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Paddy sapling planting equipment introduced

Staff Reporter

BOON:Kanyakumari Collector Rajendra Ratnoo testing the imported equipment at Thiruppathisaaram near Nagercoil.

NAGERCOIL: Collector Rajendra Ratnoo on Tuesday had a look at the paddy sapling planting equipment, imported from Japan, on the premises of Tamil Nadu Agricultural University.

The Rs.17.24-lakh equipment is being used for planting paddy saplings under the ‘System of Rice Intensification' method, rechristened in Tamil Nadu as ‘Rajarajan 1000.'

The equipment plants paddy saplings on one acre in 8 rows within 60 minutes. Spacing and number of paddy saplings can be adjusted as per the requirement of the farmer.

“As the government gives a subsidy of Rs. 4 lakh for purchasing this equipment, farmers should come forward to buy it," said Mr. Ratnoo. Joint Director of Agriculture N.S. Ganesan was present.

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Climate change: Modi seeks role for Chief Ministers

Manas Dasgupta

India's stand on domestic climate actions contrary to Centre's assurances: Modi

'70 to 80 per cent of the mitigation, adaptation works being implemented at State levels'

GANDHINAGAR: Gujarat Chief Minister Narendra Modi has requested Prime Minister Manmohan Singh to involve all the Chief Ministers in defining the country's commitments for climate change before submitting the papers for international negotiations.

Quoting the current reports about the stand taken by India at the COP-16 summit on climate change at Cancun, Mexico, Mr. Modi, in a letter to Dr. Singh on Tuesday, said India's stand on domestic climate actions as reported from the summit was contrary to the assurances given by the Centre to Parliament. He said it was not only a compromise on national sovereignty, but it also raised questions about the federal structure of the country.

Mr. Modi pointed out that about 70 to 80 per cent of the mitigation and adaptation works on climate change were being implemented at the State levels and regretted that so far no mechanism had been put in place to involve the Chief Ministers in a consultative process before deciding on India's national approach to climate change. "This is contrary to the true spirit of India's federal system," he said.

The State police had been put on very high alert following WikiLeak's revelations about a possible terrorist attack on Mr. Modi, said Additional Director-General of Police (Law and

Order) Sudhir Sinha. Though the revelations were about the Lashkar-e-Taiba plans for 2009, the threats to Mr. Modi's life had been received several times and were still alive. He said the State Anti-Terrorism Squad had been entrusted with the task of investigating the possible Lashkar plans and take remedial measures.

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Extensive damage to ragi crop

R. Arivanantham

Krishnagiri district is one of the largest ragi-producing districts in the State

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SHOOLAGIRI (KRISHNAGIRI DISTRICT): Rain played havoc in Krishnagiri district, with extensive damage of the ragi crop reported in many parts of the district. Incessant rain over the last fortnight resulted in damage to the fully-grown standing crops ready for harvest in the stagnating water in the fields. Ragi is the main crop in this region, as most of the farmers are depending on rain-fed farming.

Krishnagiri district is one of the largest ragi-producing districts in the State.

Ragi crop was cultivated in about 50,000 acres in the district. Ragi is the staple food in Hosur, Denkanikottai, Thaly and Shoolagiri regions.

The crop sown during June-end and July will be harvested during November and December every year. Rain during the harvest season affects production.

S.G. Muniyappa from Sokkapuram village told The Hindu that he spent Rs. 10,000 for an acre of ragi sowing.

He said he could not retrieve even 50 per cent of the harvest in the soaked rain water. The ragi haystack which was rotten because of rain could not be used as fodder to the animals.

Over 100 farmers in Seekkanapalli village are undertaking ragi cultivation in poromboke lands.

Damage to crop was also reported in Santhanapalli, Irudhukkottai, Balathottanapalli in Denkanikottai taluk.

K. Rajan, Joint Director, Agriculture, denied extensive damage to the crop but said about 20 per cent of the standing crop yet to be harvested might have got damaged in the rain.

Sixty per cent of the cultivated crop was harvested before the rain, and only 20 per cent of the harvested crop that was stored in the open fields was partially affected.Some bunches in the upper layer of the stored crops could have damaged, Mr. Rajan claims.

Collector inspects

Immediately after the crop damage was reported, District Collector V. Arun Roy inspected two villages in Kelamangalam block along with Mr. Rajan.D. Ravindran, District Secretary, Communist Party of India (Marxist), urged the government to assess the damage to the crop in the district and extend Rs. 8,000 per acre as relief to the farmers in the region.

Meanwhile, the Tamilnadu Vivasayigal Sangam affiliated to Communist Party of India (Marxist) would stage a demonstration in Denkanikottai and Berigai on Wednesday, according to X. Irudhayaraj, district secretary.

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Medicinal plant growers in distress

Water-logging stunts growth Export toois affected

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

Breach

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) over vast expanse across the block.

“About 9,000 acres of the crop, belonging to over 2,000 farmers, is now under water, pegging the loss at around Rs. 3 lakh an acre,” farmers, who came to represent their plight to the District 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.

“The rotting of rhizomes because of water stagnation means that we will be left with no rhizomes for the ensuing season too,” the farmers said. It was only in the last few years that many of the farmers in the area had fully migrated from crops like maize to the medicinal plants once they started obtaining returns as high as Rs. 1,500 from a kg of ‘Glorisa Superba' seeds.

The ‘Glorisa Superba' seeds produced from the area was getting exported to countries like Italy in the last few years where the alkaloid extracted from it were used for the preparation of herbal extractions to fight diseases like cancer.

Study

Horticulture and Plantation Crops Department sources said that exact volume of damages would be ascertained only after a study planned in the affected areas this week.

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Kulithalai cane growers facing unique problem

Staff Reporter

Crop ripens without achieving normal weight, sucrose content due to rain

KULITHALAI: A unique problem has confronted the sugarcane growers of the Kulithalai belt in Karur. Following the spell of rains in the region, crops in many hundred acres have flowered prematurely leading to fears among growers that there will be loss of productivity resulting in lesser returns.

Sugarcane is being raised in a few thousand acres in the Kulithalai belt that is well served by river Cauvery and branch canals including the South Bank Canal, Kattalai High Level Channel, Krishnarayapuram channel, etc.

The heavy rains in the Kulithalai-Pettaivaithail region have put paid to the hopes of several hundred cane growers as the crop has “flowered” well ahead of the normal time, ostensibly due to over exposure to moisture and resultant spur in growth.

Farmers point out that the crop has ripened without achieving the weight it should have meaning the sucrose content could be less along with the expected weight. That will result in the growers getting lower productivity and lesser returns as the mills calculate the payment to growers based on the weight and sucrose content of the produce brought.

“The rain has forced premature flowering on the sugarcane crop and has done the damage in mango groves as well,” said working president of the Cauvery Delta Farmers Welfare Association Mahadanapuram V. Rajaram.

Rain and dew have wreaked havoc on mango trees as the “vegetative growth” has left many trees with full of new leaf sprouts rather than flowers that would grow to become mangoes.

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Farmers' guild plans stir

Special Correspondent

THANJAVUR: The Tamil Nadu Vivasayigal Sangam affiliated to the Communist Party of India (Marxist) will organise agitations throughout the State on December 20 demanding hike in compensation for losses suffered due to crop and property damage during the rain.

It demanded the State government to sanction a compensation of Rs.15, 000 per acre for crop damage, Rs.10,000 for damage of houses and Rs.50 for each damaged banana tree. Briefing reporters on the resolutions adopted , K.Balakrishnan, president of the sangam said that government should convene an all party meeting and invite representatives of farmers associations to ascertain the losses suffered due to rain in the state. Government has deployed officials for assessing the damage, but they have not made a proper assessment, he said . The sangam will also organise another agitation on December 22 in front of Fort St. George in support of sugarcane farmer's demand for Rs.3000 for each tonne of sugarcane .P.Shanmugham, secretary, said that a compensation of Rs.2,000 should be paid for each goat perished in rain and Rs.10,000 for each cow or bullock . Other than paddy, onion crop in Perambalur district and chilly crop in Ramanathapuram district, have suffered extensive damage and farmers should be compensated for these losses too. Compensation should also be paid to agriculture labourers who are left without jobs.

Venkatesh Athreya, All India Kisan Council member; Mohammed Ali, vice-president of the Tamil Nadu Vivasayigal Sangam participated in the meeting.

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Open paddy procurement centres at rice mills: Joint Collector

Staff Reporter

GUNTUR: Joint Collector A Sarath ordered that 328 paddy procurement centres be opened at rice mills in the district and purchases be made at a price not less than Rs 1,030 per quintal which is the minimum support price (MSP) stipulated by the government.

Stringent action will be taken against the millers who buy the food grains for less than the MSP and there will be no hesitation in closing the mills for failing to adhering to the guidelines.

Mr. Sarath,in a meeting with the rice millers, said 30 procurement centres were opened by the Food Corporation of India and the Civil Supplies Corporation (12 and 18 respectively).

Old rice

He said the millers have agreed to purchase a 75 kilo bag of BPT old variety rice for Rs 1,050 and a 100 kilo bag for Rs 1,400. Old rice was being sold to the consumers in 107 counters, for which 1,090 quintals were readied.

Three hundred quintals were supplied to 30 counters and the balance would be dispatched in the next few days. Consumers could buy rice in these counters for prices which were Rs 5 - 7 less than the open market prices.

Joint Director of Agriculture Y Pulla Reddy, district Civil Supplies Officer Krishna Rao, State Civil Supplies Corporation manager Jayaram, assistant director of Marketing Venkateswara Reddy and others were present.

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Workshop on tobacco control

CHENNAI: An advocacy workshop on tobacco control for vendors and traders was organised by the Directorate of Public Health and Preventive Medicine here on Tuesday.

Held as part of the ‘Smoke Free Chennai Project' of the directorate, the event witnessed the participation of 106 representatives from various merchant unions. Director of Public Health and Preventive Medicine R.T. Porkaipandian said, “Suggestions and grievances presented by participants at the workshop will be forwarded to the government to find amicable solutions,” he added.

President of Chennai Beedi and Cigarettes Wholesale Merchant Association, Dinesh Kumar, called for the need to set up smoking zones in public places President of Tamil Nadu Federation of Traders Association, Vikramaraja, said the Health Department officials are tormenting traders by collecting fines for selling tobacco products.

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Cotton arrivals continue to be low

Special Correspondent

COIMBATORE: Cotton arrivals in the markets continue to be low though the cotton season started in October.

The daily arrivals in the market now are about 1.6 lakh bales compared to 2.75 lakh last year.

Secretary of the South India Cotton Association K.N. Viswanathan said just about 60 lakh bales had come to the market so far this year (from October 1) as against the expected 75 lakh bales. Rain started late in several cotton tracts (Andhra Pradesh, Madhya Pradesh, Maharashtra, Karnataka and parts of Gujarat) in the country this year. This tightened the supply. Further, with prices fluctuating, farmers tend to hold back portion of the produce.

Rain had stopped in most of the cotton-growing areas and arrivals were expected to increase.

"I expect the prices to soften in another two weeks," he said. The price of shankar-6 variety of cotton was about Rs.42,500 a candy on Tuesday.

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Farmers call for siege to highways

Special Correspondent

HYDERABAD: All party farmers' associations have extended their support to the call given by various political parties to lay siege to the State and National Highways on December 11 to press solution to the farmers' problems.

Telugu Rythu State general secretary N.Venkateswara Rao, All India Forward Bloc State convenor L. Muralidhar Deshpande told reporters here on Tuesday that with no remunerative price and damage to crops due to series of natural calamities, farmers were caught in a crisis. Despite several representations , the State and Central governments remained indifferent to their plight, they lamented.

Citing an instance, Mr.Venkateswara Rao said while the government announced Rs.1,030 as minimum support price for paddy which was not enough, in reality farmers were forced to sell it for as low as Rs.600 per quintal.

While there was no decline in the price of the rice, farmers were denied a fair price as government did not initiate steps for purchase of paddy as in other states.

'Crop holiday'

Mr. Muralidhar Deshpande appealed to the farmers to observe ‘crop holiday' for a couple of years under which farmers would raise crops to meet their own requirement. Mr.Bhaskar Rao of Lok Satta farmers' wing said that middle men were minting money by denying farmers' MSP and selling rice at exorbitant rates to consumers in the market.

Published: December 7, 2010 14:24 IST | Updated: December 7, 2010 22:57 IST New Delhi, December 7, 2010

Mid-year analysis projects 9% growth

The Hindu Faster growth is expected to continue in the third and final quarters of the current fiscal year, as agriculture recovers sharply from last year's drought and as inflation starts to fall and is expected to continue to decline. File photo Having shrugged off the adverse impact of the global meltdown, the Indian economy appears well poised to touch the pre-crisis growth level of 9 per cent in the current fiscal itself on the back of robust recovery in all three sectors — agriculture, industry and services — even as uncertainties in the global economies persist.

In its ‘Mid-year analysis 2010-11' tabled in Parliament on Tuesday by Finance Minister Pranab Mukherjee, the government also sought to draw comfort from the fact that inflation, which had been a major concern all these months, has shown a downtrend and hoped that it would ease to 6 per cent by March next from the current high level of over 8 per cent.

Drawing a rosy scenario along with some circumspection, the analysis said: “The very rapid 8.9 per cent growth in GDP [gross domestic product] recorded in the first half of 2010-11 raises the possibilities of a faster recovery to the pre-crisis levels. Faster growth is expected to continue in the third and final quarters of the current fiscal year, as agriculture recovers sharply from last year's drought and as inflation starts to fall and is expected to continue to decline. Both, in turn, will boost demand in rural and urban areas and improve investor confidence. In light of the above factors, it is estimated that growth in 2010-11 will be 8.75 plus or minus 0.35 per cent.”

The wider variation in the expected growth, it explains, is owing to the uncertain global environment. “The range indicates the possibility of crossing the 9 per cent mark this year itself; but is wider than the earlier estimate owing to higher risk factors, which include the economic situation in the Euro area turning for the worse with heightened risk from the Irish, Portuguese and Spanish economies. Uncertainty in the global economy, nevertheless, will likely persist. Growth continues to be slow in the U.S. and Europe.”

Alongside, to maintain the high growth trajectory, the Finance Ministry's analysis makes out a case for deepening and strengthening economic reforms further to not only sustain the current momentum but also raise it to double digit levels in the medium to long-term.

“I am hoping that inflation will come down to 6 per cent by March 2011,” Mr. Mukherjee told the media immediately after tabling the mid-year analysis and explained the current economic scenario. “Now why we have shifted the goal post from 0.25 to 0.35 per cent. One of the reasons is there have been certain uncertainties, particularly recovery of euro. And euro has relevance both from viewpoint of FDI, investment and also from external trade, particularly export...”A sizable percentage of Indian exports are destined towards Europe. Therefore, the recovery rather rapid and robust recovery of euro is important from India's point of view,” he said. On the need for deepening reforms, the government sought to stress on further fiscal consolidation along with the necessary steps to tackle and absorb the external capital flows “which are posing some adjustment challenges” in the economy. The surge, it said, has raised the question of the country's absorptive capacity which, analysts fear, could lead to “overheating” of the economy. Alongside, however, the analysis also sought to assure that with the current account deficit of 2.9 per cent in the previous fiscal year, the capital flows at 4.1 per cent of the GDP have not been a “matter of concern” during the current year.

By Express News Service

08 Dec 2010 04:15:55 AM IST

Sambar too hot as drumstick, brinjal prices hit

CHENNAI: Vegetable prices in the city soared to a new high on Tuesday owing to the recent heavy rains as the rates of the main ingredients for the south Indian dish, sambar - drumstick and brinjal - have doubled due to limited or no arrival of stock at the Koyambedu market here. Besides, the incessant rain also played havoc in the lives of leafy greens (Keerai) cultivators, as they were either destroyed or damaged due to flooding.Koyambedu Market Management Committee member and wholesale trader V R Soundararajan told Express, “The steep increase in vegetable prices, especially the traditional varieties -- drumstick, broad beans (avarakkai), brinjal and lady’s finger -- in the last few days, was due to the recent non-stop rain which had damaged several standing crops, hence reducing their supply to the market.” “Till last week, we used to receive about 22 truck loads of leafy greens of different varieties at Koyambedu market, but it has reduced to a meager two loads (per day) since Monday,” he added. Vegetables would be priced 20 to 25 per cent higher by small time vendors across the city, in comparison with the Koyembedu retail market rates.

07 Dec 2010 03:20:30 AM IST

Crops in 90,000 hectares damaged in Cuddalore

CUDDALORE: Crops in 90,000 hectares of land and roads, including 1,000 km of National Highways in Cuddalore district, had been damaged by incessant rains in the last two days, revealed Deputy Chief minister M K Stalin.

Shortly after visiting rain-affected areas and distributing relief worth Rs 20 lakh in the district, he told reporters that Thanjavur, Tiruvarur, Nagapattinam and Cuddalore were flooded.

As per Chief Minister M Karunanidhi’s order, officials were assessing the damage to crops damages in the last two days.

The report would be placed at a cabinet meeting to be chaired by Karunanidhi on Tuesday,

where a call would be taken on the compensation to be granted.
Stalin added that 10 persons have died and 120 animals perished in the rains. Around 2,000 houses have been damaged.
The district administration has distributed eight lakh food packets to affected people so far, he stated.
The Deputy Chief Minister also distributed Rs 20 lakh to 279 beneficiaries.
These include Rs 6 lakh to three families of the deceased, Rs 45,000 for the loss of five animals and Rs 13.55 lakh for the damage of 271 huts.

THE ECONOMIC TIMES
Wed, Dec 08, 2010 | Updated 10.38AM IST

8 Dec, 2010, 03.14AM IST, Prabha Jagannathan,ET Bureau

Centre likely to tread cautiously on the issue of open sugar exports

NEW DELHI: Abandoning earlier optimism, the Centre is likely to tread cautiously on the issue of open sugar exports . Indications from the food ministry now are that a decision, based on firmer sugarcane yield and recovery figures, is likely to be taken only between late December or the first half of January. "A decision on exports and the quantum is likely to be taken only when the government is physically sure of sugarcane yields and resultant sugar output projections by January, although some indications are already available by December," an official told ET.

In end October, the Centre had indicated its keeness on to free sugar exports under OGL by the first week of December and dispense with the custom of issuing Ros (release orders) to mills for the same. A total of 2mt of sugar exports was being mentioned, albeit in a staggered and staged manner of smaller quantities. Interestingly, the indications had come immediately after food and consumer affairs minister Sharad Pawar upped, in end October, official estimates overnight to 25mt, in sync with industry estimates, from a much lower 23mt earlier.

The move to advantage the domestic sugar industry by freeing up exports was being considered against a backdrop of record sugar prices in the global market and a situation where, for the first time in 15 years, the Indian sugar industry found itself in a position of projected plenty even while the global market experienced marked supply tightness.

Current indications on exports being delayed is unlikely to go down very well with the industry, especially since the delay on a decision has already pushed global white sugar prices down to $720/tonne against almost $100/higher, i.e., $810/tonne in October, in tandem with tight supply. ""That advantage has now been frittered away on account of the delay in decision. Sugar price is much lower than breakeven rates at this juncture," an Indian Sugar Mills Association (ISMA) official maintained.

Government officials do not rule out the possibility of sugar exports under OGL being opened up in a staggered manner post mid January, in order that domestic prices are not affected steeply, should overall production estimates of 24.5-25mt+ be confirmed by early next year. "Had about five lakh tonnes of sugar been allowed for export by early November, industry could have been advantaged by high global prices. Exports could have subsequently been tightened, should there have been apprehensions over production in the top output states of Maharashtra and UP," the ISMA official held, however.

The decision to delay the decision on free sugar exports is believed to have come based on doubts over sugarcane yields in top cane producer state UP following late rains extending upto late October/November and insufficient difference between day and night temperatures. Sugarcane needs sunshine in the day for recovery of sucrose ot be high at this time but this is noticeably lower than average at present. In mid November, the Geneva based SGS SA for Bloomberg said that sugar production in India, the world’s second largest, may be 8.7% less than predicted as rain, pests and disease had reduced yields in UP. It pegged output at only 23.27mt in 2010-11. .. Industry, though, is still sticking to its projections of 24.5-25mt sugar production.

Industry, though, is of the view that there are ample indications even now of a "very good" cane crop in Maharashtra, the highest sugar producer state in the country. Of the around 161 sugar mills in the state, 146 are currently crushing sugarcane to capacity at present compared to only 130 mills at the same time last year. Industry expectations are that all the sugar mills in the state will crush cane to capacity by end December, a clear indication of good crop availability.

"There is high possibilty that cane will have to carried over into the next season for crushing," industry insiders contend pointing out that yield, recovery and the number of mills crushing at capacity are considered sure indicators of a good crop. Around 130lt of cane has already been crushed upto now compared to only 115lt of cane last year. "We expect an average 18.5lt of sugar output in the months of December, January, February and March. In April, it is likely to be about 15-16 mt." Industry expectations are that the state will produce the estimated 95lt of sugar this season.

Export rules were tightened in February 2009 through a stringetn control of ROS after a drop in sugar production to 14.7mt in 2008-09 (October-September) sugar year.

Business Standard

Wednesday, Dec 08, 2010

Palm oil hits 29-month high on dollar, weather

Reuters / Kuala Lumpur December 08, 2010, 0:49 IST

Malaysian crude palm oil hit a 29-month high on Monday as a weaker dollar spurred risk-taking and on spillover support from wheat prices, which are being bolstered by concerns over Australia's grains output.

The dollar was on the defensive on Monday after the US Federal Reserve said it was open to injecting more funds into the economy.

Palm oil has climbed by more than a third this year, with the biggest weekly gain so far this year last week on bullish forecasts from key industry analysts at an Indonesian conference and erratic weather hitting grains and oilseed regions.

Heavy rain in Australia has sparked concerns about the quality of wheat supplies, lifting US wheat futures and supporting other agricultural commodities.

"The market expectation of palm oil stocks falling in November added to the rally on tight grain supplies and the weaker dollar," said a trader with a foreign commodities brokerage.

The Malaysian crude palm oil contract jumped 2.8 per cent to 3,618 ringgit ($1,150) a tonne, a level unseen since July 4, 2008, before settling at 3,610 ringgit.

Traded volume more than doubled from normal to 27,666 lots at 25 tonnes each on short covering ahead of a Malaysian public holiday on Tuesday.

Malaysia's palm oil stocks probably fell in November from nine-month highs hit the previous month as output declined on heavier rains and exports climbed, a Reuters poll showed on Monday.

Other vegetable oils gained on the rally in wheat. U.S. soyoil for December delivery edged up 0.8 percent in Asian trading hours, while the most active September 2011 soyoil contract on China's Dalian Commodity Exchange rose 1.3 percent.

Crude oil extended its rally into a fourth straight session on Monday to a 25-month high as the dollar continued to languish.

Wheat yield in Haryana under stress

Vikas Sharma / Chandigarh December 8, 2010, 0:47 IST

For the second consecutive year, wheat production in Haryana will fall below initial estimates despite a good monsoon in the North Indian states.The wheat area under ‘late sowing’ in Haryana is likely to register an increase, and this could adversely impact the rabi crop.

According to state agriculture officials, late sowing of wheat will lead to a delayed harvest and the crop yield will drop by 37.50 kg per hectare per day. The longer it takes to harvest the crop, the loss of crop would increase.

The officials are expecting wheat production to touch the 11.4-million-tonne mark this year. Last year, estimated wheat production was pegged at 11.4 million tonnes, but the yield was 10.5 million tonnes.

Officials said this year, the late crop will be sown in approximately 30 per cent of the area under rabi crop cultivation, compared to 20 per cent last year.

Till date 2 million hectares has been covered under wheat production, compared to 2.11 million hectares covered in the corresponding period last year.

The officials maintained area under delayed sowing in Haryana was likely to increase owing to extended monsoon which has resulted in delayed harvesting of major kharif crops — paddy and cotton.

The official said areas, especially in south-west Haryana, are likely to go in for late sowing of wheat as cotton plucking was still underway in many districts. As against 2.47 million hectares area under wheat last year, this year the area under wheat in Haryana is estimated to be 2.47 million hectares.

Pakistan allows 1 mt export after ban

Reuters adds: Pakistan on Tuesday decided to allow the private sector to export one million tonnes of wheat after a three-year ban that was due to shortages and high prices in the domestic market, finance ministry officials said. “The government has allowed the private sector to export one million tonnes of wheat,” one of the officials said after a meeting of the Economic Coordination Committee (ECC), the government’s highest decision-making body. He did not elaborate.

Cotton farmers hold stock expecting prices to rise

Newswire18 / New Delhi December 8, 2010, 0:46 IST

The skies have cleared up, but there are no signs of cotton arrivals picking up, as farmers hold on to their stocks anticipating prices to firm up further, analysts and industry experts said today.

Traders have been blaming the unseasonal rain that recently lashed parts of the country for lower arrivals and crop damages. “Farmers have woken up and they want better returns,” an official with an international trading house said today. “They know there are good chances of prices going up further and that is why they are holding on to their stocks.”

During October 1-December 5, total cotton arrivals across the country stood at 7 million bales (1 bale=170 kg) compared with 7.2 million bales in the year ago period. In Gujarat, the main cotton market, arrivals are down 15 per cent on year to 2.3 million bales. Arrivals are also weak in Maharashtra and only marginally better in Madhya Pradesh and Andhra Pradesh.

The arrivals are low even as Indian farmers are set to reap a bumper cotton output of 32.5 million bales compared with 29.5 million bales harvested last year.

Most farmers have recovered their cash cost as cotton prices have almost doubled this year and are in no hurry to sell their produce, a Rajkot-based dealer said. The dealer said prices are bound to rise as exporters are lapping up the commodity trying to send their shipments before the December 15 deadline.

The government has capped cotton exports at 5.5 million bales for the current crop year and set December 15 as the deadline to ship out export consignments.

Industry believes Indian traders will only be able to ship out 3-3.5 million bales of the contracted exports as domestic prices have risen considerably from last year's levels, making procurement difficult.

An official with the Cotton Corporation of India said price of Shankar 6, the most popular variety, is at an all time high of Rs 45,500 a candy (1 candy=356 kg). Last year, prices were much lower at Rs 32,200 per candy.

'India can easily export 1 mt sugar if output reaches 24.5 mt'

Press Trust Of India / New Delhi December 08, 2010, 0:42 IST

India, the world's second biggest sugar producer but largest consumer, can export up to one million tonnes of sweetener provided the country's output touches the targeted 24.5 million tonnes this year.

"Even at 24.5 million tonnes of production, we can easily export 0.5-1 million tonnes under the open general licence (OGL)," a senior government official said told reporters today.

If the country's sugar output by the month-end reaches five million tonnes, it will help the government to take the call on regularising exports, the official said.

Due to unseasonal rain in key cane growing regions, cane crushing activity has delayed, the official added. The government has banned unrestricted exports of sugar under OGL since February 2009 in the wake of a fall in sugar output in 2008-09 crop year.

Recently, Food and Agriculture Minister Sharad Pawar said the government will review the sugar production situation in the 2010-11 crop year (October-September) by the end of this month before deciding to permit exports.

"I will take the review of the production report (sugar) in the third week of December and then will take a decision (on exports)," Pawar had said.

The Food Ministry has pegged country's sugar production in the 2010-11 sugar year (October-September) at 24.5 million tonnes against the domestic demand of 22.5-23 million tonnes.

After a gap of two seasons, the country's sugar production is estimated to be higher than domestic demand this year.

In 2008-09 and 2009-10, India's sugar production stood at 14.7 million tonnes and 19 million tonnes, respectively.

The government recently allowed the export of about 1 million tonnes of sugar through the Advance License Scheme (ALS), under which mills are required to meet an equivalent export obligation by March, 2011. Sugar mills imported over 2 million tonnes of sugar between 2004 and 2008 through the ALS to make up for the shortage in domestic production.

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Back **Another GM stand-off**

Agriculture is a State subject, but it is up to the Centre to provide accurate information on the benefits, and otherwise, of cultivating non-food GM crops so the States come on board voluntarily

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At a time when the country desperately needs innovative technologies to enhance productivity of a range of agricultural crops, it is disheartening that the Central government has failed to create a transparent, predictable and nationally accepted policy environment for promotion of agricultural biotechnology. Kerala's opposition to field trials of genetically-modified rubber is a case in point. Even as the nationwide din over the proposed commercialisation of Bt Brinjal has hardly died down, here is another State government protesting against the Genetic Engineering

Approval Committee's reported clearance for field trials of a modified rubber variety. Kerala's opposition to experiments in the form of field trials of a GM-rubber variety — a non-food plantation crop for industrial use — is far from convincing, simply because there is no evidence yet of any adverse consequences of such field trials which, in turn, raises the suspicion that the State's stand is based not so much on sound science but on unstated dogma.

Robust economic growth is driving demand for natural rubber. Until recently, at about 8.5 lakh tonnes, domestic production and consumption were largely matched. Imports have, however, been rising and stood at 1.7 lakh tonnes, valued at Rs 1,600 crore last year. In 2009-10, domestic demand has exceeded production, as a result of which supply tightness has begun to hurt consumers and prices have spurted to record highs. Demand growth is projected to outstrip supply growth in the coming years as well. Elsewhere in the world, rubber production has been hit by bad weather. Tropical countries are at greater risk of facing the fallout of climate change. That makes research to develop rubber varieties resistant to global warming imperative. The GM variety developed by the Rubber Research Institute of India is one such.

Kerala says it wants to stay GM-free whereas the Rubber Board is keen to promote technology infusion. The stand-off must end. The lack of consensus apart, there are differences of opinion between the Centre and various State governments, and among the latter too, on the desirability of agricultural biotechnology. To be sure, under the Constitution, agriculture is a ‘State' subject. But it is up to the Centre to provide accurate information on the benefits, and otherwise, of cultivating non-food GM crops, so the States come on board voluntarily. The Centre must do everything in its powers to reach a consensus and make farm research policies uniformly applicable across the country.

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Back **United Phosphorus to launch 12 hybrid vegetable seeds**

Hopes to grow seeds business to $500 million in 3-4 years.

Hybrid variety:Mr Bhupen Dubey, Head, Integrated Business, United Phosphorus, highlighting the key features of premium high-yielding shiny Ridge Gourd with sweet inner flesh, in Hyderabad on Monday.

Amit Mitra

Hyderabad Dec. 7

United Phosphorus Ltd, the country's largest agro-chemical company, is betting big on the domestic hybrid seeds market, having firmed up plans to launch a clutch of new branded hybrid vegetable seeds, ranging from tomatoes to green peas, next year.

Although hybrid seeds today account for an insignificant portion of the estimated $1.1 billion Indian seeds and seedlings market, this segment is beginning to gain currency in the farming community.

“We will be launching hybrid seeds for 12 different vegetables next year, starting with a tomato variety in April 2011 which we have decided to brand as Gazanan — the USP of this variety, apart from higher yield, is that it can be sown in 10 months in a year, unlike the traditional tomato crop,” Mr Bhupen Dubey, Head-Integrated Business, UPL, told Business Line.

Un-seasonal rains

The company had initially planned to release the hybrid for sowing in 40,000 acres, but the un-seasonal rains that destroyed the pollen had impacted seed production. “We may limit our initial release (of the seed variety) for about 20,000 acres,” he said.

This will be followed by release of hybrid seeds of chillies (two varieties), green peas, French beans, okhra and a few other vegetables. “China uses 60 per cent of its total seed requirement under hybrid varieties. We see this segment growing at a faster rate in India. We are targeting to increase our turnover from seeds business from the present $160 million to $500 million in the next three to four years,” Mr Dubey said.

He was in Hyderabad in connection with a farmers meet for interaction on its Aneeta Hybrid seeds, a high yielding Ridge Gourd, produced by its group company Advanta India.

Acquisitions

UPL, which undertook a string of acquisitions in the last few years ending with buying DuPont's Mancozeb fungicide business earlier this year, is looking out for fresh acquisitions in the agro-chemical segment globally. “The global chemical industry is witnessing a consolidation and we are looking out for opportunities,” Mr Dubey said.

The company, which is having about Rs 2,100 crore cash reserves, could use almost half this amount as its war chest for the acquisitions, which are likely to be in the niche segments with registrations in developed markets, rather than big-ticket buyouts.

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Back **Wheat slips on poor quality**

Our Correspondent

Karnal, Dec. 7

Thin trading pulled down prices of Dara variety by Rs 10-15 a quintal, whereas the prices of Tohfa variety, desi wheat, dropped by Rs 30 a quintal.

On Tuesday, prices of dara variety ruled at Rs 1,225-1,230 a quintal against the levels of Rs 1,240 quoted last weekend.

While the prices at the retail outlets ruled around Rs 1,240 a quintal, the fine quality was quoted at Rs 1,250 a quintal.

Mr Subhas Chander, a wheat trader, told Business Line that because of low quality of dara variety, prices fell. With sluggish demand of desi wheat, prices of Tohfa wheat dropped while the other varieties ruled steady, he said.

Just around 150 quintals of dara variety were offloaded at the flour mills in Karnal on Tuesday.

The price of the Tohfa variety ruled at Rs 2,400 a quintal against the levels of Rs 2,430 a quintal quoted last weekend. Prices of Lok-1 quoted at Rs 1,950, Aaj Tak at Rs 2,350 and Nokia at Rs 2,400 a quintal.

Despite the drop in wheat prices, flour prices rose marginally, by Rs 10, and ruled at Rs 1,240 for a 90-kg bag. Some good demand lifted the flour prices at the beginning of this week, said Mr Rajesh Kumar, proprietor of DR Flour mills.

Chokar prices rose by Rs 30 and were quoted at Rs 600 for a 49-kg bag. Chokar had witnessed a drop of Rs 50 last week.

Paddy trading

Around 6,000 bags of PR-13 were received and they ruled between Rs 920 and Rs 970. The Grade-A variety arrived in 22,000 bags and ruled between Rs 1,010 and Rs 1,060.

About 2,500 bags of Sharbati ruled between Rs 1,530 and Rs 1,580. Sugandha-999 arrived in about 4,000 bags and was quoted at Rs 1,640-1,690.

Around 5,000 paddy bags of Pusa (duplicate basmati) was quoted at Rs 2,000-2,240. Around 10,000 bags of Pusa-1121 ruled at Rs 2,000-2,380. About 8,000 bags of the paddy of pure basmati quoted at Rs 2,300-2,700. The entire stock was lifted by the rice millers.

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Back **No plans to commercialise GM plants, says Rubber Board**

Our Correspondent

Kottayam, Dec. 7

In reply to the apprehensions about Genetically Modified (GM) Rubber, the Rubber Board issued following clarifications for information of the rubber growing community and the general public:

There is no proposal at present by the Rubber Board to cultivate GM rubber plants on a commercial basis anywhere in Kerala or any other States. The Rubber Research Institute of India under Rubber Board has developed GM rubber plants which over-express an enzyme called MnSOD which is expected to give rubber plants the capacity to overcome effects of global warming and climate change, especially prolonged drought and tapping panel dryness (TPD) or “Pattamarappu”. The laboratory studies conducted so far are encouraging; however field trials should be conducted to validate the laboratory findings.

In order to conduct field trials with any GM plant, the Genetic Engineering Approval Committee (GEAC), under the Ministry of Environment and Forests, Government of India should give prior clearance. This clearance is given by GEAC after thoroughly scrutinizing all biosafety aspects of the proposal. RRII had sent a request to GEAC through the Department of Biotechnology (DBT), Government of India in March with a proposal for permission for limited scale field trials in Kerala and Maharashtra (in 0.4 ha area). It is now understood from the website of GEAC that our proposal has been cleared. Once we receive a formal communication from GEAC, Rubber Board will be approaching the State governments of Kerala and Maharashtra requesting their consent for conducting field trials in these states. If there is any objection from the states, Rubber Board has no intention of proceeding with the field trials.

The MnSOD gene is sourced from rubber itself and not from any other species as usually done in the case of GM plants.

Since the product of these genes imparts agronomically useful traits to rubber plants, we have successfully put additional copies of this gene into our GM rubber plants.

MnSOD gene construct that has gone into our GM plants has CaMV 35S promoter (from virus) and npt II Kanamycin resistance and GUS reporter genes from bacteria (E. coli).

Both CaMV 35S and npt II genes are extensively used in numerous GM plants, including edible crops that are commercially cultivated in many countries and no adverse effects have been reported so far. These genes are also present in the Bt cotton that is widely cultivated in India.

Precautionary measures

Rubber growing countries such as China, Indonesia and Malaysia have ambitious research programmes on genetic transformation of rubber plants and they have made considerable progress. Every country in the world needs natural rubber (NR) which is a vital and strategic industrial raw material such as iron and coal.

Studies show that domestic requirement for natural rubber will increase as our GDP increases and indications are that there will not be enough NR to meet the rising domestic demand.

The alternative would be to import NR from abroad or depend more on synthetic rubbers which are produced from petroleum stocks. Both these options are expensive as well detrimental to the interests of rubber growers in India.

To increase productivity and supply of NR to meet its growing demand in the country, judicial exploitation of modern science and technology is required. TPD and climatic extremes reduce productivity of existing rubber plantations in the traditional regions.

Extension of NR cultivation to non-traditional areas such as the North Konkan or North East India is hampered by adverse agro-climatic conditions. GM approach, along with conventional breeding and selection is essential to tackle these challenges.

There is no doubt that every mandatory safety precaution will be followed in any field trial with GM rubber plants. Rubber Board has always stood with the rubber growers and there will not be any action from the part of the Board that will be detrimental to the interests of the rubber growers of the country or the general public. If there is any objection from any corner, Rubber Board is duty bound to consider them seriously. There is no question of the Rubber Board proceeding with any field trial within Kerala without getting clearance from the Kerala Government.

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Back **Nabard allots Rs 750 cr more to AP for refinance**

Our Bureau

Hyderabad, Dec. 7

The National Bank for Agriculture and Rural Development (Nabard) has allocated Rs 750 crore for Andhra Pradesh to help it refinance cooperative banks and regional rural banks (RRBs). This amount would be used to give crop loans by these banks.

“Of the total allotment, an amount of Rs 600 crore will be given to cooperative banks and the remaining amount to RRBs,” Mr P. Mohanaiah, Chief General Manager (AP) of Nabard, said here in a news release.

The latest allocation would take the total allocation for refinance to Rs 3,300 crore for the current financial year, showing a growth of 38 per cent over Rs 2,397 crore the apex bank allocated in 2009-10.

“We have decided to enhance the refinance help keeping in view the favourable monsoon this year, the resultant credit requirement of the farmers. The need for fresh credit to the farmers affected by recent floods would also be taken care of by this additional allocation,” he said.

Meanwhile, Nabard had entered into an agreement with AP Mahesh Co-operative Urban Bank Ltd for providing refinance. It already signed pacts with RRBs, commercial banks and AP State Cooperative Bank.

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Back **Karnataka planters see 10% drop in arabica output**

Our Bureau

Bangalore, Dec. 7

The Karnataka Planters' Association (KPA) has forecast a 10 per cent drop in the current season's arabica output, with respect to the Coffee Board's post-blossom estimate of 99,500 tonnes.

Addressing newspersons here on Tuesday, Mr Sahadev Balakrishna, Chairman, KPA, said, "The prime arabica growing areas of Giris, Mallandur and Mudigere have witnessed unprecedented rainfall in November, hampering harvesting operations in all arabica estates."

Mr Marvin Rodrigues, Vice-Chairman, KPA, said, "Estates that received blossom showers in February and March this year have been hit by widespread dropping of ripe fruits."

Unprecedented rain at this time could also impact the quality of the coffee, as was the case last year, when the crop quality was affected by the late-December rain, Mr Balakrishna said. "Rain in December could impact robusta harvest," he said. Mr Rodrigues said that continuous cloudy weather during the course of the year had delayed ripening and offset the impact of premature blossom showers. Growers had earlier expected a running blossom, with the harvest beginning in October.

'Implement subsidy scheme'

The KPA has urged the Coffee Board to "implement a 50 per cent subsidy scheme on mechanical harvesters, power weed cutters, sprayers, coffee processing machines, especially pulper/washer of low water volume consumption and dryers for all categories of growers, partnerships, cooperatives and corporates".

A Coffee Board proposal to extend its subsidy schemes to farm operations has been pending before the Centre for about a year. The proposed subsidy on farm equipment is 50 per cent, irrespective of the farm size. The cost of such equipment is unlikely to exceed Rs 50,000, growers said.

At present, the Board provides a subsidy for pollution abatement and quality upgradation equipment. Growers holding up to 20 lakh hectares are eligible for a subsidy of up to 25 per cent, or a ceiling of Rs 1.5 lakh.

The KPA has also urged the State Government to exempt partnership firms from agricultural income tax, citing the example of Tamil Nadu. "Exemption will enable families to invest surplus back into the estate, which suffered neglect during the 2000-04 coffee crisis," Mr Rodrigues said.

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Back **Pepper futures rule steady**

G.K. Nair

Kochi, Dec. 7

Pepper futures fell due to high volatility following the usual "tug of war" between the bull and bear operators but later recovered with all contracts closing nearly steady.

In fact, the local arms of the South-East Asian multinational companies with multi-origin operations were trying to pull down the market by spreading bearish reports internationally driving away buyers creating the impression that overseas buyers have already fully covered for first quarter of 2011.

Surprisingly, they were the people who were spreading reports some time ago that buyers are uncovered for the first quarter onwards and hence good demand is anticipated. Suddenly, they have taken a “U” turn to become “strongly bearish”, market sources told Business Line.

At the same time, some of the leading Indian exporters/importers seem to have become very bullish and started talking of a jump in the market by Rs 20-25 a kg and by giving it wide publicity.

In support of this trend, “expert analysts of leading brokers” also sent out bullish reports and according to them, the prices are to touch Rs 245 a kg.

Meanwhile, some of the local brokers' analysts had given sell calls this morning which in turn helped to confuse many players across the board, they said.

High volatility in the futures delivery market, coupled with frequent fluctuations in the exchange rates of rupee against the dollar, dissuaded exporters and importers from taking positions.

Strong rupee against the dollar has made the Indian parity high compared with other origins.

Vietnam is reported to have reduced its prices for lower grades to below $4,700 a tonne.

In the spot market, some stray trading took place for low bulk density pepper. However, there were buyers for high grade pepper, but sellers were not interested, trade sources said.

Meanwhile, spoiling the enthusiasm of many, who were basking in the sun waiting for the new crop arrivals, there were rains in many of the growing areas today evening, growers said.

December contract was up by Rs 2 to close at Rs 22,504 a quintal.

January moved up by Rs 5 to close at Rs 22,727 a quintal while that of February declined by Rs 19 to close at Rs 22,899 a quintal. Total turnover dropped by 213 tonnes to close at 8,180 tonnes. Total open interest declined by 64 tonnes to 15,064 tonnes.

Spot prices ruled steady on matching demand and supply in thin trade at Rs 21,000 (un-garbled) and Rs 215 (MG 1) a quintal.

Indian parity has gone up to $5,200 a tonne (c&f) for Europe and $5,300 a tonne (c&f) for the US. There are no buyers at this levels but there are some in the selected markets for MG 1 at $5,000 - $5,050 a tonne (c&f), they said.

Prices quoted for black pepper of different origins in dollar per tonne c&f New York were MG1 500g faq – 4,850 fob; MG 1 asta – 5,250-5,350; Lampong asta 5,100; Lampong 550g/l – 4,800 fob; Lampong 500g/l – 4,900 fob; Brazil B asta – 5,000 – 5,050; Spot USA MLSV asta treated – 5,400 ex-warehosue New York/New Jersey.

White pepper: Muntok $7,400-7,450 (c&f); Vietnam - $7,475-7,500 (c&f).

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Back **Sugar bounces back on retailer demand**

Our Correspondent

Mumbai, Dec. 7

Spot sugar prices at the Vashi market, after declining more than Rs 100 a quintal in the last seven days, bounced back on Tuesday by gaining Rs 10 and Rs 20-25 at Naka and Mill level. Arrival pressure for December 5 due date got over and fresh demand from local retailers and outstation buyers pushed up the price.

Neighbouring State's rakes buying encouraged bullish sentiment. Volume was also high compared to the last one week at the mill level. The morale was firm said traders.

Mr Tokershi Dedhia of Surya traders told Business line, “ All round buying by local stockists and upcountry buyers on expectation of lower-than-expected production, easy sugar export permission and restart of sugar futures trading along with other supportive measures for sugar industry have led to a bullish sentiment. In last one week, sugar prices have declined by more than Rs 100 due to lower demand but now the situation is changing. On Monday evening, mills have sold about 3-4 rail rake (each of 27,000 bags) of sugar to upcountry /neighbouring states buyers and about 1.25 to 1.50 lakh bags (each of 100 kg) sugar to local and state level traders.

Total volume was 1.75-2.00 lakh bags. Nearly 9-10 mills have sold that quantity in the range of Rs 2,760-2,800 for S-grade and Rs 2,800-2,900 for M-grade. At local level, resale d/o selling pressure got over, supported high volume at mill level. Any announcement regarding export will fuel a sharp price rise as production for the first two months (October and November) was less at 8.32 lakh tonnes compared to 9.24 lakh tonne last year."

Mill tender rates

On Tuesday, mills tender rates were expected at Rs 2,800-2,830 for S-grade and Rs 2,830-2,900 for M-grade. Total arrivals in Vashi markets was lower at 45-47 truck loads (Each of 10 tones) and lifting was about 43-45 trucks.

According to Bombay Sugar Merchants Association, spot sugar rates were S-grade Rs 2,870-2,931 (Rs 2,871-2,925) and M-grade Rs 2,915-3,011 (Rs 2,900-3,001). Naka delivery rates were S-grade Rs 2,850-2,890 (Rs 2,820-2,870) and M-grade was Rs 2,900-2,950 (Rs 2,880-2,920).

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Back **Coconut oil stays firm**

C.J. Punnathara

Kochi, Dec. 7

Although rains have abated from the coconut-growing southern districts of Tamil Nadu and coconut oil arrivals have increased, prices continue to hold firm. The steady price of coconut oil is mainly due to the recent spurt in the price of palm oil and palm kernel oil, said Cochin Oil Merchants Association (COMA) sources.

Coconut oil prices continued to rule steady over the week at Rs 81 a kg in Kerala markets, same level as the previous week. With increased arrivals into the markets, prices were quoting at Rs 78 a kg in Tamil Nadu. The existing price differential between Kerala and Tamil Nadu is inducing good buying support from Kerala buyers in Tamil Nadu markets and the trade in coconut oil between the two States has increased.

With copra prices continuing to hold steady at Rs 5,500 a quintal, the revision of the copra support price by Rs 75 from Rs 4,450 a quintal to Rs 4,525 a quintal is not expected to make any difference. Copra prices are expected to remain unaffected through the current lean season, sources in the trade said. The prices could be impacted during the peak production season starting during the early part of next year, when the price support mechanism could provide succour to waning prices. Sources said that after the conversion cost and conversion loss, the production cost of coconut oil is likely to be around Rs 67 a kg with the revised support price announced for copra.

Although arrivals into Tamil Nadu markets have increased, the quantity is mainly being absorbed for consumption in Kerala. There are hardly industrial buyers in the market. They are unlikely to enter into the market at the current high levels as lower demand for coconut oil-based cosmetics from the North is expected to sustain in the winter months.

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Back **Chana drops on weak counter sale**

Our Correspondent

Indore, Dec. 7

Slump in chana spot prices and weak demand at mill level dragged chana dal Rs 50 lower.

In the spot, chana dal (bold) quoted at Rs 3,050, chana dal (medium) at Rs 2,950, while chana dal (average) quoted at Rs 2,800 a quintal.

Weak counter sale also aided the decline in chana dal. Weak demand dragged chana prices. In the spot, it was quoted Rs 25 down at Rs 2,360-Rs 2,370 a quintal.

Chana spot prices on Monday had zoomed to Rs 2,410 a quintal on the back of improved demand. However, by the evening its prices had declined to Rs 2,385-Rs 2,390 a quintal on weak demand at higher rate.

In the spot, tur dal (full) quoted at Rs 5,600-Rs 5,500 a quintal, tur dal (sawa no) quoted at Rs 4,900, tur dal (markewali) quoted at Rs 6,200 a quintal, while tur dal (imported quality from Tanzania) quoted at Rs 4,800 a quintal. According to traders, tur dal in the past two days have gained on the back of improved local and outside demand.

In the spot, masoor dal (medium) quoted Rs 50 down at Rs 3550-Rs 3600 a quintal, while masoor dal (bold) quoted at Rs 3750-Rs 3800 a quintal. Similarly masoor also witnessed a decline with its prices in the spot quoted Rs 50 down at Rs 2950 a quintal.

Urad dal and moong dal remained steady with subdued demand. Urad dal (chilkewali) quoted at Rs 4400, urad dal (bold) quoted at Rs 5600, while urad dal Mongar quoted at Rs 5500-Rs 6800 a quintal. Similarly moong dal (chilkewali) quoted at Rs 4400-Rs 5000, while moong mongar quoted at Rs 5200-Rs 5600.

Among the pulse seeds, urad and moong remained steady at Rs 3700-Rs 3800 and Rs 4000 a quintal, while tur perked up by Rs 25 at Rs 3400 a quintal. Rise in tur was mainly attributed to delay in arrival of new crop and improved local demand.

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Back **Turmeric improves as arrivals fall**

Our Correspondent

Erode, Dec. 7

Turmeric arrival to the spot market has started declining and the prices showed a slight improvement on Tuesday.

“The market is steady, so the arrivals are poor, if the market improves, certainly the farmers will bring their commodities in large quantities. Usually during December, the arrival will be less,” said Mr R.V. Ravishankar, President, Erode Turmeric Merchants Association, on Tuesday. He also said though the futures quoted at Rs 15,006 a quintal in the morning, it has not been reflected in the spot market.

Mr Ravishankar said, “The demand from other stations were absolutely nil; learning about it, the farmers did not bring their produce to market. The sales were also very poor. But on Tuesday, the turmeric improved by Rs 100 a quintal.”

Some farmers say that due to recent rain the crop was affected in Erode and surrounding districts. In the Erode Turmeric Merchants Association Sales yard, finger variety was sold at Rs 13,609 to Rs 16,089 a quintal, root variety Rs 12,800 to Rs 16,039 a quintal. Out of arrival of 1,000 bags, 715 bags were sold.

In the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety fetched Rs 15,227 to Rs 16,109 a quintal, root variety Rs 15,027 to Rs 15,889 a quintal. All the 45 bags arrived were sold.

In Erode Cooperative Marketing Society, finger variety was sold at Rs 15,889 to Rs 16,089 a quintal, root variety Rs 15,896 to Rs 16,126 a quintal. Out of 156 bags kept for sale, 106 bags were sold.

In the Regulated Marketing Committee, finger variety was sold at Rs 15,355 to Rs 16,109 a quintal, root variety Rs 15,760 to Rs 16,269 a quintal. Out of arrival of 706 bags, 630 bags were sold.

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Back **Palmolein surge continues**

Our Correspondent

Mumbai, Dec. 7

In the edible oil market on Tuesday, palmolein prices continued to rise for the eighth consecutive day, taking cues from Monday's 29-month-high closing of the Malaysian markets.

The price rise was limited to Rs 3 in the absence of Malaysian report as that market was closed on account of public holiday. Other oils declined by Rs 3-5 on the lack of demand.

Malaysian palm oil hit a 29-month high on Monday as a weaker dollar spurred risk-taking and spill-over support from firm wheat prices. In the local market, Palmolein prices have gone by Rs 37 for 10 kg in the last eight days.In the Mumbai market, fresh retail demand volume was thin. Only 100-150 tonnes of edible oils were fresh traded. Stockiest are concentrating on taking deliveries of their outstanding from the refineries and keeping away from fresh buying, said market players.In Saurashtra, more arrivals of seeds pushed groundnut oil down by Rs 5. At Rajkot, groundnut oil prices were at Rs 1,175 a tin and Rs 760 for 10 kg. In the Mumbai market, palmolein rates for 10 kg were: Ruchi, Rs 559; Liberty, Rs 563; and soya refined oil Ruchi, Rs 575.

NBOT futures

Indore NBOT soya oil futures December-10 was Rs 584.50 (Rs 582.70), January-11 was Rs 603.40 (Rs 597).Mumbai commodity exchange spot rate (Rs/10 kg): Groundnut oil 785 (785), Soya refined oil 570 (575), Sunflower exp. ref. 675 (675), Sunflower ref. 725 (725), Rapeseed ref. oil 612 (615), Rapeseed expeller ref. 582 (585), Cotton ref. oil 565 (568) and palmolein was 558 (555).

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Back **Banking on organic**

K.K. Mustafah

Innovation in cultivation:Farmers harvesting organically-cultivated paddy at Puzhakal in Kerala's Thrissur district. Organic farming of paddy using the rice variety Jyothi was introduced by Adat Farmers Co-operative Bank on 1,000 hectares in Puzhakal, Puranatukara and Adat villages involving nearly 2,300 farmers. The bank has also offered interest-free loans.

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Back **Cut-rose producer Karuturi Global to buy 54% in Florista boutique**

Bangalore, Dec. 7

Karuturi Global, producer of cut roses, has reached an understanding to pick up 54 per cent stake in Mumbai-based Florista, which has a chain of floral designing boutique stores across the country, the company said in a filing with the Bombay Stock Exchange.Florista, which specialises in designing exquisite flower arrangements and decorations made from exotic flowers imported from across the country, now has 15 outlets across the country.Karuturi Global plans to merge its retail operations carried out under the brand name Flower Xpress with Florista

hindustantimes

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...as good farm output tames food inflation...

The government on Tuesday said there are sure signs that inflation is coming down, even as macro-economic managers grope for options to cool prices and sustain growth.

“High food prices, caused in part by severe drought conditions last year and higher global food prices, have been driving higher inflation in India,” said the finance ministry’s mid-year analysis, tabled in Parliament on Tuesday.

More-than-normal rainfall, critical for the country’s summer-sown crop, has sharply boosted crop yields this year.

As a result, food price inflation, which had breached the 20%-levels, has dropped to single-digit levels and is headed further south, and overall headline inflation, as measured by the wholesale price index (and by all the consumer price indices), is also correspondingly lower, it said.

The Reserve Bank of India (RBI) has raised key policy rates several times this year as focus shifted to taming prices that had reached worrisome levels.

“Steady reversing of earlier easing of monetary policy has helped simultaneously to curb demand-side inflationary pressures,” it said.

“My forecast for overall inflation for November is 7.5 %,” chief economic advisor Kaushik Basu told reporters after the tabling the analysis in Parliament.

Strong demand in the economy had also fanned prices of several manufactured goods pushing the overall inflation rate to 11% in April. It has since fallen to 8.58% in October.

“Inflation is coming down. Now it is at the single digit but I would like it to be further reduced,” finance minister Pranab Mukherjee said. “I am hoping that by March it would be around 6%, but it should come down further.”

The analysis attributed the deceleration in inflation to a slew of policy measures taken by the government and the RBI “to douse inflationary expectations and pressures.”

It said since the beginning of the current fiscal, double-digit inflation has been observed in non-cereal food items as well as non-food articles like minerals and mineral oils.

http://www.hindustantimes.com/StoryPage/Print/635615.aspx

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Food Retail in India to touch USD 150 bn by 2025: KPMG

Driven by the growth of organised retail coupled with changing consumer habits, food retail sector in India is set to be more than double to USD 150 billion (around Rs 6,70,870 crore) by 2025, according to a report by KPMG.

The country's food retail sector, which is currently estimated at USD 70 billion (around Rs 3,13,137 crore) will be more than double in the next fifteen years, the global audit and advisory firm KPMG said.

"Evolution of innovative food processing capacity, emergence of organised retail and change in consumption patterns along with fast changing demographics and habits is fuelling the next growth trajectory for the food industry in India," KPMG said in a statement.

Despite the potential, the sector has not yet seen sufficient investment, specially foreign direct investment (FDI), the report said.

"The food sector, in spite of its large share of GDP and the consumer basket, only received 3.3 per cent out of the gross FDI flows in India between 2000 and 2010," KPMG Executive Director Ramesh Srinivas said.

High growth in food retail is limited by sub-optimal supply chain caused by low investment in the sector, he added.

Some players such as McDonalds, RK Foodland, Jubilant Food Works (Dominos) have, however, invested in back-end processes, optimised supply chain management, according to KPMG.

"There is also considerable investment in the cold chain industry by multinational corporations and private equity firms," Srinivas added.

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Economic growth may cross 9% in 2010-11: Mukherjee

Economic growth is likely to cross 9 % in the current fiscal on the back of better than estimated 8.9 % expansion in the first two quarters, Finance Minister Pranab Mukherjee said in a mid-term analysis of the economy for fiscal 2010-11.

"Growth rate for the fiscal 2010-11 will be 8.75 % plus minus 0.35 %. In the first two quarters we have grown 8.9 %. That is quite encouraging," Mukherjee told reporters after tabling the mid-year analysis of the economy in both houses of parliament Tuesday.

Gross domestic product (GDP) grew 8.8 % and 8.9 % in the first and second quarter respectively beating the budgetary estimate of 8.5 %.

"This growth is also broadly based, with recovery in all three sectors, agriculture, industry and services, and in private consumption and investment. Abundant late rainfall is boosting agriculture," according to the mid-year analysis document tabled in the parliament.

"All indicators therefore portend well for output growth crossing 9 % for the entire fiscal year 2010-11, although some risks remain in the global economy which widens the band of expected growth outcomes (plus or minus 0.35 % around a revised projection of 8.75 %; up from a baseline level of 8.5 % plus-minus 0.25 % projected in the Economic Survey 2009-10."

Terming inflation a big concern, the finance minister said it was likely to come down to six % by the end of the current fiscal. "Inflation is coming down. Now it is in the single digit but I would like further easing. I am hoping that by March it will be around 6 %. But it should come down further," said Mukherjee. India's annual rate of inflation based on wholesale prices declined to 8.58 % in October from 8.62 in the previous month.

The annual food inflation dropped to a four-month low of 8.6 % for the week ended Nov 20. Moderating food inflation may give some comfort to the policy makers. However, it is still much above the central bank's comfort level despite an aggressive tight money policy since January.

The apex bank had hiked both its short-term borrowing and lending rates by 25 basis points each Nov 2, tweaking its policy rates for the sixth time since the start of this calendar year to curb inflationary expectations.

http://www.hindustantimes.com/StoryPage/Print/635524.aspx

Weather

Chennai - INDIA

Today's Weather

Rainy

Wednesday, Dec 8

Max | Min

30° | 24°

Rain: 36 mm in 24hrs

Humidity: 89%

Wind: Normal

Sunrise: null

Sunset: null

Barometer: 1005.0

Tomorrow's Forecast

Rainy

Thursday, Dec 9

Max | Min

24° | 20°

Extended Forecast for a week

Friday	Saturday	Sunday	Monday	Tuesday
Dec 10	**Dec 11**	**Dec 12**	**Dec 13**	**Dec 14**
28° | 24°	28° | 24°	28° | 24°	29° | 24°	29° | 24°
Rainy	Rainy	Rainy	Rainy	Rainy