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2,437 hectares of crop damaged: Minister

Staff Reporter



Food Minister E.V.Velu inspecting paddy crops in Vettavalam on Monday.

Tiruvannamalai: A total of 2,437 hectares of crop in Tiruvannamalai district were damaged because of rain and flood, Food Minister E.V. Velu said.

After visiting a couple of rain-affected villages in Tiruvannamalai taluk, taking stock of the situation in Sathanur Reservoir and interacting with officials at a special review meeting convened at the Collectorate on Monday, Mr. Velu told reporters that according to statistics 2,084 hectares of paddy, 245 hectares of groundnut, 58 hectares of black gram and 50 hectares of banana were damaged in the district.

The rain had also battered 700 km of Highways and 78 culverts. It damaged 306 houses fully and another 164 partially in the district, Mr. Velu said. "Officials are collecting

information on damage to union roads and a picture will emerge in a day. After that, the district administration will send preliminary reports to government,” he said. Earlier, at Sathanur Reservoir, Mr. Velu told reporters that water level in the dam reached the full height of 119 feet and whatever inflow received by the dam was being let out in the Then Pennayar. Out of the discharge, 1,050 cusecs are channelled through 7.5 MW power generation unit in the dam and the generation was in full swing, he said.

“Out of 610 PWD tanks in the district, 257 got filled to their brim and in another 189, water level has reached 75 per cent capacity,” Mr. Velu said. He has also visited roads in Tiruvannamalai town which were in bad shape and instructed municipal authorities to apply gravel to give temporary relief.

Collector M. Rajendran, MLA K. Pichandi and Tiruvannamalai Municipal Chairman R. Sridharan accompanied Mr. Velu during his inspection in Tiruvannamalai town and Vettavalam, Neivanatham and Anukkumalai villages.

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Medicinal plant cultivators in distress

R. Vimal Kumar

Tirupur: Hundreds of medicinal plant cultivators from Mulanur block are reportedly in a state of distress after their fields got inundated in the recent rains.

The breach of some check dams and water logging had destroyed the rhizomes of the predominantly grown ‘Glorisa Superba’ (popularly known in Tamil as ‘kanvali kilangu’).

“About 9,000 acres of the crop, belonging to over 2,000 farmers, is presently under water and the loss is estimated around Rs. 3 lakh an acre,” farmers, who came to represent their plight to Collector C. Samayamoorthy told The Hindu here on Monday.

Since the plants were in the flowering stage, water logging had stunted its further growth resulting in severe loss of production.

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“Free power supply has never been given to horticultural crops”

Special Correspondent

CHENNAI: Free power supply has never been given for horticultural crops such as drumstick, cashew nut, guava and sapota, Chief Minister M. Karunanidhi said on Monday.

In a statement here, he clarified that the scheme of free power supply was being implemented only in the case of paddy and sugarcane.

He called upon the media to verify the situation with the authorities concerned before publishing any news item on this matter. Referring to Union Minister Kapil Sibal's statement on the plan of the Department of Telecommunication to arrive at the exact figure of revenue loss on account of issuance of 2G licences and to initiate action against new operators, he said that if such actions were taken, the actual loss might be less. He gave an account of steps taken by his government to perpetuate the memory of B.R. Ambedkar.

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70 % excess rainfall in Cuddalore district

Special Correspondent

Level in Veeranam tank rose from 45 ft to 46.8 ft in three days: official

CUDDALORE: Gagandeep Singh Bedi, Managing Director, Tamil Nadu Water Supply and Drainage Board, has said that Cuddalore district was facing flood problem because of 70 per cent excess rainfall, above the average level.

Mr. Bedi, deputed specially by Chief Minister M. Karunanidhi to assess the flood damage in Cuddalore district, told presspersons here on Monday that owing to inflow of 10,000

cusecs, water level in the Veeranam tank rose from 45 ft to 46.8 ft in three days.

To safeguard the tank, 8,500 cusecs of water was discharged in the Velliangal Odai that resulted in flooding of farmlands downstream. The Vellar too carried over 90,000 cusecs of water, far in excess of its carrying capacity of 70,000 cusecs, thus inundating habitations and farmlands on its course.

Mr. Bedi said that the Paravanar was another factor that aggravated the flood situation. The Paravanar was heavily silted and, therefore, easily overflowed during rainy season.

He also said that during his interaction with farmers in the past two days, they had suggested expanding the carrying capacity of the Manavaikkal and execution of the Aruvamukku scheme to avert recurring flood problem.

He further said that since the Paravanar happened to be the conduit for carrying slushy discharge from the lignite mines, the NLC had the moral responsibility to desilt the entire course of the Paravanar and strengthen its banks.

Replying to another question, Mr. Bedi said that the ideal level in the Veeranam tank should be 43.5 ft, and never above 44 ft, particularly during the period from November to December 20.

He would be submitting his report to the Chief Secretary on Tuesday. The real extent of damage, in rupee terms, would be known only after the Revenue and Agricultural Department officials carry out the assessments, Mr. Bedi added.

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Standing paddy crop submerged

Special Correspondent

On hundreds of acres owing to breaches and overflow of tanks in Ramnad district

— Photo: L. Balachandar.



INUNDATION:The Kaigudi tank that breached near R.S. Mangalam in Ramanathapuram district.

RAMANATHAPURAM: Hundreds of acres of standing paddy crop have been submerged in different parts of the district, owing to breaches and overflowing of tanks.

Breaches have been reported in at least 80 places. It included both Public Works Department and panchayat union tanks and kanmois.

Major breaches occurred in Radhanur tank, Kaikudi tank, Kalavangudi kanmoi and Mangulam kanmoi.

The flood from the watercourse of R.S. Mangalam tank, heavy inflow in the Vaigai and jungle streams were said to be the reasons for the flooding.

The waterway of the right main canal at Perunkarai also breached, causing flood in nearby paddy fields.

Paddy crops raised in R.S. Mangalam, Thiruvadana, Mandapam, Nainarkoil blocks were the worst hit.

“More than 100 acres of paddy crop have been submerged in water due to breach of Kalavangudi kanmoi. The village has almost been disconnected, owing to heavy flow of water on road. We have to abandon the current paddy crop,” says K. Nagalingam, a

farmer of Kalavangudi near Pichchankuruchi.

Though there was a respite in rain in the district on Monday, it has not redeemed from the threat of flood.

The Vaigai river continues to be in spate for the last two weeks. More than 5300 cusecs was realised at Parthibanur regulator.

Most of the roads, including National Highways 210 and 49, have been badly damaged in patches due to continuous rain.

In several areas, roads have become unmotorable, as heavy erosions occurred. Several streets and housing colonies in different parts of the district, including Ramanathapuram, Rameswaram, Mandapam, Thangatchimadam and Paramakudi, were inundated.

According to a report, out of 506 major tanks in the district, 353 tanks have 100 per cent storage.

As many as 146 tanks have storage of 75 per cent. Just seven tanks have less than half of their storage level. Hanraj Verma, Flood Monitoring Officer and Commissioner, Labour Welfare, visited flood-affected areas for the second day on Monday. Accompanied by T.N. Hariharan, Collector, he toured Paramakudi, Nainarkoil and other areas and took stock of the situation.

Mr. Verma said he would submit a report on the flood damage to the Government.

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Training on quality seed production

Staff reporter

TIRUCHI: The Agricultural Engineering College and Research Institute (AEC and RI), Kumulur organised a five-day national training on 'Pre and post harvest management

techniques for seed quality assurance' recently.

Nearly 30 agricultural officers, seed certification / testing officers and scientists involved in seed production from across the country attended the programme sponsored by National Seed and Training Centre, Government of India, Varanasi. P. Subbian, Registrar, Tamil Nadu Agricultural University issued certificates to trainees. He pointed out the widening gap between increase in world population and food population. K. Ramamoorthy, Special Officer (Seeds), TNAU said the Indian seed industry is projected to reach Rs. 10,000 crore after a decade. M. Bhaskaran, Director, National Seed and Training Centre, Varanasi spoke on the present scenario and future prospects of the Indian seed industry.

Earlier, V. Jayapal, Dean, Anbil Dharmalingam Agricultural College and Research Institute, Tiruchi, inaugurated and released the training manual. A. Tajuddin, Dean, AEC and RI, Kumulur, underlined the importance of farm mechanisation in seed production. P. Masilamani, Organising Secretary, presented the training report. K. Annadurai, Co-organising Secretary spoke.

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Farmers demand compensation

Claim crops damaged at flowering stage



At loss:Farmers of Ettayapuram taluk in Tuticorin district who came to the Collectorate on Monday with affected crops.

Tuticorin: Aggrieved by the continuous downpour and the ensuing damage caused to the crop, farmers of Melanambipuram panchayat attached to Ettayapuram Taluk in the district raised their demand for compensation of crop damage.

The farmers, who came to the Collectorate here on Monday, said the rainfed crops including maize, sorghum, red sorghum, cumbu, black gram and green gram had been damaged following excessive amount of rainfall.

They claimed that crops were damaged when it was attaining the flowering stage. After sowing, there was no rainfall for a period of one month but unexpectedly the crops were damaged. They said that an expenditure of Rs. 6, 000 was made on an acre.

Hence the authorities concerned should consider the difficulties faced by the farmers and extend a relief of Rs. 8, 000 per acre for the damage caused in the rainfed fields. Petition to this effect was also submitted.

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'Rs.3,000 crore spent on fisheries'

Staff Reporter

ALAPPUZHA: Fisheries Minister S. Sarma has said that development works worth Rs.3,000 crore have been initiated in the fisheries sector over the last five years.

Speaking after laying the foundation stone for a fish meal plant as part of the Tsunami Rehabilitation Programme in Arattupuzha grama panchayat on Monday, Mr. Sarma said this was in comparison with the Rs.300 crore that had been spent for the fisheries sector over the last 50 years.

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Rs.750-crore additional NABARD crop loans for State

Special Correspondent

HYDERABAD: The National Bank for Agriculture and Rural Development (NABARD) has made an additional allocation of Rs.750 crore for providing refinance to cooperative banks and regional rural banks (RRBs) in the State for supporting their seasonal agricultural operations (crop loans).

Of the amount, Rs.600 crore would be earmarked for cooperative banks and Rs.150 crore for RRBs. A press release issued by NABARD here on Monday said the amount was in addition to the existing limit of Rs.2,550 crore, including Rs.1,580 crore to cooperative banks and Rs.970 crore to RRBs.

Total allocation

With this amount, the total allocation for refinance under production credit in the State for the current year has gone up to Rs.3,300 crore.

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Focus on paddy growers' plight again

Staff Reporter

Opposition parties gearing up for road blockade on December 11

— Photo: A.V.G. Prasad



WORRIED LOT: Farmers in West Godavari district trying to save paddy stocks kept in an open place from a fresh bout of cyclone.

ELURU: The plight of paddy growers is back to the centre stage after the political crisis culminating into the change of the Chief Minister in the State which relegated all the public issues to the background for a fortnight.

Even as a fresh bout of cyclone strikes the State sending the farmers into jitters over safety of their produce, the opposition parties, led by the TDP, are poised for a State-wide road blockade on the issue of paddy marketing.

According to information, over 70 per cent of the crop was harvested in the district so far. The paddy sheaves due to be threshed are seen piling up in the farm fields and along the road sides all over the district. The threshed grains are kept in open places such as farm fields and the road margins for want of storage facility in view of the space crunch in godowns.

The farmers are finding it difficult to let the produce soaked in a chain of cyclones and floods dry up. A section of them are engaging dryers and sprayers for application of salt as a measure against discolouring and germination. The problem of marketing stares at the farmers in their face due to the alleged inability by the administration to procure the produce through its agencies. The soaked output for which there are no takers worsens the growers' plight. There are reports that the farmers were resorting to distress sale by offering their produce to the commission agents (middle men) for rates less than the minimum support price by Rs. 50-60 per 75kg bag in the wake of the millers' strike.

The district administration has gone on record that the Indira Kranti Padham (IKP) groups pressed into paddy procurement were prepared to lift only 17,000 tonnes as against the total produce of seven lakh tonnes on sale. Against this backdrop, the TDP, the Left and the other like-minded parties met here on Monday to prepare the ground for a road blockade on December 11 in the district.

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Need to step up research in agriculture highlighted

Special Correspondent

Three-day Krishi Mela begins in Gulbarga

Belamagi urges farmers to utilise

Government facilities

Over 150 stalls display latest

technologies in agriculture

GULBARGA: Adult Education and Libraries Minister Revu Naik Belamagi called upon agricultural scientists to step up research and development activities and come out with new varieties that are less susceptible to pest attacks and increase yield considerably.

Speaking after inaugurating a three-day Krishi Mela jointly organised by the University of Agricultural Sciences in Raichur, the Agricultural Research Station in Gulbarga and the Agriculture Department here on Monday, Mr. Belamagi regretted that though some success had been achieved in introducing newer high-yielding varieties, the technologies were yet to reach the field.

He pointed out that much needed to be done to transfer technologies from the laboratories of agricultural colleges and universities to the field.

In his address, Mr. Belamagi said that farmers should make full use of facilities extended by the Government and educate their children. "Every farmer should send their children to school. Every child in villages should be an agricultural expert," he said. Sharanprakash Patil, Sedam MLA, said that red gram growers in Gulbarga district were in deep distress due to the sudden crash in prices and urged the State Government to establish procurement centres throughout the district immediately to stabilise prices.

Several agro-based industries and government departments have put up more than 150 stalls showcasing the latest technologies available in agriculture and horticulture. New varieties of crops and several breeds of cattle and poultry are also on display at the Krishi Mela.

Earlier, Mr. Belamagi and other dignitaries felicitated farmers Pampana Gowda Patil of Sharana Sirasagi for excellent water management practices, Shivasharanappa Bulla for taking up red gram cultivation using the transplantation method, Jitendra Prasad for adopting comprehensive agricultural practices, Mahendra Shaha for animal husbandry and dairying and Abdul Raheem Ballurgi for horticulture.

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New variety of red gram catches farmers' fancy

TS3R red gram and GBM-2 Bengal gram are wilt resistant The red seeds of the new variety fetch better prices

GULBARGA: Two new varieties of red gram and Bengal gram are increasingly catching the imagination of farmers in the region.

Both TS3R red gram and GBM-2 Bengal gram were released from the laboratories of the Agriculture Research Station in Gulbarga. Incidentally, both the varieties were developed by senior agriculture scientist D.M. Mannur.

TS3R gets rid of many problems, including wilt attack. In the current season, farmers in the region have sown TS3R red gram in over 50,000 hectares.

Explaining the salient features of the new variety to Sharanprakash Patil, MLA, who was visiting the demonstration plot at the Agriculture Research Station in Gulbarga, Dr. Mannur said that it was best suited to the conditions prevailing in the Gulbarga region and provided answers to many problems of red gram growers.

Dr. Mannur said that seeds of the TS3R variety of red gram were “red and bold”. The red seeds fetched higher prices when compared to white seeds, he said. The yield of the TS3R ranged from 6 to 8 quintals per acre, when compared to 4 to 5 quintals per acre output from the conventional varieties. He said that the new variety was also wilt-resistant and a short-duration crop. The crop matured in 160 days, while the conventional varieties took 180 to 200 days. Dr. Patil appreciated the efforts of the scientists at the Agriculture Research Station in coming out with new varieties. He said that the new red gram variety would be a boon to farmers. Dr. Mannur said that the new GBM-2 Bengal gram was a mutant of the Annigeri variety. Just like the TS3R variety of red gram, it was wilt resistant and high yielding.

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Farmers' plea to Kiran on rice export

Special Correspondent

HYDERABAD: The Confederation of Farmers' Associations led by Lok Satta Party president Jayaprakash Narayan and farmers' leaders have appealed to Chief Minister N. Kiran Kumar Reddy to convince the Centre for removing restrictions on export of non-Basmati rice.

They requested the Chief Minister during a meeting with him here on Monday to make out a strong case for sale of rice in the international market at the meeting of Economic Affairs Empowered Committee on Tuesday at Delhi and help farmers get a good price.

Welcoming the government's decision to allow free movement of paddy/rice, they said it should be made a permanent feature.

Cotton exports

They also sought his intervention against the Tamil Nadu proposal to the Centre for banning cotton exports. Ban on cotton exports would benefit textile industry but it would deprive cotton growers of a decent price.

The delegation submitted a memorandum to the Chief Minister seeking Rs.200 bonus per quintal of paddy, setting up of one or two paddy purchase centres in every mandal for direct procurement from farmers.

They also appealed to the government to announce advisory price of Rs. 2,500 per tonne of sugarcane, payment of Rs.80 crore due to oil palm farmers under market intervention scheme and stop collection of four per cent VAT from oil palm growers. Importantly the delegation urged the Chief Minister to postpone the NREGA works from December 15 to February in view of agricultural season.

Talking to reporters, Dr. Jayaprakash Narayan said there was a misconception that allowing free movement of rice would result in price hike. It was the responsibility of the government to rein-in middlemen.

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Uninterrupted showers push banana growers into distress

L. Renganathan



going bananas: Banana in wholesale market in Tiruchi.

KULITHALAI: Difficulty in selling banana due to water logging in Kulithalai and Krishnarayapuram regions of Karur district has shattered the hopes of many banana growers. Banana growers are resorting to distress selling as they will ripen if left on the field for long.

“Bunches that fetch Rs.100 each are now bought by traders for just Rs. 30. We have no other option as we will loose even if we refuse,” laments State Executive Member, Farmers Discussion Group, P. Jayapal, of Poigaiputhur near here.

Varieties of banana including Nenthran, Karpooravalli and Rasthali are produced in the belt and most of them are carted away to markets in Lalapet, Krishnarayapuram and Tiruchi. There, they are put on auction and later transported to far-off destinations, including Kerala.

The farmers complain that continuous rain has made leaves turn pale and yellow. Danger of roots getting affected looms large if the fields are not drained in time.

The bunches in many Rasthali fields have become dark and spotted, while many fruits have split. Bunches of Karpooravalli are not considered for trading be it at the small Lalapet shandy or the Tiruchi banana trade market.

“Dealers are discouraging farmers from bringing our produce to the markets claiming that the rain has floundered the business at external centres. Transporting the produce is also a problem,” Mr. Jayapal says.

Though the government had promised relief to the growers after the gale devastated many acres in 2007, nothing has materialised. This time the banana growers expect the government to share their burden, he adds.

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Centre urged to relax norms for paddy procurement

Staff Reporter

BHUBANESWAR: The State government on Monday urged Centre to relax norms regarding quality of paddy being procured during kharif marketing season for 2010-11 following spells of rain in many districts during ongoing harvesting season.

“Quality of paddy has been affected in many districts of the State due to rains in harvesting period.

In Nabarangpur district, sporadic rains have damaged ready-to-harvest crop,” said Ashok Meena, Chairman of Orissa State Civil Supplies Corporation (OSCSC) here.

Mr. Meena said as per reports paddy became discoloured in different places and it was likely to not up to the prescribed standard for which farmers could become sufferer.

If norms were relaxed which once happened in 2005-06, farmers would take benefit of the procurement, which started from October 1 and would continue till September 1 next year, the OSCSC chairman said. Meanwhile, the corporation has been assigned with the initial target of 14 lakh metric tonnes of custom milled rice during KMS-2010-11.

“A sum of about Rs. 2,700 crores will be required to meet the cost of equivalent paddy and other expenses. The OSCSC has already made arrangements to avail cash credit limit to the tune of Rs. 3,300 crore for initial target,” Food Supplies and Consumer Welfare department sources said. Till date OSCSC Limited has released Rs. 123.50 crore to

different districts for purchase of paddy during the season, it said.

Collectors have been advised to ensure that no genuine farmer is denied access to paddy procurement operations and that the farmers do not face any difficulty in getting farmers identity cards or other identity documents.

The department said the Food and Procurement Policy allows genuine farmers to see their paddy through kisan credit card or land pass book or record of rights or farmers identity card or certificate of Revenue officials supported by elector's photo identity card.

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Team assesses damage to crops

Staff Reporter

140 hectares of paddy crop reportedly damaged



Real picture:Surjith K. Chaudhary, Chairman, Agriculture Production Commissioner and Principal Secretary, inspecting the paddy crop affected by rain in a field at Kurumbur in Tuticorin district on Monday.

Tuticorin: A team of officials led by Surjith K. Chaudhary, Principal Secretary, Planning and Development, Special Initiative Department, took stock of the rain-affected areas across the district on Monday.

The continuous downpour had caused extensive damage to farm lands and many roads were damaged.

Besides, a few tanks in the district witnessed breaches.

The crop damage was estimated to be Rs. 31.47 crore.

As many as 140 hectares of paddy crop were reportedly damaged in Tuticorin, Alwarthirunagari and Kayathar blocks.

Blackgram, the rainfed cultivation crop on an extent of 30, 000 hectares, was damaged in Tuticorin, Ottapidaram, Pudur, Kayathar, Karungulam and Kovilpatti.

Similarly greengram was damaged on an extent of 31, 500 hectares.

While sorghum on 131 hectares in Vilathikulam block was damaged, cumbu on over 452 hectares was damaged in Ottapidaram block.

Sesame was reportedly damaged on 69 hectares in Karungulam block.

As far as other pulses were concerned, the extent of damage was said to be over 300 hectares in the rainfed blocks.

Breaches

Breaches in Achchankulam and Kadambakulam tanks were brought to the attention of the team.

An estimate of Rs. 54 crore was prepared for strengthening civic amenities including roads, bridges, pumping stations and stormwater drainage in various wards under the limits of corporation.

Review meeting

While holding a review meeting at the Collectorate, Mr. Chaudhary sought the assessment made by other departments including Highways, Public Works Department and Rural Development.

Report

He said the findings of the assessment would be submitted to Chief Minister M. Karunanidhi.

Minister for Social Welfare P. Geetha Jeevan, District Collector C.N. Maheswaran, Sajjansingh R. Chavan, Sub-Collector, Commissioner of Corporation P. Kubendran and other officials accompanied him during the visit.

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THE ECONOMIC TIMES

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7 Dec, 2010, 01.11AM IST, Jayashree Bhosale,ET Bureau

Fruits to cost more during Christmas

PUNE: The country's fresh fruit basket for Christmas and New Year will be smaller and dearer, thanks to the unseasonal rains and the delayed winter.

Also, a shortage of high-priced raw material will affect the fruit processing industry adversely. The incidence of pest attacks on most fruit crops has gone up due to unseasonal rain in October and November and the resultant humidity. Almost half of the strawberry crop in Mahabaleshwar, which grows about 80% of the country's output, has been lost.

"Rains have damaged half of the production from the first flowering, which comes into the market in December. We used to have clear weather in November. But this year, we had rain even in November and now in early December," said Balasaheb Bhilare, president of All India Strawberry Growers' Association.

Sourcing the required quantity of raw material will be a challenge for the strawberry processing industry. "We may have to run the unit at lower capacity this year. I hope that the yield of the end-season crop in March and April will be good due to the late rainfall. Otherwise, we will have to pay more for procuring strawberries," said Mayur Vora, chief executive officer of Mahabaleshwar-based Mapro Food Ltd.

While Mr Vora declined to comment on the price scenario, indications are that the prices will go up. The delayed winter and heavy rainfall in the southern states of Tamil Nadu and Andhra Pradesh will also hit Mango production in the country.

"The raw mango crop will be late by at least a month this year. The prices, especially in Tamil Nadu and Andhra Pradesh, will be higher as the crop size may become small due to rainfall. But the crop in Gujarat and Maharashtra is good," said TS Ahluwalia, chief operating officer of Mother's Recipe, a national brand in the pickle industry.

Mango production in Maharashtra is 50% less than that of normal season for the past two years. Mango processors from the state have already shifted their procurement base to neighbouring states.

Though the late winter is not good for mangoes, the Alphonso variety is unlikely to be much affected. "Late winter will mean that the mango crop will be late. But the Alphonso mango production will be at least double than that of the previous year," said a senior scientist from Dr Balasaheb Savant Kokan Krishi Vidyapeeth, Dapoli, on condition of anonymity.

7 Dec, 2010, 01.08AM IST, Madhvi Sally,ET Bureau

Traders not expecting significant premium for wheat this winter

CHANDIGARH: Sowing in over 90% of the area under wheat is over across the country but late sowing is continuing in Madhya Pradesh, Uttar Pradesh and Bihar.

Traders and industry bodies are not expecting a significant premium for the crop this winter as

the large stock with the government's food arm (FCI) keeps a check on the prices.

"We expect an increase in wheat area in Rajasthan, Uttar Pradesh, Bihar and Madhya Pradesh to touch over 29 million hectare from 28.5 million hectare in the previous year. Production too would increase from 80.70 million tonne in the 2009-10 drought year to over 82 million tonne," said Dr SS Singh, Directorate of Wheat Research in Karnal. He added that the area under potato, sugarcane and paddy has to come under wheat in Uttar Pradesh and Bihar.

"The temperature will be two degrees less than that of the normal year, which will give a good yield. Also, with yellow rust and UG-99 resistant varieties like DBW-17 and PBW-550 replacing over 40% of PBW-343 wheat seed this year, we expect a good crop," he said.

Rabi sowing starts from October and harvesting of the crop takes place during March-April. Wheat, being a major rabi crop in Punjab, was sown in an area of approximately 3.5 million hectare and, this year, the sowing in about 3.2 million hectare has already been completed during November. In Haryana, wheat cultivation is targetted to be in 2.47 million hectare area with a production estimate of 11.46 million tonne.

Uttar Pradesh's joint director (crop and cereal) Dr Raza Singh said that 62% of 9.5 million hectare has been brought under wheat till November.

"Farmers are simultaneously sowing wheat as they harvest paddy in eastern part of the state and sugarcane in western Uttar Pradesh. Weather is conducive for sowing with maximum temperature at 25 degree celsius and minimum temperature 7.6 degree celsius," he said.

With central buffer stocks of wheat stood at 25.56 million tonne as on November 1, traders and industry are not expecting an increase in the minimum support price (MSP). Wheat prices in the Khanna mandi in Punjab are ruling at Rs 1,170 to Rs 1,180 per quintal.

"A buffer stock and good sowing will ensure prices remain stable. Currently, traders are procuring as per their monthly requirement," said Punjab flour miller association president Naresh Ghai. He added that under the Open Market Sales Scheme, the grain was being sold at Rs 1,240 excluding taxes.

6 Dec, 2010, 11.26PM IST, AGENCIES

Oil prices hit another two-year pinnacle

LONDON: World oil prices today surged to a new two-year peak, propelled by a raft of positive investor sentiment after the US Federal Reserve signalled more monetary easing could be on the way.

In morning London deals, Brent North Sea crude for delivery in January soared to USD 92.03 per barrel, which was the best level since October 2008. It later stood at 91.41, down one cent from Friday's closing level.

And New York's main contract, light sweet crude for January, hit a similar peak at USD 89.76, before pulling back to 89.17, down two cents from Friday.

"Commodity prices are leaping from one high to the next," said Commerzbank analyst Carsten Fritsch, citing various supportive factors.

"The US Fed's determination to fight economic weakness through huge expansion of the monetary base, general market optimism...and 'window-dressing' by investment funds towards year-end...are all factors contributing to the price rally."

Fed Chairman Ben Bernanke hinted over the weekend that the US central bank could ramp up its so-called quantitative easing policy.

More Fed action to combat unemployment is "certainly possible," Bernanke said in an interview today.

Bernanke was asked on CBS television if the Fed might inject more than the USD 600 billion planned for the November-to-June time frame.

"It's certainly possible," he said. "It depends on the efficacy of the programme. It depends on

inflation. And finally it depends on how the economy looks," Bernanke added.

The Fed recently decided to pump an extra USD 600 billion into the financial system, via the purchasing of US Treasury securities and other assets, as a means of galvanising the flagging US economy.

Crude futures surged Friday as traders largely ignored disappointing US employment numbers in favour of a slumping US dollar.

A weak greenback makes dollar-traded commodities more attractive for investors.

Oil markets have also been cheered by strong energy demand, after a cold snap in Europe that is only just beginning to ease..

Business Standard

Tuesday, Dec 07, 2010

Oilmeal exports rise 42% on higher domestic availability

BS Reporter / Mumbai December 07, 2010, 0:03 IST

Oilmeal exports rose 42 per cent in November due to an improvement in the overall market sentiment coupled with increased activities in crushing locally. Oilmeal is used as a bird and animal feed.

Data compiled by the apex trade body, the Solvent Extractors' Association of India (SEA), showed oilmeal shipments rose to 492,740 tonnes in November this year as compared to 346,859 tonnes in the corresponding period last year.

Overall exports of oilmeals between April-November 2010 rose 26 per cent to 2.38 million tonnes compared with 1.89 million tonnes in the same period of the previous year.

The upsurge in local crushing helped India liquidate a majority of the carryover stock of soybean before commencement of the new season. The exports and crushing were also supported by good margins in the last two months due to a recovery in edible oil prices.

Export of soymeal in November jumped to 443,488 tonnes from 297,340 tonnes in November 2009.

Following SEA delegation visit in April-May this year, export of oilmeals to the West Asian countries revived and reported 202,385 tonnes during April-November this year as compared to 119,751 tonnes in the same period last year, up 70 per cent.

Oilmeal import by South Korea during April-November was reported at 272,662 tonnes compared to 291,182 tonnes, consisting 178,967 tonnes of rapeseed meal, 85,609 tonnes of castor seed meal and 8,086 tonnes of soymeal.

China reported import of 247,601 tonnes compared to 186,530 tonnes of last year, consisting of 176,450 tonnes of rapeseed meal, 14,388 tonnes of groundnut meal, 56,158 tonnes of soymeal and 605 tonnes of castorseed meal.

Japan doubled the import to 670,560 tonnes as compared to 310,015 tonnes last year consisting of 655,260 tonnes of soymeal and 15,300 tonnes of rapeseed meal.

Vietnam imported 402,208 tonnes as compared to 525,805 tonnes last year consisting of 305,951 tonnes of soybean meal, 34,607 tonnes of rapeseed meal and entire 61,650 tonnes of rice bran extraction. Europe once again started buying soybean meal from India and about 50,000 tonnes were shipped in November and larger quantities are expected to move in coming months.

Rubber nears 30-yr high as Thai supply limited; oil advances

Bloomberg / December 07, 2010, 0:04 IST

Rubber climbed to a three-week high after a rally in oil raised the appeal of the commodity as an alternative to synthetic products used in tires and tight supply boosted the Thai cash price to a record.

May-delivery rubber on the Tokyo Commodity Exchange gained as much as 2.3 per cent to 378.8 yen a kg (\$4,569 a tonne) before settling at 378 yen. The price climbed to the highest level since November 11, when a most-active contract reached a 30-year high of 383 yen

Oil advanced to the highest in 26 months in New York amid optimism fuel demand will increase. Physical rubber prices in Thailand, the biggest producer and exporter, increased to a record on December 3 on a supply shortage, according to the Rubber Research Institute of Thailand. Futures also gained on expectation the Federal Reserve may take more steps to boost economic growth.

“Rubber chased a rally in oil and metals as investor demand for commodities increased amid speculation over US monetary easing,” Kazuhiko Saito, an analyst at Tokyo-based broker Fujitomi Co, said today by phone. “Futures were also supported by the strength of physical rubber prices.”

Federal Reserve Chairman Ben S Bernanke said US unemployment may take five years to return to a normal level and that Fed purchases of Treasury securities beyond the \$600 billion announced last month are possible.

Bernanke Comments

“At the rate we’re going, it could be four, five years before we are back to a more normal unemployment rate” of about 5 to 6 per cent, Bernanke said according to the transcript of an interview aired today on CBS Corp.’s “60 Minutes” program.

Bernanke and other Fed officials have defended the central bank’s announcement that it will purchase \$75 billion in Treasury securities a month through June to prop up a recovery so weak that only 39,000 jobs were created in November.

Oil for January delivery added as much as 0.6 per cent to \$89.76 a barrel in electronic trading on the New York Mercantile Exchange, the highest since October 2008. Higher oil boosts the cost of making synthetic rubber.

The cash rubber price in Thailand climbed to a record 134.05 baht (\$4.46) a kg on December 3, according to the Rubber Research Institute of Thailand. Demand remained strong amid a supply shortage as rain persists in southern Thailand, the institute said. Thailand's south accounts for 80 per cent of output. The Thai market was closed today for a holiday.

Bridgestone Corp, the world's largest tiremaker, plans to raise Japanese prices of truck and bus tires by an average of 7 per cent after rubber and petrochemical costs increased. The changes will take effect March 1, the company said in a statement on its website today. May-delivery rubber in Shanghai added 1.5 per cent to 32,835 yuan (\$4,939) a tonne. It reached a record 38,920 yuan on November 11.

China's natural-rubber inventories dropped for the first time in 10 weeks, declining 6,665 tonnes to 55,346 tonnes, based on a survey of 10 warehouses in Shanghai, Shandong, Yunnan, Hainan and Tianjin, the bourse said on December 3.

High prices cheer edible oil refiners

Dilip Kumar Jha / Mumbai December 7, 2010, 0:06 IST

Riding on the back of an upsurge in vegetable oil prices, oilseed crushers and refiners anticipate better results in the oil year 2010-11 (November-October). Last year, these were under pressure due to extremely low capacity utilisation, on suppressed seed prices.

Dorab Mistry, director of Godrej International and an industry veteran, has forecast edible oil prices to remain firm for at least the next six months, due to supply shortage. Although, palm oil output in Malaysia and Indonesia, the world's two largest producers, are likely to recover (by 500,000 tonnes in Indonesia to 22.5 million tonnes and by 2.2 mt in Malaysia to 17.2 mt) in 2011, the supply of seed will remain subdued, as most of this higher stock will be released into the market only next year.



“The period of greatest tightness will be between February and May 2011 and we need prices to rise now in order to reign in demand and to stimulate planting. At some stage in December–January, I expect RBD palm olein to trade at \$1,250 FOB, with crude palm oil futures on the BMD (the Malay derivatives’ exchange) trading at M\$3,600,” Mistry said. Currently, RBD palm olein is around \$1,140 a tonne.

Soyoil is expected to rise by 5-10 per cent, to trade between \$1,250-1,300 a tonne. Sunflower oil will maintain a premium of about \$200 over soya oil prices and rapeseed oil prices, also to maintain a premium of \$100-150 over soya oil. Palm kernel oil has already touched \$1,650 CIF Rotterdam. Demand for fast-moving consumer products is very strong and it is quite possible that PKO prices will go close to an unprecedented \$1,800 CIF Rotterdam. The outlook is the same for coconut oil.

“Higher oil prices will certainly put a pressure on margins, as a sudden rise in prices of edible oil lowers demand in countries like India, where most sales are done purely on a rupee basis, unlike the quantity basis in cities. Since the per capita growth of consumption is backed by the enormous rise in rural demand, a substantial price rise will surely hit the overall use of edible oil in India,” said Satyanarayan Agarwal, chairman of the Central Organisation for Oil Industry & Trade.

India’s annual production of edible oil is 6.5-7 million tonnes and consumption is 15.5 mt.

Atul Chaturvedi, CEO (edible oil) of Adani Wilmar Ltd feels the edible oil price rise would be comfortably passed on to consumers. Adani, producer of the Fortune brand of edible oil, has a million tonnes of vegetable oil refining capacity and 750,000 tonnes of crushing capacity daily.

The price rise does not necessarily mean the crushing or refining margin will increase and, hence, there is no need to add further capacity, said Chaturvedi.

India’s per capita consumption of edible oil has risen from 11 kg in 2008 to 13 kg today, thanks to low prices and rising disposable income for the middle class. “It does not necessarily mean that with the rise in oil prices, refiners will raise capacity. Since consumers have adaptability to absorb higher prices, we will comfortably pass it on,” said Siraj Choudhary, CEO (refined oils), Cargill India Ltd.

Last year, refiners reduced capacity to 35 per cent from the average 55-60 per cent due to lower margins.

Dinesh Shahra, Managing Director of Ruchi Soya Industries Ltd, said, "Considering the growing population, low per capita consumption, higher disposable income and the Indian way of cooking, we believe edible oil demand is poised to grow at a higher rate in coming years. The industry is faced by domestic supply constraints and, therefore, is dependent on imports to bridge the growing demand-supply gap. Ruchi Soya has envisaged expansion of refining capacities and exploring of domestic as well as overseas opportunities for sourcing secured and cost-effective raw materials.

Tea production drops in Assam, North Bengal

BS Reporter / Kolkata December 07, 2010, 0:25 IST

Tea production in Assam and North Bengal till October has suffered a loss of 23 million kg, according to figures released by the Tea Board of India.

"In October, production dropped by around 13 million kg," an Indian Tea Association official said, adding that the total decline till October was at 23 million kg. South India maintained its production level.

The season is expected to close in the next three weeks, and the deficit in the system was likely to be in excess of 100 million kg.

Tea prices are expected to firm up. "Prices are now likely to appreciate by Rs 8-10 a kg," industry representatives said. According to ITA projections for 2010, production would be at 957 million kg, against 979 million kg in 2009. Consumption was, however, expected to be at 870 million kg compared to 850 million kg in 2009. The figures indicated that the next season would open with a huge deficit.

Global markets bank on India to counter wheat shortage

Ajay Modi / New Delhi December 7, 2010, 0:59 IST

Ministries differ on lifting three-and-a-half-year-old export ban.

The global market is waiting for India to open wheat exports as the world's second-biggest producer of the commodity moves towards another bumper harvest.



Government departments, however, differ. While finance and commerce ministries favour opening exports to earn profits, the food and agriculture ministry is opposed to easing the three-and-a-half-year export ban.

According to Rabobank: "The Indian market is becoming crucial as export permission can act as a cushion to the market while any possible downward revision in wheat crop is a potential pressure point for prices."

India produced a record 80.71 million tonnes wheat during the 2009-10 crop year and aims for 82 million tonnes in the ongoing rabi season. The Directorate of Wheat Research, a government agency dedicated to wheat research, expects domestic wheat output to exceed 82 million tonnes. Food Corporation of India (FCI), the government's grain procurement and distribution agency, had wheat stocks of 25.55 million tonnes as on November 1. This is more than sufficient to meet the public distribution system (PDS) requirement of more than a year. In the next harvest season, beginning April 2011, the country may harvest over 82 million tonnes and, going by past trends (and increase of Rs 20 in support price per quintal, to Rs 1,120), the Food Corporation of India (FCI) could end up procuring over 25 million tonnes. The agency has been facing problems of storage, considering it also has a rice stock of over 23 million tonnes. Foodgrain stocks have increased after five successive good harvests of wheat, but the government, struggling to tame inflation, has not allowed wheat and rice exports, despite storage issues.

“The country has adequate stock of foodgrain to meet our needs... there is not much surplus for export in the short term,” FCI Chairman and Managing Director Siraj Hussain said earlier this week. Domestic wheat prices have remained stable, at around Rs 1,300 per quintal. FCI not selling wheat in market at lower price is also supporting prices.

By contrast, global wheat prices have remained firm, primarily due to unexpected production shortfalls following unfavourable weather conditions in a number of major producing countries, particularly in the CIS.

According to the latest forecast of the Food and Agriculture Organisation (FAO), wheat production stands at 648 million tonnes, which is 29 million tonnes less than that predicted in June. The bulk of this downward revision reflects a sharp fall in production in the Russian Federation, which more than offset a better-than-expected crop in the US and improved prospects in Argentina and Australia, according to FAO’s November report.

World wheat closing inventories are forecast to fall to 181 million tonnes, 10 per cent below the 2010 level. The tightening of supply has led to sharp price increases from the onset of the current season in July, with prices surging the most during August, when the Russian Federation decided to ban exports. Prices have remained firm since then.

In recent weeks, wheat prices have also been influenced by concerns about lower plantings in the Russian Federation and Ukraine, unfavourable crop conditions in the US and, more generally, the expectation of an insufficient increase in overall plantings, with farmers in many major producing countries likely to increase plantings of other crops. This prospect, combined with tightening maize supplies and a weak US dollar, continues to underpin wheat futures.

Wheat futures in Chicago for March delivery were quoted at around \$267 a tonne, up around 33 per cent from the start of the season in July.

A recent Rabobank report expects that liquidation by speculators and broader macro uncertainties will weigh on wheat prices into the year-end. However, fundamentals continue to support a recovery in prices in the first half of 2011. While the peak reached in August as a result of the Russian drought may set the high for the season, the increase in uncertainty over output in both Russia and the US suggests this season’s heightened volatility will remain in play until there are additional supplies.

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Back Global rubber output expected to drop in Q4

Follows shortfall in Indian production in peak season.

K. K. Mustafah



File photo of a man laying rubber sheets in the sun for drying near Vaduvanchall in Kerala's Wayanad district. —

C.J. Punnathara

Kochi, Dec. 6

Following production shortfalls reported from India even during the peak production months of October-November, the Association of Natural Rubber Producing Countries (ANRPC) has predicted that global natural rubber production would fall by 3.8 per cent during the fourth quarter of the current year.

However, the ANRPC, which accounts for over 92 per cent of the global rubber production, has stated that the overall world production for 2010 would be on the higher side given

major upward revision reported by Indonesia for Q3 and Q4. This was against smaller downward revisions reported by Thailand and Malaysia.

Indian dip

The production of natural rubber in India had declined by 5.4 per cent in November to 88,500 tonnes as against 93,500 tonnes during the same month last year, provisional estimates put out by the Rubber Board of India revealed.

However, the Automotive Tyre Manufacturers Association of India had pointed out that the actual rubber production data for November 2010 shows a far steeper fall at 15 per cent over the projected data for the month at 104,000 tonnes. But the cumulative production between April-November was up two per cent at 546,150 tonnes as against 530,900 tonnes last year.

India has also scaled up the country's production targets for 2010 to 853,000 tonnes from the earlier projection of 844,000 tonnes. Although rubber growing areas in India witnessed unusually heavy rains in November, the production forecasts are based on better than expected output during the third quarter of the current year.

Revised estimates put out by the Rubber Board show that production shortfall for the third quarter was only 1.8 per cent as against the 4.9 per cent expected earlier. The revised figures also reveal that supply is expected to grow by just four per cent this year and by 4.9 per cent in 2011.

Meanwhile, the total supply from the ANRPC regions is also expected to grow faster at 6.6 per cent this year, as against 5.3 per cent anticipated earlier. The upward revision has been mainly prompted by Indonesia, which reported a 33 per cent growth in rubber production in the third quarter as against an anticipated growth of 4.7 per cent. The output for Q4 is expected to jump by 18.6 per cent, making a marked recovery from the 1.9 per cent expected earlier.

The price boom seems to have tapped into the large number of dormant trees bringing old and neglected trees into productive operations and the country's production is expected to grow by 16.9 per cent to 2.85 million tonnes. However this accelerated pace of growth in

Indonesia is not likely to be sustained into the coming years.

Thailand affected

Unusually heavy rains and floods during the first half of November have affected the supply of rubber from Thailand, especially from South Thailand which accounts for 80 per cent of the country's natural rubber output.

Reports from the Rubber Research Institute of Thailand indicate that an estimated 18,000 hectares of rubber area has been flooded and 15,600 hectares have been damaged by heavy winds. As a direct consequence, natural rubber supply from Thailand is expected to fall by 1.4 per cent to 3.12 million tonnes this year.

Lower Malaysian numbers

Malaysia too has scaled down its production growth to 13.2 per cent to 0.97 million tonnes this year, as against a production growth of 16.7 per cent and one million tonnes production expected earlier. Even this projection seems over optimistic given the severe monsoon rains which lashed the rubber growing regions of the country even in early November, ANRPC observed.

China's stringent fight against inflation could temper rubber price rise in global markets in the immediate future. Although the import of natural rubber and compound rubber into China are expected to be high during the third and fourth quarter of current year, the actual rubber consumption by the Chinese economy are expected to be much lower during the period.

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<http://www.thehindubusinessline.com/2010/12/07/stories/2010120753331600.htm>

Back Cardamom prices rise on strong demand amid good arrivals

Individual auction average rises to Rs 1,130/kg.

G.K. Nair

Kochi, Dec. 6

The cardamom market continued its upsurge on good domestic demand last week at auctions held in Kerala and Tamil Nadu amid good arrivals.

Upcountry buyers were actively covering to beef up their inventories to meet the demand for the wedding, winter and New Year season, which in turn had pushed up prices despite good arrivals, traders said.

Other favourable factors raising the demand and consequently pushing up prices are the non-availability of the material from the lone competitor, Guatemala, and the increased demand from certain end users of large cardamom, which is in short supply forcing the users to substitute it with small cardamom, market sources told Business Line.

At the same time, they said, there is an increase in the per capita consumption in the country due to economic growth and change in food habits while production of cardamom in the country has not grown correspondingly, they said.

Exporters did not buy much because the prices were not affordable. Yet, they bought an estimated 15 tonnes, they said.

Rising demand has pushed up prices and that in turn raised the individual auction average to Rs 1,130 a kg at Sunday's KCPMC (Kerala Cardamom Processing and Marketing Company Ltd) auction, Mr P.C. Punnoose, General Manager, CPMC, told Business Line. He said the arrivals stood at 78 tonnes. The maximum price fetched was Rs 1,254 a kg and the minimum was Rs 864 a kg. He said the average price was in the range of Rs 1,020 (last Monday) and Rs 1,130 a kg (yesterday).

He said the third round of picking is over and the fourth round has just commenced. Given the favourable weather conditions so far this season, the current crop is going to be good comparatively, he said.

Total arrivals were at 412 tonnes during the week with a marginal withdrawal of about 14 tonnes.

The trend gives the impression that the upcountry dealers are covering now on the

apprehension that the prices might move up as the harvesting reaches its final rounds, market sources said.

Total arrivals during the current season from August 1 to December 5, stood at 4,606 tonnes. Of this, 4,503 tonnes of cardamom were sold.

Arrivals and sales in the same period of the previous season were 4,635 tonnes and 4,990 tonnes respectively.

Weighted average price as on December 6, was Rs 1,108 a kg, up from Rs 703 a kg same day last year.

Prices for graded varieties in rupees per kg Monday were: AGEB 1,180-1,200; AGB 1,100-1,120; AGS 1,050-1,060; AGS1 1,010-1,025.

Prices in the local market in Bodinayakannur in rupees a kg were: AGEB 1,155-1,165; AGB 1,090-1,100; AGS 1,030-1,040 and AGS 1 1,000-1,015. Bulk was fetching Rs 1,000-Rs 1,130. Weather conditions have changed from Saturday but still remained favourable. If it remained so the late crop would be comparatively good, trade sources said.

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Back Palmoil continues gaining streak, for seventh day



Mumbai, Dec. 6

In the edible oil market, palmolein prices continue to rise for the seventh consecutive day, taking cues from higher closing of Malaysian markets and in line with the world commodity

market's firm trends. In the last seven working days, palmolein prices had gone by Rs 34 for 10 kg. On Monday with the support of firm Malaysian market, palmolein rose further by Rs 9 and other edible oils rose in the range of Rs 3-5. At the local level, absence of fresh demand and regular supply from refineries kept volumes very thin. Malaysian palm oil January-February futures which gained 94 ringgits a tonne, supported the Indian market.

In the last seven days, the Malaysian market rose by more than 300 ringgits. In Saurashtra, clear weather condition and more arrivals of seeds kept groundnut oil under pressure. Brandmakers were buyers of good quality groundnut oil for seasonal consumption demand.

At Rajkot, groundnut oil prices were steady at Rs 1,180 a tin and Rs 765 for a 10 kg. In the Mumbai market, refineries were quoting palmolein at Ruchi Rs 560 and Liberty Rs 557 and soya refined oil Ruchi Rs 585 a 10kg. Due to absence of fresh retail demand and resellers' lower price offer, the volume was thin. Hardly 100/150 tonnes of oil were traded in the market.

Malaysia's BMD and NBOT futures:

Malaysia's BMD CPO futures closed higher at January , MYR 3656 (3562), February closed at 3610 (3516) MYR. Mumbai commodity exchange spot rate (Rs/10kgs): Groundnut oil 785 (780), soya refined oil 575 (575), Sunflower expeller refined 675 (670), sunflower refined 725 (725), rapeseed refined oil 615 (612), rapeseed expeller refined 585 (582), cotton refined oil 568 (565) and palmolein was 555 (546).

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[Back](#) Rice flat on new arrivals



Our Correspondent

Karnal, Dec. 6

Rice market saw a steady trend with prices maintaining their upper levels on Monday. Prices of aromatic and non-basmati varieties were almost unchanged.

Mr Amit Chandna, proprietor of Hanuman Rice Trading Company, told Business Line that because of steady demand and arrivals of new rice, market was flat.

The trade had witnessed a good rally last week, and traders expect that the market may rule around these levels in this week, he said.

Prices of Pusa-1121 steam (new) ruled between Rs 5,250 and Rs 5,330 a quintal, while the old variety sold around Rs 5,400. Pusa-1121 sela (new) was at Rs 4,200-4,330, whereas the old variety at Rs 4,350-4,400. Pusa-1121 raw (new) ruled between Rs 5,180 and 5,240, while the old variety quoted around Rs 5,350. Pusa (sela) ruled at Rs 3,320-3,370 and Pusa (raw) at Rs 4,200-4,250.

Basmati sela quoted around Rs 6,200-6,250, while basmati raw was around Rs 7,150-7,250. Broken such as Tibar was at Rs 3,150-3,200, Dubar at Rs 2,300 and Mongra around Rs 2,000.

Prices of Permal sela ruled at Rs 2,000-2,200, while Permal steam ruled between Rs 2,150 and Rs 2,210 a quintal. Sharbati sela sold around Rs 2,800 and Sharbati steam at Rs 3,000-3,050 a quintal.

Around 7,000 bags of PR-13 arrived, sold between Rs 950 and Rs 980. Grade-A variety arrived in 20,000 bags and quoted between Rs 1,000 and Rs 1,050.

About 2,000 bags of Sharbati ruled between Rs 1,550 and Rs 1,585. Sugandha-999 arrived in about 5,000 bags, and quoted at Rs 1,600-1,680.

Around 5,000 bags of Pusa (duplicate basmati) quoted at Rs 2,000-2,250. Around 10,000 bags of Pusa-1121 ruled at Rs 2,000-2,350.

About 8,000 bags of pure basmati rice quoted at Rs 2,200-2,700. The stock was lifted by the millers.

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Back Mumbai to host global meet on grain, sugar

Our Bureau

Mumbai, Dec. 6

Two international conferences on major food commodities covering rice, wheat and pulses as well as sugar are set to run concurrently on December 18 in Mumbai.

The twin events organised by event managers Teflas Commodity Interface is expected to attract participants from within the country and outside.

In Grain Asia 2010 and Sugar Summit, experts are set to share their insights into the dynamic world of global agribusiness and provide useful inputs for Indian policymakers, Mr Kailash Singh, managing director of Teflas, told Business Line.

Topics to be covered include global and Indian grains market dynamics, role of technology in changing the grain market paradigm, long-term foreign trade policy for grains, logistics and warehouse related issues, developments in non-food uses of grains and pulses and issues of financing the grains trade.

Outlook

The highlight of the twin events will be the Price Outlook session where experts would come up with price forecast for wheat, maize, pulses and sugar based on fundamental and technical approaches.

Sugar Summit will cover among others global and Indian market outlook for 2011, contours of sugar decontrol policy, an ideal trade and tariff policy for the sweetener, ethanol doping and cogeneration for competitiveness, financing of the sugar sector, sugar futures trading and price forecast for 2011.

Key speakers

Eminent speakers for the events include Dr Sharad Joshi; Mr Siraj Hussain, IAS, chairman, Food Corporation of India; Mr Atul Chaturvedi, CEO (agri), Adani Group; Dr Gyanendra Shukla, director, Monsanto; Mr Sanjay Kaul, MD & CEO, NMCSL; Mr Jamal Mecklai, CEO, Mecklai Financial; Mr Sanjeev Asthana and others.

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<http://www.thehindubusinessline.com/2010/12/07/stories/2010120753881800.htm>

Back **Groundnut farmers told to hold stock till Jan**

Anil Urs

Hubli, Dec. 6

The Domestic and Export Market Intelligence Cell (Demic) of Agri-Business Management, University of Agricultural Sciences, Dharwad, has advised groundnut farmers in North Karnataka to hold their produce and then sell only in January or February for better price realisation.

Kharif-grown groundnut arrivals has been steady in north Karnataka. Daily arrival is ranging between 100 and 200 quintals a day in the key markets.

arrivals

In November, groundnut arrival in Bagalkot was three quintal (average price Rs 1,810/quintal), Gadag 1,121.4 quintals (price Rs 3,592.76/quintal), Hubli 2,107 quintals (price Rs 3,157.99/quintal) and Raichur 65.5 quintals (price Rs 2,367.85/quintal).

Due to good rains during September-October groundnut yield in north Karnataka region is touching 45-48 quintal/ha.

But, untimely rains at harvest have affected the quality of the product to a greater extent.

Drop seen

According to trade sources, due to low arrivals, prices are ruling steady between Rs 2,600 and Rs 3,500 a quintal and it is expected to come down marginally as arrivals pick up.

Price forecasts by Demic said groundnut prices are expected to rule around Rs 2,800-3,100 a quintal from December-February in Raichur market.

The minimum support price announced by the Central government for this year is Rs 2,300/quintal.

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<http://www.thehindubusinessline.com/2010/12/07/stories/2010120753000700.htm>

Back Icrisat move to link farmers with markets

Our Bureau

Hyderabad, Dec. 6

With a view to giving farmers access to markets, International Crops Research Institute for the Semi-Arid Tropics (Icrisat) has formed a concept called IMOD (Inclusive Market-Oriented Development) that seeks to form alliances with research institutes, Government institutes and non-governmental organisations.

'Dynamic progression'

Addressing a press conference here on Monday, Dr William Dar, Director-General of Icrisat, said IMOD was institute's plan for the year 2020. "It is a dynamic progression from subsistence to market-oriented agriculture by identifying the market needs and generating surpluses by farmers. Besides providing food security, the surpluses would enable them to participate in markets to get more incomes," he said.

The IMOD launch coincides with the 38 {+t} {+h} anniversary of the CGIAR institute.

"Farmers would plough back additional incomes to buy inputs such as seeds, fertilisers, tools, livestock and insurance. These, in turn, would help improve their lot," he said.

Mr Ganesan Balachander, member of the CGIAR Consortium Board, said climate change was not just about increase in temperatures. "We will see more pronounced stresses and droughts. This will have an impact on farmers," he said.

Dr C.L. Laxmipathi Gowda, Global Theme Leader of Crop Improvement (Icrisat), said of the 600 varieties the institute released in 77 countries, 135 were being used in India.

Stating that dryland farming needed more focus, he said the Government subsidies to dryland and irrigating farming were in the ratio of 1:10. "This is highly skewed. This should change," he said.

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Back Sugar turns sour on low retail buying



Our Correspondent

Mumbai, Dec 6

Spot sugar prices on the Vashi market declined further on Monday, by Rs 25-30 as transport strikes have been cancelled leading to a fall in freight rates by Rs 25-30 a quintal, which were increased last week on expectation of transporters' agitation.

Less-than-expected retail demand at local level with resale selling pressure also played a key role to weaken the market sentiment. In Naka and Mill delivery, tender prices decreased by more than Rs 20-25 a quintal. Traders are predicting that once the fresh retail demands increases, prices may see some upward movement.

Mr Hemant Vora of Kavita trading co., said since the start of this month sugar prices have declined by more than Rs 100 due to higher free sale quota and lower demand. Mills are not able to get sufficient response to their daily tender offers due to weak demand.

Even neighbouring States' buying has dried up. In the last two days of previous week, local traders have purchased 20,000-25,000 bags of sugar in direct and resale trade. Now, in the absence of demand, they keep fresh buying at bay. A total of about 25,000-30,000 bags were traded in direct and resale basis in the range of Rs 2,780-2,810 for S-grade and Rs 2,820-2,850 for M-grade by local players. On Monday, total arrivals at the Vashi markets were lower at 30-32 truck loads (of 10 tonnes each) and lifting was about 28-30 trucks.

According to Bombay Sugar Merchants Association, spot sugar rates were: S-grade Rs 2,871-2,925 (Rs 2,900-2,942) and M-grade Rs 2,900-3,001 (Rs 2,926-3,031). Naka delivery rates were S-grade Rs 2,820-2,870 (Rs 2,840-2,870) and M-grade was Rs 2,880-2,920 (Rs 2,890-2,930).

Date:07/12/2010 URL:

<http://www.thehindubusinessline.com/2010/12/07/stories/2010120751021700.htm>

[Back](#) Profit-booking crushes castor



M.R. Subramani

Rajkot, Dec 6

Castorseed spot and futures prices declined on Monday on profit-booking by traders. However, the undertone remains bullish as exporters try to cover their positions for current commitments.

Spot prices declined to Rs 3,933.55 from the previous closing of Rs 3,945.80 a quintal. On the National Commodities and Derivatives Exchange, December futures dropped Rs 54 to Rs 4,000 a quintal, while January contracts ended at Rs 3,730 from the previous closing of Rs 3,797.50.

“Castorseed prices have run up high the last one month or so. On November 1, castorseed ruled at Rs 3,675 and now it has almost touched Rs 4,000. Some correction is taking place,” said a trader.

Trading sources attributed the trend also to a move by the Rajkot Commodities Exchange to slap a special margin of Rs 40,000 for every unit of five tonnes. The margin is proposed to be imposed on every open position. The proposal is yet to be cleared by the Forward Markets Commission.

“Assuming that arrivals will take place this month, some exporters had sold in the forward

market. But the recent rain has resulted in arrivals being delayed until early February,” a trader said. Basically, it is a case of short supply that has led to the current spike, said traders.

There is a good demand for exports for castor oil from Europe, China among other countries. Every year, about three lakh tonnes of castor oil are exported with the foreign exchange earnings being around Rs 700-800 crore. Though arrivals have been delayed, traders said rain has not caused any damage to the crop.

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<http://www.thehindubusinessline.com/2010/12/07/stories/2010120750971700.htm>

Back Soya oil firm on subdued demand



Our Correspondent

Indore, Dec. 6

Soya oil ruled firm on subdued demand. Soya refined (plant delivery) quoted at Rs 545-550 for 10 kg.

Earlier in the morning soya refined was quoted at Rs 550 for 10 kg but due to decline in demand at plant-level on higher rate, maximum business in soya refined was done in resale at Rs 543.

On the other hand, soya solvent quoted at Rs 515.

Soya oil January contract at the NBOT, after opening at Rs 601, closed lower at Rs 595.70

with weak overseas market. Similarly, soya oil December and January contracts at the NCDEX closed lower.

Soya oil December contract closed at Rs 583.50, while January contract closed at Rs 597.5.

According to another trader Mr Kailash Partani, because of adulteration in soya DOC and cold weather, domestic demand for oil and export demand for the DOC have declined in the past few days.

Soya seeds prices also ruled steady with weak demand at plant level .

Against arrival of about 2.50 lakh of soyabean bags at the State-level, 6,000 bags of soyabean arrived in Indore mandis on Monday at it was quoted at Rs 2,120-2,160, while plant deliveries were quoted at Rs 2,230-2,270.

However, in the evening, some plants purchased soyabean at Rs 2,250 a quintal.

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<http://www.thehindubusinessline.com/2010/12/07/stories/2010120750931700.htm>

Back Turmeric down despite poor inflow



Our Correspondent

Erode, Dec 6

“Usually during December, the arrival of turmeric to the spot market will be very limited and

on Monday, only 3,000 bags arrived, but there is no change in price”, Mr R.V. Ravishankar, President, Erode Turmeric Merchants Association, said adding 1,800-2,000 bags were sold.

He also said, “in the futures, the commodity was quoted at Rs 14,850 a quintal. The prices may fall by Rs 300-500 a quintal in the next few days”.

“Farmers expect the commodity may fetch Rs 10,000 a quintal, but the price has increased to Rs 16,000 a quintal.

Expecting more prices for their produce, some turmeric farmers are holding their stocks but the prices will not appreciate further till the arrival of new crop in January-end”, said Mr R.K. Viswanathan, a leading turmeric trader.

On Monday, in the Erode Turmeric Merchants Association sales yard, finger variety was sold at Rs 9,120-15,859 a quintal, root variety Rs 9,160-15,850.

But in the Erode Regulated Marketing Committee, the prices decreased and the sales were poor.

The bulk buyers purchased very limited goods. The finger variety fetched Rs 15,403-15,985 a quintal, root variety Rs 15,583-15,989.

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<http://www.thehindubusinessline.com/2010/12/07/stories/2010120753901800.htm>

Back Cashew rules steady in listless market

G K Nair

Kochi, Dec 6

Cashew market during the week ruled steady without effecting any change in the prices in export sales and in the domestic market.

Sales were concluded for W240 between \$4.10 and \$4.15, W320 between \$3.70 and

\$3.75, W450 & SW at around \$3.60 (f.o.b). Some sales were made to the US, West Asia and off-markets. Europe was relatively quiet.

Indian domestic market was quiet but prices are steady, trade sources said. During October and November, reasonable volume was traded for shipment in first quarter of 2011.

If off take is low as many people in Europe and the US expect they may be able to restrain buying in the first quarter as purchases already made will take them into the second quarter with reasonable inventory. "This may soften prices before the 2011 crops start. But if off take is not as bad as feared, they will have to start buying in Feb to cover second quarter needs", Mr Pankaj N Sampat, a Mumbai-based dealer told Business Line.

Traditionally, first quarter production is lower and will be still lower in 2011 because of short 2010 crops. So, any significant buying in first quarter will result in a firm market as unsold quantities are low. In the last few weeks, difference between large wholes and W320 has widened and this trend is likely to continue if the Brazil crop is as bad as feared, he said. This could also lead to narrowing of differential between W320 and brokens. But, there has not been much change so far, except that prices for broken grades in India have gone up very high, he said.

Raw Cashew Nut (RCN) market also is steady. More than 60 per cent of the Tanzanian crop has been auctioned and now quantities in the weekly auction are becoming smaller.

By the end of December or early January, almost everything would have been sold, he said. Shipments from Mozambique are expected to start in Jan provided there are no changes in policy. Crop there seems to be good but traders are quoting high prices. Brazil arrivals continue to be slow, he said.

"Since prices for all nuts – except maybe Almonds – are high, supply side factors, including raw material and processing costs, will have more impact on cashew kernel prices. Processing costs in India, and in Brazil as well, are going up next year," he said.

On top of this, if RCN prices remain high, there is very little chance of a big decline in kernel prices although there may be periodic dips from time to time. "The only possibility

for a substantial decline in cashew prices in 2011 is, if off take is severely affected, as many people fear, and all 2011 crops are good. There will be no clarity on these two aspects till middle of second quarter”, Mr Pankaj said. “We expect reasonable activity during Dec as some buyers will probably want to cover additional volume for first half of 2011 to avoid being caught with low cover. This will keep the market moving in the current range. First quarter of 2011 is going to be very crucial – kernel activity and news of crop prospects in that period will determine buying strategy of the processors and RCN traders and that will guide the kernel prices for 2011”, he said.

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<http://www.thehindubusinessline.com/2010/12/07/stories/2010120753831800.htm>

Back Oilmeal exports up 42% in Nov

Our Bureau

Chennai, Dec. 6

Oilmeal/extraction exports during November jumped 42 per cent to 4.92 lakh tonnes (lt) as against 3.46 lt the same period last year, according to latest data compiled by the Solvent Extractions' Association of India (SEA).

Better price realisation coupled with rising overseas demand and increased activities in crushing boosted the overall meal export. Oilmeal exports aggregated 23.8 lt during April-November 2010, a jump of 26 per cent from 18.9 lt during the same period of the previous year.

Soyabean and rapeseed meals continue to be the highest contributors to the basket of oilmeal exports. Export of soyameal in November jumped to 4.4 lt (2.97 lt) while that of rapeseed meal nearly doubled to 41 tonnes. Soyameal extraction price, which was in the range of \$350/tonne in the first quarter of this financial year, also shot up to \$411 in November.

During April-November, oilmeal exports to Japan zoomed 116 per cent to 6.7 lt (3.1 lt),

while exports to China jumped 32 per cent to 2.47 lt (1.86 lt).

Meanwhile, Europe has re-started importing soyameal from India and about 50,000 tonnes were shipped in November and SEA predicts that this is likely to rise in the coming months.

Date:07/12/2010 URL:

<http://www.thehindubusinessline.com/2010/12/07/stories/2010120752401900.htm>

Back Bengal to widen PF scheme for farm labourers

Our Bureau

Kolkata, Dec. 6

The West Bengal government has decided to increase the upper age limit of its farmhands and agricultural labourers under the provident fund scheme, commonly known as 'Aam Aadmi Bima Yojana,' to 60 years.

This will lead to over 25 lakh people benefiting from the scheme under which the annual premium of Rs 200 is shared on a 50 – 50 basis between the State government and the Centre.

At present, over 9.80 lakh people are beneficiaries to this PF scheme.

Benefits

The policy holder, mostly landless farmers, farmhands and labourers, do not have to make any payment under this scheme and in case of an accidental death the nominated person gets a lumpsum amount of Rs 75,000 and Rs 30,000 in case of normal death.

This apart, the families registered under the scheme are entitled to get a stipend of Rs 100 a month for the education of each of their children for four years, an official release said.

Date:07/12/2010 URL:

<http://www.thehindubusinessline.com/2010/12/07/stories/2010120753891800.htm>

Back Cold spell hits Coonoor tea

P.S. Sundar

Coonoor, Dec. 5

Winter is reducing the supply of green leaf and hence the production of black tea in many producing countries right now.

The Nilgiri tea pockets have not seen sunlight for almost three weeks now. The South West monsoon, North East monsoon and sea depressions have been bringing intensive rainfall. But, when it does not rain, mist engulfs the tea pockets resulting in the spread of blister blight disease. "We fear 25 per cent loss of quality tea in November over November 2009. If sunshine evades, there will be further loss in December.

If cold spell intensifies, there will be frost-bite loss in low lying tea fields," Mr Ramesh Bhojarajan, Vice-President, The Nilgiri Bought Leaf Tea Manufacturers' Association, told Business Line.

North Indian production also usually tapers from mid-December due to cold spell. Volumes will be restored only by April 2011.

Date:07/12/2010 URL:

<http://www.thehindubusinessline.com/2010/12/07/stories/2010120750920500.htm>

Back 'Tobacco retailers unaware of change in pictorial warnings'

Our Bureau

New Delhi, Dec. 6

Retailers of tobacco products are unaware of the change in pictorial warnings on tobacco products, even though it was made compulsory by the Government from December 1, said

Ms Deepti Singh, Legal Officer, Hriday (Health Related Information Dissemination Amongst Youth).

“In the Supreme Court hearing on November 12, 2010, in the pack warnings PIL, the tobacco industry did show its consent to implement the revised warning — mouth cancer, and said the manufacturers are ready to abide by the law. It did not raise any issue about existing stocks that have been manufactured with old warnings. The industry was aware that on December 1 all vendors would have to stock tobacco product packages with the notified mouth cancer warnings. Any argument suggesting that they are waiting to clear the stockpiles is baseless, especially in the light of the fact that earlier public notice issued by the Ministry of Health stated that not just product packages manufactured from the enforcement date, but also those sold from that date had to display the notified warnings. Uncertainty over warnings, stalling production and highlighting loss of taxes to the government are tactics to pressurise the government to revert to meaningless health warnings,” said Dr Monika Arora, Senior Director, Hriday.

The Government mandated the display of mouth cancer warnings on all tobacco product packages from December 1, according to the Ministry of Health gazette notification GSR 411 (E), dated May 17. “Stalling production and tobacco industry’s claims of loss of Rs 100 crore per day does not compare with Rs 7,920 crore per year the Government saves in healthcare costs for treating tobacco related diseases as projected using 2004 National Sample Survey in a study published in Tobacco Control Journal in 2009,” according to a press release. HRIDAY has lodged a complaint regarding the violations with the National Tobacco Control Helpline.

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<http://www.thehindubusinessline.com/2010/12/07/stories/2010120752591900.htm>

Back [Pepper futures fall on selling pressure](#)

G K Nair Kochi, Dec. 6

Pepper futures on Monday fell sharply on bearish activities and consequent liquidation and selling pressure.



“In fact, the market was behaving contrary to the fundamentals,” market sources told Business Line. They said that the stocks came down as some of the warehouses are said to have gone strict on depositing, while the arrivals had not picked up as propagated by a section of the market players and notwithstanding all, the market fell. Switching over to January was there while liquidation was for about 300 tonnes, they said.

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Weather

Chennai - INDIA

Today's Weather		Tomorrow's Forecast	
	Tuesday, Dec 7		Wednesday, Dec 8
Rainy	Max Min 22° 19.4°	Rainy	Max Min 28° 23°
Rain: 29 mm in 24hrs	Sunrise: null		
Humidity: 100%	Sunset: null		
Wind: Normal	Barometer: 1004.0		

Extended Forecast for a week

Thursday Dec 9	Friday Dec 10	Saturday Dec 11	Sunday Dec 12	Monday Dec 13
				
26° 25°	26° 26°	27° 25°	28° 25°	29° 24°
Rainy	Rainy	Rainy	Rainy	Rainy