreage.

“We were the first to release hybrid castor in the world way back in 1969,” Prof Dobariya said.

The station has a sub-centre at S.K. Nagar in the State's Banaskantha district and two years ago it helped release two high yielding hybrids, GCH-6 and GCH-3.

Wilt disease

“The major bottleneck in castor cultivation is the wilt disease. Both the varieties are resistant to it and have long spikes. While GCH-6 yields 2,349 kg a hectare, the productivity of GCH-3 is 2,340,” he said.

“We are also a testing centre for mustard and soyabean,” he said.

On aflatoxin, he said it could occur at the pre-harvest and harvest state. “The main problem is that the fungus is present in the field and enters the plant when things are congenial. Crop should be allowed to over-mature and harvest at the proper stage. There should be minimal damage to the pods; otherwise it will lead to fungal attack,” he said.

“We are educating the farmers and given them suggestions while pointing out their mistakes. We are also urging the manufacturing units to take care of dry kernels,” Prof Dobariya said.

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Back **Range-bound trading in edible oils**

Our Correspondent

Mumbai, Dec 24

Edible oil market witnessed steady trend on Friday. Most of the edible oils ruled steady at previous levels. Only rapeseed oil increased by Rs 5 for 10 kg. With higher arrivals of groundnut and soyabean at producing centres and month-end poor demand, the sentiment was weak The volume was also thin.

In Saurashtra, groundnut oil ruled steady for the third consecutive day.

Abroad, the Malaysian market witnessed range-bound movement with slightly higher closing. In its influence, speculative buying pushed soya oil futures on the NBOT at Indore .

In Mumbai market, fresh spot trades were very low in absence of demand. Stockists were active in January– February forward trades.

Trade volume for next month delivery was about 250 /300 tonnes in palmolein. Ready delivery resale volume was about 50/ 80 tonnes. Higher gap between refineries and resale rates, keep direct trade arrested. At Rajkot groundnut oil prices were Rs 1,130 a tin and Rs 730 for (10 kg) loose.

Bursa Malaysia Derivatives crude palm oil futures closed higher with January contracts ending at , MYR 3730 (3720) and February at 3696 (3690) MYR. Indore NBOT soya oil futures January contract ended at Rs 603 (Rs 597.20) and February at Rs.620.50 (Rs 617).

Mumbai commodity exchange spot rate (Rs/10kg): Groundnut oil 760 (760), Soya refined oil 572 (572), Sunflower expeller refined 660 (660), Sunflower refined 715 (720), Rapeseed refined oil 624 (619), Rapeseed expeller refined 594 (589), Cotton refined oil 565 (565) and Palmolein was 566 (566).

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Back **Mandi tax proposal pounds pulses**

Our Correspondent

Indore, Dec 24

Pulses continued to rule steady in Indore mandis on sluggish demand, more so because of decline in prices of pulse seeds.

In addition to this, the Madhya Pradesh Goverment's move to impose mandi tax of Rs 2.20/quintal on pulses coming from outside the State from Friday further dampened the buying sentiments, leading to sluggishness in the market.

With the imposition of the mandi tax, pulses production in Madhya Pradesh will become costlier by Rs 60. As a result of this, pulses manufactured in the State will have few takers and traders and retailers will show more interest in buying pulses of Maharashtra, Gujarat, Karnataka and other neighbouring states.

PULSES STEADY

Because of downtrend in pulse seeds, pulses ruled flat barring chana dal which declined by Rs 25. Chana spot prices were Rs 30 down at Rs 2,325-2,303 a quintal. Among other pulses, masoor dal (average) quoted at Rs 3,450-3,475 a quintal, masoor dal (medium) quoted at Rs 3,550-3,575, while masoor dal (bold) quoted Rs 3,675-3,700 a quintal.

Tur dal ruled at Rs 5,100-5,150 (full quality), tur dal (sawa no.) quoted at Rs 4,400-4,500 a quintal, while tur dal (marka) quoted at Rs 5,600 . Moong dal and urad dal also remained steady though its prices in the market have witnessed a hike of about Rs 200 a quintal.

Among the pulse seeds, moong of higher quality quoted at Rs 4,200-4,300 and that of lower quality quoted at Rs 2,800-3,300 a quintal. Urad quoted at Rs 3,700-3,800, masoor at Rs 3,025 a quintal, tur (Maharashtra Line) quoted at Rs 3,300, while tur (red) quoted at Rs 3,000 a quintal.

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Back **Thin demand takes flavour off aromatic rice**

Our Correspondent

Karnal, Dec. 24

After ruling flat for almost 15 days, prices of aromatic rice dropped marginally from the upper levels by Rs 50-100 a quintal, on Friday. The prices of non- basmati continued to rule firm, and maintained their previous levels.

Mr Amit Chandna, Proprietor, Hanuman Rice Trading Company, told Business Line that until the trade gets some export demand, the market will remain weak. There is not much domestic demand at present, he said.

Pusa-1121 steam (new) ruled at around Rs 5,200 a quintal, while the old variety sold around Rs 5,250. Pusa-1121 sela (new) was at Rs 4,150; old variety was around Rs 4,300.

Pusa-1121 raw (new) ruled between Rs 5,050 and Rs 5,100, while the old variety was quoted around Rs 5,200.

Pusa (sela) ruled at Rs 3,200 and Pusa (raw) around Rs 4,200. Basmati sela quoted at Rs 6,000; basmati raw at Rs 7,000.

Brokens such as Tibar was at Rs 3,100; Dubar at Rs 2,300, and Mongra at Rs 2,000.

The prices of non- basmati continue to rule flat. Permal sela ruled at Rs 2,000-2,200, while Permal steam ruled around Rs 2,200 a quintal. Sharbati sela sold around Rs 2,750 and Sharbati steam at Rs 3,000 a quintal.

PR-13 sold between Rs 910 and Rs 935. Sharbati ruled between Rs 1,500 and Rs 1,570; Sugandha-999 quoted at Rs 1,620-1,710; Pusa (duplicate basmati) quoted at Rs 1,900-2,150; Pusa-1121 ruled at Rs 1,800-2,350. Pure basmati quoted at Rs 2,200-2,700.

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Back **Spot rubber unchanged in dull trade**

Our Correspondent

Kottayam, Dec. 24

Physical rubber prices finished unchanged on Friday. Sheet rubber closed unchanged at Rs 206.50 a kg, according to dealers. Transactions were low.

India has cut import duty on natural rubber to 7 per cent for shipments up to 40,000 tonnes until March 31. India imports natural rubber mainly from Thailand, Malaysia and Indonesia. But the tyre makers have stopped signing new import deals as they get the raw material more than 15 per cent cheaper in the local market.

Global supply of natural rubber (NR) is anticipated to fall 6.3 per cent in the fourth quarter (October-December) this year according to the revised estimates officially reported on December 16 by member countries of the ANRPC which account for 92 per cent of the commodity's global supply. This further downward revision from the previously expected 3.8 per cent fall during the quarter originates from Thailand (revised down from -28.4 per cent to -33.4 per cent), India (revised down from -1.8 per cent to - 4.6 per cent) and Vietnam (revised down from +3.8 per cent to - 2.8 per cent).

In futures, the January series increased to Rs 212.80 (210.13), February to Rs 217.50 (215.19), March to Rs 222.25 (219.98) and April to Rs 227.20 (225.09) a kg on National Multi Commodity Exchange (NMCE).

The volumes totalled 5,230 lots and open interest 8,105 lots. The turnover was Rs 112.64 crores.

RSS 3 (spot) closed at Rs 222.82 (222.58) a kg at Bangkok. The January futures for the grade improved to ¥ 407.0 (Rs 221.47) from ¥ 404.9 during the day session and then to ¥ 409.0 (Rs 222.57) per kg in the night session on Tokyo Commodity Exchange (TOCOM).

The spot rubber rates per kg were: RSS-4: Rs 206.50 (206.50), RSS-5: Rs 200.00 (200.00), Ungraded: Rs 195.00 (195.00), ISNR 20: Rs 204.00 (204.00) and Latex 60 per cent: Rs 137.00 (137.00).

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Back **Export buying, domestic demand push up pepper prices**

Origin-specific buying:A file photo of a woman worker harvesting pepper in a farm in Kerala.

G.K. Nair

Kochi, Dec 24

Pepper futures on Friday moved up on good export buying and domestic demand with the prices ending significantly above the previous close.

Good buying interest from the US and origin-specific buyers in Europe had resulted in the exporters covering what ever material available in the market.

“Some of the overseas buyers resorted to fishing for black pepper in available origins when their colleagues embarked on their Christmas holidays”, market sources told Business Line.

They covered from available sources at the beginning of the holidays hoping that most of the market players are away on holidays. This has given the undertone of the market fundamentals and that in turn activated the market making it bullish. As a result, the futures and the spot market moved up, they said.

Arrivals

At the same time, arrivals of new crop were very thin making the supply position tight. There was no material on the physical counter, they said.

Good demand also started emerging from the domestic market for quality material. Availability was tight in the absence of arrival of new crop which has been delayed due to poor crop on the one hand and good purchases (one to two kg each) on the other hand, by the pilgrims returning from Sabarimala in Kerala, estimated at around 10-15 tonnes daily, traders said.

January contract on NCDEX went up Rs 259 to close at Rs 21,957 a quintal. January and February increased Rs 288 and Rs 362 respectively to close at Rs 22,238 and Rs 22,452 a quintal.

Turnover

Total turn over moved up 92 tonnes to 6,873 tonnes. Total open interest increased 333 tonnes showing good additional purchases.

January open interest increased 213 tonnes while that of February and March were up 57 tonnes and 50 tonnes respectively to 1,380 tonnes and 268 tonnes.

Spot prices

Spot prices on good buying support went up by Rs 200 to close at Rs 21,100 (MG 1) and Rs 20,600 (ungarbled) a quintal.

Indian parity in the international market was at $5,050 a tonne (c&f) and remained competitive with other origins.

Most of the markets overseas are already on holidays and would become active only from January 3, 2011, they said.

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Back **Higher arrivals drag spot turmeric**

Our Correspondent

Erode, Dec. 24

Spot turmeric witnessed a drop in price on Friday due to heavy arrivals of over 8,000 bags for sale.

“Because of the ‘attractive' price for the turmeric, more farmers brought their produce in large quantity, but bulk buyers quoted lower price. Due to this, the yellow spice price fell by Rs 100-150 a quintal. Further, bulk buyers after selecting the crop placed for auction, verified the quality and quoted the price,” said Mr R.V. Ravishankar, President, Erode Turmeric Merchants Association.

He said: “To everyone's surprise, the new turmeric crop from Mysore arrived in the market. Some10 bags arrived. But it fetched Rs 16,400 a quintal. The same variety will arrive again during next week end. Buyers prefer it, as it has higher curcumin content.”.”

“Over 8,000 bags of turmeric arrived in the market weakening the price slightly. There was no expected sale by farmers. The price will remain at this level for another 10-15 days,” said Mr R.K. Viswanathan, a senior trader of Erode.

In the Erode Turmeric Merchants' Association, the finger variety fetched Rs 10,074–16,909 a quintal, the root variety Rs 10,034–16,874. Out of 1,972 bags, 737 were sold.

In the Regulated Marketing Committee, the finger variety was sold at Rs 16,681–17,083 a quintal, the root variety Rs 16,693–17,010. Out of arrival of 1,061 bags 701 were sold.

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Back **Poor demand holds sugar on leash**

Our Correspondent

Mumbai, Dec 24

Sugar prices on the Vashi wholesale market ruled steady on Friday, with spot and mill tender rates witnessing very thin movement on month-end poor demand.

In Naka delivery, range-bound movement kept S-grade lower by Rs 5 and M-grade increased by Rs 5 a quintal.

Resale selling pressure from stockists for their outstanding near by maturity eased. The sentiment was weak, said traders.

A wholesale trader said arrivals in the market were about 45/46 truckloads (100 kg each), despatches to local retail traders were at 42/43 truckloads.

On Thursday evening 10/12 mills came forward with tender offer and sold small quantity about 25,000-30,000 bags in the range of Rs 2,860-2,920 for S-grade and Rs 2,900-2,960 a quintal for M-grade. There was no report of buying from neighbouring States.

This week mills have sold good amount of sugar to buyers from eastern side. Gujarat and Rajasthan buyers also have covered sugar from Maharashtra's mills.

Freight rates were steady at higher level on expectation of increase in diesel prices soon. Due to month-end period, retail consumption is very low, arresting fresh demand in the markets.

Announcement of January sugar quota next week will weigh on the sentiment.

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

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

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Back **Turning sweet**

— K.K. Mustafah

Looking up:File photo of farmers harvesting sugarcane at a field in Kognoli on Maharashtra-Karnataka border. With sugar prices rising and the Government allowing futures trading from Monday, mills can expect to reap higher profits.