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Water released from Periyar Dam

Staff Reporter

Through P.T.R. Rajan and Thanthai Periyar canals

5,146 acres, 468 acres of wet lands and 4,678 acres of dry lands, to be benefited.

Water will be supplied continuously for the next 120 days: Collector

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THENI: Water has been released through P.T.R. Rajan and Thanthai Periyar canals to irrigate single cropping areas in both wet and dry lands in Cumbum valley, said Collector P. Muthuveeran.

Releasing water from the channel at Vaikalpatti village near Uthamapalayam on Sunday, he said that 5,146 acres – 468 acres of wet lands and 4,678 acres of dry lands would be benefited.

To maintain supply in these channels, 100 cusecs of water has been released from Periyar Dam, in addition to regular release for irrigation of 45,000 acres of land.

With the release of water, 830 acres in Uthamapalayam block and 4,316 acres in Theni block would be benefited. Water would be supplied continuously for the next 120 days, he assured.

If there were failure of monsoon and sharp slump in storage in Periyar Dam in future, water would not be released.

Farmers in Chinnamanur, Seelayampatti, Veppampatti, Seepalakottai, Poomalaigundu, Dharmapuri, Thadicherry, Venkatachalapuram, Koduvilarpatti, Jangalpatti, Govindhanagaram and Balakrishnapuram would be benefited. The release cheered agriculture labourers because they would get jobs for next four months.

The State Government had issued order for release of water from the dam on Thursday. Mr. Muthuveeran appealed to the farmers to use water judiciously and get better yield. Water would be released from Manjalar and Sothuparai Dams on Monday morning.

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‘Need to educate farm women on IPM'

Staff Reporter

Workshop on “Gender and Participation Methodology in Agricultural Research held

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The workshop is held under the aegis of Collaborative Research Support Programme

It is funded by the United States Agency for International Development

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COIMBATORE: It is important to educate farm women on Integrated Pest Management (IPM) taking into consideration their level of literacy, mobility, and cultural constraints. Only their training can lead to rapid spread of this technique in any village, P. Murugesa Boopathi, Vice-Chancellor, Tamil Nadu Agricultural University, said here recently.

Speaking at a three-day workshop on “Gender and Participation Methodology in Agricultural Research” at the university, he said the workshop aimed at identifying the responsibilities of women in adoption of IPM technology.

“The workshop is also aimed at increasing awareness among scientists about gender participation in IPM adoption, identifying constraints and opportunities for sustainable IPM technology adoption, and also in developing communication methods thereby increasing IPM benefits to women,” the Vice-Chancellor said.

The workshop was held under the aegis of the Collaborative Research Support Programme (IPM-CRSP) funded by the United States Agency for International Development (USAID).

Agricultural sector employed four-fifths of all economically active women in the country.

As much as 48 per cent of self-employed farmers were women. On an average, farm women spent nearly five to nine hours a day at work during the peak season.

“Yet, women have less access to assets and services when compared to men. They are also denied equal opportunities in decision making process. It is, therefore, important to strengthen the capacity of rural women that will in turn reduce poverty and increase the food security of the household,” Mr. Boopathi said.

N. Ajjan, Director, Centre for Agricultural and Rural Development Studies, TNAU, said the IPM-CRSP programme aimed at capacity-building of farm women.

It operated with the objective of generating gender sensitive knowledge to improve transfer of technology.

“The programme is committed to ensuring that priority pest management problems are decided giving consideration to gender issues. Our goal is to increase gender equity and women's involvement in the programme,” he said.

Research would be carried out to infer whether women were losing or gaining access to resources, power, and income as a result of the IPM-CRSP interventions.

Whether the programme increased or decreased drudgery, resulted in better livelihood opportunities, and increased or decreased gender disparities, would also be studied.

M. Paramathma, Director, Research, R. Samiyappan, Director, Centre for Plant Molecular

Biology, E.I. Jonathan, Director, Centre for Plant Protection Studies, and R. Venkataraman, Head, Department of Agriculture and Rural Development, TNAU, spoke.

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Sunflower hybrids' field expo at TNAU

Staff Reporter

Promising varieties:Representatives of private seed companies taking a look at the sunflower hybrids at the field exhibition at Tamil Nadu Agricultural University in Coimbatore.

COIMBATORE: Recently released sunflower hybrids and other promising varieties were displayed at the field exhibition held at Tamil Nadu Agricultural University. Representatives from private seed companies visited the field exhibition.

The characteristics of the hybrids like the yield superiority, pest and disease resistance capacity, etc., were explained to the visitors. Some seeds were also distributed to them for evaluation in their respective target areas.

M. Paramathma, Director of Research, stressed the importance of public-private partnerships in spreading high-yielding hybrids and varieties among farmers.

K. Thiyagarajan, Director, Centre for Plant Breeding and Genetics, said the university had developed hybrids in rice, maize, sorghum, and pearl millet.

Seed firms

Urging the private seed firms to actively take part in marketing the hybrids, he said the rice hybrid CORH 3 had gained popularity only due to successful public-private partnership.

R. Ganesan, Director, Agri-Business, invited the seed organisations to become part of the TNAU Consortium to commercialise the technologies of the university.

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Free training in 'desi' chicken rearing

Staff Reporter

COIMBATORE: The Veterinary University Training and Research Centre, Coimbatore, of the Tamil Nadu Veterinary and Animal Sciences University, will organise a free on-campus training in 'desi' chicken rearing on October 26. The programme is for farmers and rural women. Those interested can contact the centre on 0422-2669965 for registration; or visit the centre at Kalapatti Pirivu, Saravanampatty, Coimbatore – 641035.

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Organic farming takes roots

S. Abraham Mills

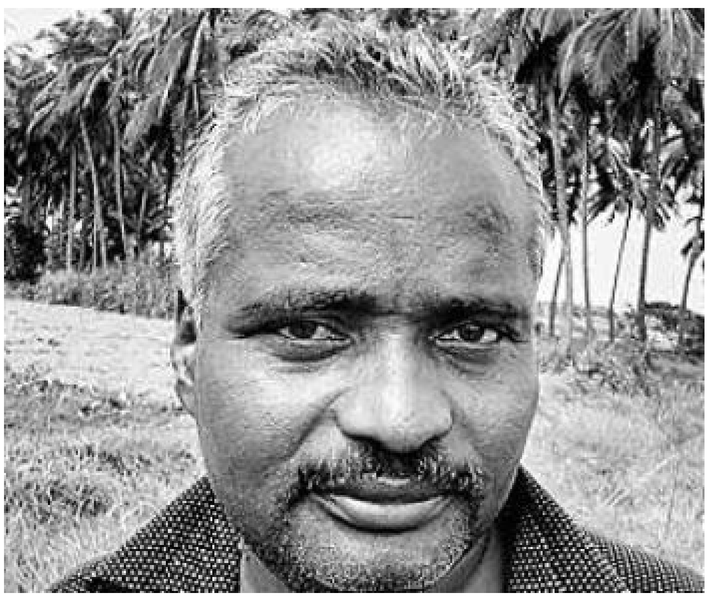
A concept well established in western countries

— Photos: S. James.

FRUITFUL:An organic farm at a village near Varichiyur.

: “Small farmers find it hard to buy a power tiller.”

: “There is no maintenance cost at all in my farm.”



: “Mulching plays a vital role in organic farming.”

MADURAI: Organic farming, a concept well established in the western countries in the course of past two decades, is slowly taking roots in Madurai region.

Though demand for organic farm produce is negligible in our country, it is viewed as a highly-potential sector that remains untapped.

Farmers have learnt a bitter lesson through conventional methods that totally rely on chemical fertilizers and pesticides: the soil with rich micro-nutrients has been ruined and lost its productivity resulting in poor yield. Organic farming or natural farming methods that were anyway followed successfully over the ages in our country till the advent of Green Revolution in the sixties to tide over famine has given hope for farmers that all is not lost with agriculture.

N.S. Parthasarathy, an engineer who studied rubber technology, had a calling for organic farming and is running a 20-acre farm at Thiruvalavayanallur near Samayanallur. Since he sells his produce to a loyal client base through his shop on Bypass Road, this farmer has a finger on the pulse of market. He says, “My father, a headmaster, was totally into ‘chemical farming' and dumped loads and loads of the poison into the soil. I'm undoing the damage now.”

He collects urine and dung from his eight cows and two bulls reared at home to make ‘panchagavya' or ‘ jeevamirtham,' a blend of cow products and flour, jaggery etc, as per the needs.

He mixes it with water at a fertigation tank in his field and supplies it through pipes to his coconut and banana plantations, paddy fields and vegetable gardens. He is raising brinjal, tomato, ladies finger, beetroot, Bellary onion, shallot etc., besides greens and root vegetables. He raises his crops on raised beds and says mulching of hay and farm waste plays a vital role in organic farming. He is the only farmer in this region to plant turmeric as intercrop in his coconut plantation – a practice prevalent in the Erode belt, an organic farming stronghold.

“The taste of coconut, rice and vegetables is so rich that once my customers find it out, they never go back to chemical foods,” says Mr. Parthasarathy.

A. Jeevanandam of Varichiyur is growing chilli, tomato, brinjal and chick pea in half acre and banana plantation in another half acre, and also grows one crop of paddy (Aduthurai-45) using water from a borewell.

His father, A. Alagar, is a Siddha expert and a storehouse of knowledge on traditional farming methods of not only this region but Cauvery delta as well.

These farmers prepare their fertilizer/pesticide in their own special way, depending on the crop and season.

In an earthen pot, they make a concoction of cow urine, dung or goat droppings and leaves of tulsi, neem, ‘nochi,' ‘erukkanai,' ‘kumuttukai' etc and use it for their crops.

Mr. Alagar says, “When I take my flowers (Kozhi kondai) to the Madurai market, traders quote more than the going rate since organically grown flowers last for two days, though it won't look bright like a normal flower that will wilt within a day.”

He says, “All the subsidies and government assistance goes to ‘benamis' while real farmers like us find it hard to buy a Rs.1-lakh power tiller, with which we can do wonders.” M. Ayyappan, a retired Public Works Department superintending engineer, practices no-cost cultivation near Isalani.

He says, “There is no maintenance cost at all in my farm. I let cattle and goats from nearby villages graze in my farm and the dung and droppings along with the termite-infested farm waste like coconut shells and fronds dumped between every set of four tress serve as a rich manure.”

He supplies water from an open well through drip irrigation and has cement tanks containing his own potion of ‘ panchagavya' in thick and thin consistencies.

This farmer, who has 10 acres of coconut trees, says yield from his Andhra variety was good compared to Batlagundu/Ayyampalayam and Uchipuli varieties. He sells the copra to an oil mill in Kangeyam. He has also planted gooseberry on 60 cents and plans to extend it to 2 1/2 acres soon “since it is the most profitable of all my crops,” teak on one acre, 50 rosewood tress and one acre of sugarcane.

“Through conventional method, sugarcane can be raised only for three years in a row, but I'm having it for the fifth year,” he says.

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‘Paddy bonus'

Special Correspondent

CHANDIGARH: Haryana Chief Minister Bhupinder Singh Hooda on Sunday urged the Centre to give a bonus of Rs.100 per quintal on the purchase of paddy.

Talking to media persons at Rohtak, he said that his endeavour was to ensure that the farmers got remunerative price for their produce.

He reiterated that his regime had implemented several schemes to enhance the socio-economic status of the farming community.

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Farmers on yatra make bonfire of GM seeds

Staff Reporter

Mumbai: On the eve of the World Food Day, hundreds of farmers belonging to the Kisan Swaraj Yatra made a bonfire of genetically modified seeds at Jalna on Friday to symbolically oppose the corporatisation of seeds and to encourage farmers to retain seed diversity.

“We want to put out a message to fellow Indian farmers to acknowledge, appreciate and understand our own breeding abilities and improve on it, to avoid getting trapped in the web of monopolistic corporations,” a press release issued by the Kheti Virasat Mission stated.

It said, that many emerging farmer-breeder networks in the country have evolved popular varieties which were sown by thousands of farmers, but the government's ‘pro-corporate, anti-farmer' policies were hampering such local initiatives.

Farmers speaking on the occasion criticised the public sector agencies for abdicating their role with regard to appropriate, affordable, diverse seeds for farmers even as farmers themselves were being constantly encouraged to give up their well-adapted native seeds and go in for greater seed replacement.

They assailed the Multi National Corporation (MNC) Monsanto for aggressively capturing the seed market in India. “Bt Cotton is a classic example. An overwhelming majority of the Bt Cotton seeds are controlled by the Monsanto. The company is known for its monopolistic behaviour, as reiterated by the MRTP [Monopolies and Restrictive Trade Practice] Commission in India in 2006, and is also being investigated in the U.S. for similar behaviour,” the release said.

The Mission wanted such MNCs to quit Indian farming since their profiteering agendas were anti-farmer.

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Narmada: protest against submergence of fertile land

Gargi Parsai

Thousands of farmers will be hit, say prominent citizens

Command Area Development (CAD) plans not ready

Environment Ministry must take decision to stop work

NEW DELHI: Several prominent citizens have appealed to the Union government to act against submergence of thousands of hectares of irrigated fertile agriculture land in the Narmada valley for construction of a canal system for feeding the very land that is sought to be destroyed. Along with the land, livelihoods of thousands of farmers are set to be extinguished.

Pointing out that the Command Area Development (CAD) plans in respect of Indira Sagar and Omkareshwar dams in Madhya Pradesh were “neither complete nor submitted,” the citizens have apprised the Centre with the danger of the proposed canal system leading to “destruction of the fertile agriculture land, and livelihoods, rather than benefitting the same.”

Not even a bench mark socio-economic survey of the thousands of families to be seriously affected by the canals (many of whose villages are already affected by the Sardar Sarovar or Maheshwar Dams) has been undertaken and no cultivable land with civic amenities has been identified for the rehabilitation of the oustees.

In a letter to Union Environment and Forests Minister Jairam Ramesh, Upendra Baxi, L.C. Jain, Kuldip Nayyar, Aruna Roy, Harsh Mandar, Devinder Sharma, Nikhil Dey, Arvind Kejriwal, E.A.S. Sarma and Himanshu Thakkar among others have questioned the “illegal excavation and land acquisition that seems to be on the fast track” for the canal system without approvals from concerned authorities.

“The land being acquired for the canals are the best of fertile agricultural lands on the banks of the Narmada and nearby, which are already receiving pipeline irrigation supply from the river itself and hence do not require canals to feed them. It is absolutely irrational to bring in river water through a canal by destroying the best of land — and livelihoods — when the same water is already irrigating village land. The already irrigated land form more than 50 per cent of the proposed command area to be irrigated," they said.

While “temporarily" removing a stay granted by the Madhya Pradesh High Court against acquisition of land, the Supreme Court directed that the report on the CAD plans should be received from the Pandey (Expert) Committee and from the State by the Union Environment Ministry by May 2010.

“The Expert Committee in its report pointed out the dire situation and to the fact that CAD plans are neither ready nor approved and that the construction of the canal system without them at this stage will only cause destruction. Pari passu [simultaneous] planning and implementation of environmental measures was to have happened, but did not and the

Ministry has not taken action."

The citizens have urged the Environment Ministry to take "immediate and clear decision" to stop work and exclude the irrigated region from the canal system and stave off unnecessary burden on the State exchequer and prevent incalculable, life-long loss to the farming community, agrarian ecology and economy.

"We are shocked that the Ministry has avoided taking a decision in the matter despite the report of the Expert Group and the legal mandate to it under the Environment Protection Act, 1986," they added.

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Inflation inches up to 8.62 %

Special Correspondent

NEW DELHI: Overall inflation inched up a tad to 8.62 per cent in September from 8.51 per cent in August owing to higher prices of essentials, especially vegetables and milk.

Even as the WPI (Wholesale Price Index) data released here on Friday showed that headline inflation has remained in single digit for the second straight month since August, after having breached the 10 per cent mark and staying in double digits for five months till July this year, the rising trend may prompt the Reserve Bank of India (RBI) to effect another hike in its short-term lending and borrowing rates next month.

The apprehension among certain economic analysts stems from the fact that the headline inflation number for July has been revised upwards to 10.31 per cent from provisional estimate of 9.97 per cent and, therefore, it can safely be assumed that the figures for August and September would also be pegged higher on final revision.

Moreover, the WPI figures on food inflation released alongside revealed a marginal rise of 13 basis points to 16.37 per cent for the week ended October 2 from 16.24 per cent in the previous week owing to hardening in prices of vegetables and milk. As per the data, the prices of primary articles, including food, non-food articles and minerals, remain 17.45 per cent on a year-on-year basis.

Despite the upward trend in the overall price situation, Chief Economic Advisor Kaushik Basu was confident that headline inflation would moderate to six per cent by the end of the current fiscal.

“Inflation is virtually holding constant between 8.5-8.6 per cent...for the first time, both the core CPI [consumer price index] and the WPI are in single digit...hopeful of year-end estimate holding at six per cent,” he said here.

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Farmers seek insurance cover

Special Correspondent

guide book:Collector A. Suganthi releasing a booklet on various schemes being implemented in Pudukottai on Friday.

PUDUKOTTAI: A section of participants at the Farmers Grievances Day meeting held here on Friday, urged the district administration to entitle Pudukottai district farmers to the insurance benefits for the kuruvai raised last season. They said though 10 districts had been included under the scheme, kuruvai cultivators who suffered a loss last season, were left out .

S. P. Muthukumaran, district secretary of the CPI-led Tamizhnadu Vivasayigal sangam, said the insurance companies had granted indemnity to the farmers of other districts in the state.

T. Thangavelu, Joint Director of Agriculture, explained the procedure being adopted for disbursement of compensation to farmers.

Crop cutting experiments were taken up. The District Collector, A. Suganthi, assured the farmers of immediate action.

The farmers also pleaded for expeditious sanctioning of crop loans through cooperative banks.

They said the banks released loans only to joint liability groups and not to individual farmers. The Collector replied that a special meeting of cooperative officials and secretaries of cooperative banks would be convened shortly.

The Collector also told the farmers that action had been taken to stock adequate fertiliser for timely supply to the farmers.

The Collector released a booklet on the schemes being implemented under the irrigated agriculture modernisation and water resources management project in the district.

DECCAN Chronicle On The Web

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Inflation jumps on food prices

Oct 16 2010

New Delhi, Oct. 15: Inflation in September rose marginally to 8.62 per cent, which is likely to prompt Reserve Bank of India (RBI) to further hike interest rates on November 2.

The overall inflation was driven mainly by primary articles which inched up to 17.5 per cent in September from 15.8 per cent levels last month.

This was due to both food (mainly fruits and milk) and non-food articles which rose 15.7 per cent and 18.2 per cent respectively.

The food inflation data, which has been released separately on Friday for the week ending October 2, rose slightly to 16.37 per cent on back of higher prices of cereals, fruits and milk.

The overall inflation was 8.51 per cent in August. It is the second consecutive month when the inflation has stayed in the single digit. Inflation was in double digits for five months till July.

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Business Line

Business Daily from THE HINDU group of publications

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Back **Food security needs beckon investment in transnational farming**

Rana Kapoor

Rana Kapoor

Global food security challenges are here to stay. The international food stock situation has worsened ever since the 2008 food crisis – when nearly 40 countries across the globe faced food riots. Even now, instances such as Russia's ban on wheat export, deadly food riots in Mozambique and building social unrest in various countries over rising food prices has left policy makers grappling for the right solution to address food security needs of the world.

The world population is expected to increase by 40 per cent by 2050, demanding an additional output of about one billion tonnes of cereals and 200 million tonnes of meat/annum by then. Consequently, future emphasis would be keenly focused on growing more food.

While options such as boosting yields through technology interventions and provision of better irrigation facilities do exist, a key solution theme that has garnered immense attention in the recent past has been investing in farmland in under-developed and developing countries – across regions such as Africa, Latin America and South-East Asia.

With a projected population of 1.6 billion by 2050, India may find it extremely difficult to depend on farm land within her boundaries for our future food security needs. It is thus imperative for policy makers of the country to seriously explore the option of transnational farm land opportunities and put in place a well structured policy to promote and facilitate the same so as to better national food security concerns of the future.

Current Scenario

According to the Food and Agriculture Organisation (FAO), 400 million ha of uncultivated arable land can be brought into cultivation in countries across sub-Saharan Africa (SSA), Latin America and South-East Asia. Demand for this farm land has been colossal in the recent past.

A latest World Bank report states that 45 million hectares (mha) of large scale farmland deals were announced in a two-year period between 2008 and 2009. This compared to an average annual expansion of global agricultural land of less than four mha before 2008. These investments are largely driven by governments, sovereign wealth funds and private investors of import dependent nations.

In addition to national concerns, investment houses across the globe have been considering acquisition of farmland as an increasingly attractive investment opportunity. Studies indicate that investments of over $60 billion have been committed for farmland deals by the financial investment firms alone.

India's private sector has been participating in this global phenomenon in a big way. In Africa alone for instance, it has been estimated that more than 80 companies, mainly processing and trading houses, have invested about $2.4 billion in acquiring farmlands to secure raw material supplies, scale and global presence. The choice of location is mainly driven by agro-climatic advantages of the host country, logistical convenience to the target markets, availability and cost of land and water, socio-political security, basic infrastructure facilities and investment incentives offered by the host country.

Transnational Farming

India has limited farmland resources vis-à-vis the population explosion in the country. In addition, the country is experiencing a ‘Green Revolution Fatigue' manifested by stagnant yields and marginal or no response to farm inputs. In the last decade, national food grain production has been more or less stagnant while the population has increased by almost 90 million, thereby, increasing the country's dependence on food imports. Consequently the country is heavily dependent on imports of oilseeds and pulses – which is likely to extend into crops such as wheat in the near future. Continual increase in import bills amplify food sufficiency scare in the country, giving a sense of déjà vu of the pre-Green Revolution Era and the ‘ship to mouth' existence of the 1960s.

Transnational farming has the potential to address these concerns. The production from these farmlands can supplement the food supplies of India while addressing local food security of the host countries. In addition, these investments have the potential to benefit host countries through transfer of investment and advanced technology into these developing economies.

Key Challenges

While a number of Indian entrepreneurs are exploring the opportunity of transnational farming, both as a vertical integration strategy as well as a new business opportunity, they face some critical challenges.

Lack of a structured Regulatory and Policy framework: India does not have a specialised regulatory and policy framework to support the nuances of overseas farmland acquisition and protect investors against associated risks.

Lack of financial and technical support: The Indian Government does not offer any fiscal incentives for such projects while the governments in other investing countries deploy development funds or sovereign wealth funds (SWFs) to provide financial assistance including subsidies, soft loans, guarantees and insurance. Government agencies such as export credit agencies in other countries provide technical and bureaucratic support to the investors.

Civil strife in host country: Recent surge in farmland investment popularly termed as ‘neo-colonialism /land grabbing' has raised concerns about land expropriations -undermining the livelihood of local populations. Many countries have reported social uproar against such projects.

Action steps to facilitate

Trans-national farming

Given the limited scope for farmland expansion within India, policy makers of the nation need to evaluate the option of promoting cross border farmland cultivation and establish a robust framework to support such initiatives. Some key action steps in this direction include:

Develop a national policy on transnational Farming – supported by a structured legal and regulatory framework that enables investors to pursue farmland investments abroad.

Establishing inter-government agreements such as bilateral treaties and cooperation agreements with the potential host countries and route development aid and investment incentives through farmland deals

Providing greater level of facilitation, both in terms of substantive as well as procedural law for realisation of these projects and protection of investment

Devising specific import policies for produce from such lands by defining clear cut incentives such as duty-free access for such produce

Revisiting thresholds and restrictions on investment in foreign nations - taking into account factors such as cost of farm land and socio-political and regulatory environment of host countries.

Conclusion

To conclude, commercial farming across borders could be a key solution theme to address national food security concerns in the future.

While a structured policy framework on trans-national farming is urgently needed to improve public and private sector investment in commercial farming abroad, it is also critical for Indian investors to carefully scan the socio-political and economic condition of the host country and build in socially inclusive models of farming. Such models could include out-grower programs - where the foreign investor shares the advantages of modern technology and better market access with farms in the surrounding localities. This in turn will help build a symbiotic relationship with the local population in the host country based on transparency, broad based social acceptance, evidence based multi-stakeholder approach and a trust based commercial relationship.

(The writer is founder/Managing Director & CEO of YES Bank)

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Back **DSCL bets big on hybrid rice**

Launches 5 new hybrids; ties up with Netherlands company.

Harish Damodaran

New Delhi, Oct 17

DCM Shriram Consolidated Ltd (DSCL) is looking at hybrid rice as a major growth driver for its ‘Bioseed' (hybrid seeds) business.

“Right now, the bulk of Bioseed's revenues are from Bt cotton and corn hybrids. But in five years, we see hybrid rice contributing a bigger share”, said Mr Vikram S. Shriram, Vice-Chairman and Managing Director, DSCL.

During the fiscal ended March 31, 2010, Bioseed registered a profit before interest and tax of Rs 28.40 crore (out of DSCL's Rs 204.61 crore) on net sales of Rs 202.50 crore (Rs 3,657.66 crore).

Out of Bioseed's Rs 202.5 crore topline in 2009-10, roughly Rs 75 crore is estimated to have come from cotton and another Rs 50 crore from corn seeds. But with the launch of five new hybrids in rice – ‘Mahasuri', ‘453', ‘432', ‘434' and ‘Basanti' – DSCL hopes to make a dent in this fast-growing segment as well.

Pricing controls

The domestic hybrid rice market of 18,000 tonnes (worth some Rs 250 crore at an average ex-factory price of Rs 140/kg) is dominated by Bayer Crop Science and DuPont/Pioneer, who together sell 7,500-8,000 tonnes. Other players include JK Agri-Genetics, Syngenta, Advanta, Mahyco, Nath Seeds and Bioseed, who all do 1,000-1,500 tonnes each.

At 6 kg/acre, the 18,000-tonne hybrid rice seeds produced covers about 3 million acres – a fraction of the country's total 110 million acre paddy area. “More than half of China's rice area is under hybrids. So, the growth potential is huge”, noted Mr Shriram.

This is unlike cotton, where Bt hybrids coverage has already crossed 80 per cent and “we are also facing problems from pricing controls imposed by State Governments”.

New varieties

Regarding the new launches, Dr Paresh Verma, Director (Research) at Bioseed, said that the ‘Mahasuri' rice grain quality is “fine, medium and slender of the BPT-5204/Sona Masuri type”. Moreover, the hybrid gives 20 per cent extra yield over BPT-5204, with a lower seed-to-seed duration of 130 days as against 145-150 days. It is, therefore, suitable for Andhra Pradesh, Tamil Nadu and Karnataka.

Similarly, ‘453' is a 145-day hybrid targeted for areas in Uttar Pradesh and West Bengal that now cultivate high yielding varieties such as Sarju-52 and MPU-7029, while ‘432' and ‘434' are medium maturity hybrids of 130-135 days. ‘Basanti' is a basmati hybrid.

“All these hybrids give 20-25 per cent more than the existing, popular open-pollinated varieties”, Dr Verma claimed.

Specific traits

DSCL has recently tied up with Keygene, a Netherlands-based molecular breeding technology supplier, to accelerate its hybrid rice breeding programme. Under the partnership, Keygene will basically screen DSCL's extensive rice germplasm collection and develop ‘markers' for genes from this pool that code for valuable traits.

“Our focus is on specific traits, namely improved yield potential and resistance to disease (blast, bacterial leaf blight and sheath blight) and pest (brown plant hopper, white back plant hopper and gall midge). Keygene's expertise in marker assisted selection (MAS) tools will help reduce our breeding time for new hybrids by half”, explained Dr Verma.

The normal breeding process involves physical observation of plants, whereas in MAS, the trait of interest is identified through a ‘marker' or unique DNA sequence close to the underlying gene in the plant's chromosome. By scanning the chromosomes for the particular marker, it is possible to rapidly screen large number of plant samples.

Non-GM technology

“We work only in non-genetically modified (GM) technologies, where there are no costs of deregulation or societal hurdles in commercialisation. Moreover, there is huge scope for exploiting genetic variation within the same species even if the concerned plants may be wild relatives. For instance, the cultivated varieties of tomato now represent only 5 per cent of its genetic variation present in nature”, Prof Arjen J. van Tunen, CEO of Keygene N.V, pointed out.

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Back **Crop output determines oil prices**

Focus: Mustard/Rapeseed.

Determining factor:A file photo of mustard/rapeseed being harvested.

Mustard and rapeseed are usually confused with each other as both belong to the same genus Brassica. The nomenclature is not fully standardised and understood due to which there are many synonyms and its classification is in a confused state. Rapeseed oil is not distinguished from mustard oil as both of these come from the same species and possess almost same properties.

However, major difference among these two seed crops is in the pungency levels. Rapeseed is more pungent and is grown extensively in India.

Source of veg oil

Rapeseed and mustard category is the third most important source of vegetable oil in the world, after soyabean and palm oil. Also, it is the second important source of protein meal. Along with that rapeseed-mustard oil has also become the primary feedstock for biodiesel in Europe.

Mustard seed and rapeseed have great importance in many countries as spices. But, these seeds have important by-products too. Rapeseeds and mustard seeds yields 37 per cent oil and the rest is high protein oilcake, which serves as an animal feed.

World's total production of rapeseed-mustard was about 62 million tonnes in 2009. China is the leading producer of rapeseed-mustard accounting for more than 21 per cent(13.5 mt) of global production, surpassing Canada for the first time which accounts for nearly 20 per cent of global production with 12 mt. Though India stood third in the leading producers list, it is far behind with about 11 per cent of global production. Region wise Europe leads the production of rapeseed-mustard, it accounts for more than 40 per cent of global production.

One of the unique observations about global rapeseed-mustard production is in the productivity levels. The top three producing countries, which jointly accounts for more than 62 per cent of area harvested have recorded productivity of 1,872 kg/ha, 1,906 kg/ha, 1,163 kg/ha respectively.

However, global average stands much higher at 1,955 kg/ha. This strange phenomenon is due to the extremely high productivity level of 2,837 kg/ha in Europe which accounts for 28 per cent of crop global area of about 32 million hectares. The productivity levels of Europe are more than 76 per cent higher than the combined productivity level of top three producing countries.

Rapeseed-mustard is a major crop in India, grown on about five per cent of net cropped area. However, area under cultivation and production has not increased in recent past. India has produced 7.2 mt of rapeseed-mustard in 2009 with 6.19 million hectare under its cultivation. However, productivity levels are extremely low- with an average yield of 1.16 mt/ha compared to that of the Netherlands- the leader in productivity - producing at the rate of 4.61 mt/ha.

Rabi crop

Rapeseed-mustard accounts for 65 per cent of the total rabi oilseed crop in India. Key producing states are Rajasthan, Uttar Pradesh, Madhya Pradesh and Haryana contributing about 85 per cent of country's production. Rajasthan leads the pack with about half of national production followed by Uttar Pradesh and Haryana with about 13 per cent and 12per cent contribution respectively.

Only Haryana, Rajasthan and Punjab are the States having productivity levels higher than national average. Haryana has the highest 1.75 mt/ha, Rajasthan and Punjab with 1.32 mt/ha and 1.21 mt/ha respectively. Significant laggards are Madhya Pradesh, West Bengal and Assam jointly contributing 21 per cent of area under crop.

Climatic conditions

Lower yields in India have more to do with climate and soil conditions than crop management. The growth of rapeseed-mustard is more vigorous in temperatures between 10˚ and 30˚ C.

Crop is very sensitive to high temperature at the blooming time. Seed oil content, however, is highest when seed mature under low temperatures 10˚ to 15˚C. Crop needs three weeks of near-freezing temperatures in the field to get fully vernalised and start rapid generative growth.

About 97 per cent of total rapeseed-mustard seed produced in India is being processed. Main processed products are oil and protein-rich oil cakes.

Rapeseed-mustard oil is second most consumed oil (21 per cent) in the country after palm oil (26 per cent of oil consumption).

The export of rapeseed-mustard oil from India is currently banned. Canada is the leading rapeseed-mustard oil exporter with 1.27 million mt accounting for 30 per cent of global exports; whereas Germany and the US are the key importers, jointly accounting for 43 per cent of global imports with 1.83 mt. Besides oil, by-product of the crop rapeseed meal, which is mainly used in animal feed and also as organic fertiliser is exported from India.

The main export markets for rapeseed meal are Bangladesh, South Korea, China, Malaysia, Philippines etc. Canada and Australia are also the major producers and exporters of rapeseed meal. The rapeseed meal prices mainly moves in the same direction as soyabean meal as it is a cheaper substitute to it.

Generally, mustard oil accounts for 30 per cent of the total vegetable oils produced in India. However, 80 per cent of the mustard oil is marketed by the small-scale sector in loose form and only 20 percent by the organised sector, in packed form as crushing of mustard is categorised under the small-scale sector.

India's rapeseed-mustard seed and oil prices have experienced a significant amount of volatility. Generally, the wholesale price of rapeseed-mustard oil in India is determined by the domestic production of rapeseed-mustard. Fluctuations in price can, therefore, be largely attributed to ups and downs in production levels.

Other volatility drivers include the seasonal nature of production and the crop's vulnerability to inclement weather.

Though, rapeseed-mustard oil has emerged as a major edible oil in India, much opportunity for growth remains.

However, the sector continues to be marred by price volatility.

Till date, India has been largely self-sufficient in rapeseed-mustard seed production. However, stabilising prices and increasing farm incomes in the sector have become an urgent necessity for sustainable of growth.

For the integrated development of the domestic industry there is a need for implementation of multidimensional and sustainable solutions addressing the following issues:

1. Productivity in the rapeseed-mustard oil sector: With demand growing faster than the supply of rapeseed-mustard oil throughout the country, the sector should bring additional areas under cultivation.

2. Rationalisation of the tax structure of the rapeseed-mustard oil: Oils, seeds and meal are subject to multiple taxes throughout the production process, at rates which vary across states within the country. The regulatory framework and tax regime, therefore, need to be simplified and rationalised.

3. Technological improvements: Technology upgrades and improvements must be

realised for both production and processing, so that the amount of oil derived from the seeds can be increased.

4. Supply side management: Marketing and processing efforts must be increased and improved by removing domestic restrictions. A policy framework should be established to promote private investments in markets, logistics and infrastructure in the country, which could bring substantial economic benefits. Proper storage facilities (warehouse/godown) also need to be made available to farmers through public and/or private sector initiatives.

Source: YES Bank

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Back **Jaitapur power plant: Panel to finalise farmers' compensation**

Maharashtra signs pact with NPCIL for rehabilitation.

Our Bureau

Mumbai, Oct. 17

A Maharashtra Government committee led by the Collector of Ratnagiri would be constituted for finalising the compensation package for farmers who will have to give up their lands for the proposed Jaitapur nuclear power plant.

This was announced by the Maharashtra Revenue Minister, Mr Narayan Rane, on the occasion of signing a memorandum of understanding with Nuclear Power Corporation of India Ltd. The MoU is on the rehabilitation package for the people affected by the upcoming plant. NPCIL wants to set up a 10,000 MW nuclear park at Jaitapur, spread over 938 hectares, in four villages. The project would require an investment of about Rs 1,00,000 crore spread over 15 years.

Compensation package

The committee, in which the village sarpanch is also a member, has been given powers to revise the compensation package. The revised package would be subject to approval by Mr Rane. “We won't allow exploitation of farmers; they will get value for their land according to market rates. I will personally monitor the process,” Mr Rane said. The local farmers are in favour of the project. Whatever happens, the project will go ahead, Mr Rane said.

The Maharashtra Principal Secretary (Relief and Rehabilitation), Mr J.S. Saharia, said the compensation package was about Rs 2 crore for each of the affected villages, with a recurring expenditure of Rs 25 lakh/ annum for a village. Permanent job for the farmers' kin or Rs 5 lakh compensation, plus an additional amount equivalent to 375-750 days of agricultural wages for lifetime will compensate for the loss of livelihood, he said.

The Chairman and Managing Director of NPCIL, Dr S.K. Jain, said that the plant would be safe and economical. He also reiterated that the company is not under any duress to buy the evolutionary pressurised reactors from Areva company of France. Purchase of reactors from Areva is under consideration with the Department of Atomic Energy for the Jaitapur plant.

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Back **Pepper futures steady on demand-supply match**

G. K. Nair

Kochi, Oct 17

Pepper market last week was nearly steady with marginal difference in the prices from that of the previous weekend close, as demand matched supply.

Material was available only in the exchange platform, and investors were the sellers.

As the Indian parity declined to parity with other origins, some overseas demand also came last week, and the exporters covered validity-expired pepper from investors.

Some interstate dealers also covered. As October delivery neared maturity, there were strong bearish efforts to pull the prices down saying large quantity of validity-expired pepper would come up for delivery, and there won't be any takers.

But given the tight supply scenario and good domestic demand coupled with some export buying, the prices are likely to remain steady to bullish in the coming days, market sources claimed.

There was good switching over to nearby positions during the week. Some liquidation also took place.

Prices

October contract during the week declined by Rs 71 to close at Rs 18,408 a quintal. November and December moved up by Rs 28 and Rs 108, respectively, during the week to close on the weekend at Rs 18,604 and Rs 18,884 a quintal.

Total turn over dropped by only 1,257 tonnes to 60,457 tonnes. Total open interest fell by 855 tonnes to 14,389 tonnes.

Spot prices, due to limited activities and lack of sellers, remained steady at the previous weekend levels of Rs 18,100 (ungarbled) and Rs18,600 (MG1) a quintal.

Indian output this year is also likely to be at previous year's levels, as in some areas the crop is said to be not good, while in other areas it is reportedly better.

In some parts of Pathanamthitta and Idukki districts, the spikes carry only few berries, and there have been dropping of spikes also, growers said.

However, in certain parts of Idukki, the crop is comparatively better than the previous one, they said.

Thus, the total output is going to be balanced, they said.

Increasing domestic demand without a corresponding growth in the Indian production might result in more imports coming to the country in the near future.

In many traditional pepper-growing areas in Kerala, such as Wayanad, growers have been neglecting the vines and prefer to sell or utilise the land for other commercial purposes, mainly tourism, Mr Sainalubdeen, a major pepper grower and dealer in Wayanad told Business Line. Many pepper plantations on both sides of the highway to Mysore from Wayanad are now in the process of being converted to resorts, etc., and this phenomenon has pushed up land prices to the roof, he said.

Meanwhile, many growers are shifting to rubber from pepper in many areas, as the former is highly lucrative, growers in Pathanamthitta and Idukki said. Thus, gradually the pepper cultivation may shrink, and then disappear from Kerala like cashew and coconut, they said.

The black pepper market, according to the International Pepper Community (IPC) was quiet during the week, but prices remained high. The trickling devaluation of Vietnam Dong was not affecting selling pressure, even the price for local purchases increased by VND 1,000 a kg from VND 71,500 during last week. This was due to very tight stock at domestic market. F.o.b prices stood at $3,775 and $3,959 a tonne for black 500g/l and 550g/l, respectively, it said.

Offer of Malabar has drifted lower with limited activity. This was indicated by the volume of trade at the Commodity Exchange. Prices decreased by around 2 per cent.

In Lampung, stock is limited but still available. Activities were restricted, as producers prefer to hold the stocks, anticipating higher prices. Indonesia experienced the lowest price this week. In Brazil, prices were stable, while in Sri Lanka, average farm-gate price increased by a per cent.

White pepper prices remained stable as last week. A marginal increase recorded for local price of white pepper in Bangka.

India was the largest supplier of ground pepper to the US contributing 42 per cent, i.e., 3,428 tonnes followed by Vietnam 2,933 tonnes.

Import of pepper into the US during January–August was 46,477 tonnes comprising of 34,239 tonnes of black pepper, 4,030 tonnes of white pepper, and 8,209 tonnes of ground pepper. Imports this year have shown an increase of 10 per cent from that of the corresponding period last year.

Indonesia was the major supplier of black pepper to the US market, shipping 13,168 tonnes, followed by Vietnam (9,465 tonnes), Brazil (8,317 tonnes), and India (2,677 tonnes).

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Back **Slack domestic demand brings down cashew prices**

G. K. Nair

Kochi, Oct 17

Domestic cashew market, after a month of good activity, was quiet last week resulting in prices drifting a little lower, while the export market continued to remain inactive, according to market sources.

“The market was extremely quiet, and October has been much quieter than normal,” they said. Some processors, however, sold W320 at around $3.2, W450 at around $3.1, SW at around $3 (f.o.b). There was fair interest for W320 at around $3.2 (f.o.b) for October-December shipments, but there were very few sellers.

Large processors in India and Vietnam offered and also sold some volume in the last two weeks at W240 at around $3.6 and W320 at around $3.3 (f.o.b). Despite the relative quietness, large processors are not inclined to reduce prices to make sales, Mr Pankaj N. Sampat, a major dealer, told Business Line.

The domestic market will become active next for winter and marriage season, expected to begin from mid-November after the Diwali festival. Vietnam processors expect good activity from their equivalent of domestic market (China) during October/November, he said.

“On the back of some low-priced purchases from few processors for October-December, and probably with a view to getting some more sales on the books for 2011 deliveries, some importers have reduced their offers for FH (first half) 2011 — they are offering W320 around $3.35 cost and freight,” he said.

This has not induced any significant buying — roasters seem reluctant to buy, until they have an idea of retail off take trends. At the same time, the lower offers from importers are not spooking origins to reduce their prices — processors are concerned about raw cashew nut (RCN) prices as tight supply may not allow prices to come down even if kernel demand is slow, he said.

Demand trend

It is difficult to estimate demand trend, Mr Pankaj said. There are some who feel that the high prices will mean a big decline in usage in the European Union and US. Others feel that the impact may not be much, since prices of almost all nuts are high.

Although promotions will be for products that are more abundantly available, the base demand will certainly be there, all that is available will be consumed. “Until supply improves significantly, price will be determined by periodic bursts of buying and selling (volatile in the current range),” he said.

If arrivals of RCN in Indonesia do not improve in next 4-6 weeks, fears of a big shortage in both quantity and quality will be proved right, the trade said.

Brazil continues to be a question mark — some people say crop may be around 2.5 lakh tonnes. It is to be seen whether late start to the crop means big shortage or crop extending into February/March, compared to the normal end of collection in January.

Very high prices, i.e., about 15 per cent higher than kernel parity, are being paid in

Tanzania auctions. It seems that prices will not ease till the local processors have covered their requirement. It was too early to talk about Mozambique, as shipments unlikely before Jan, trade sources said.

"If the RCN prices do not come down in 2010, and if the Brazil crop is as bad as feared, kernel prices will continue to be firm till mid-2011, unless there is a big decline in usage in first quarter 2011(a single digit decline will not have much impact). Even in the second half of 2011, kernel prices will soften only if Northern crops are very good, and RCN prices decline significantly," Mr Pankaj said.

Like the last six months, the next few months will continue to be difficult — spot/nearby demand will have significant impact on price, and this will determine forward quotes as well, and unless there is a reasonable cushion, processors will be reluctant to sell, he said. "Till supply increases or sentiment changes, everyone in the chain (processors – traders – roasters) will have to adjust their strategies to have some cover for a few months to avoid being caught on the wrong foot," he added.

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Back **Robust growth prospects**

Focus: Animal Feed.

Dairy and aquaculture of late have started to increasingly depend on formulated modern feeds.

G. Chandrashekhar

The importance of livestock to our national economy may be gauged from the fact that it contributes to over six per cent of national gross domestic product, a little over a third of the agricultural GDP and provides employment to about 8.5 per cent of the workforce. At over 500 million, India's livestock population is among the world's highest. No wonder, the country is the world's top milk producer with 2009 output estimated at 110 million tonnes. Also, India produces about 55 billion eggs, nearly 50 million kg of wool and over 2.5 million tonnes of meat.

Robust growth

The exciting part of the animal feed industry is the prospect of robust growth in the coming years. With rising purchasing power, population pressure, urbanisation and changing food habits, demand for dairy and poultry products has been on an upward trajectory and is expected to remain so in the foreseeable future.

While the dairy sector has recorded a CAGR of 3.5-4.0 per cent, broiler (12 per cent), layer (6.5 per cent), meat (6.3 per cent), marine fish (2.4 per cent) and freshwater fish (5.2 per cent) have shown robust growth in recent years.

Currently, these feed-dependent industries need approximately 22 million tonnes of feed material a year with broiler (7 mt), layer (8.5 mt) and dairy (5.5 mt) accounting for a dominant share.

Poultry sector

From the animal feed perspective, only the broiler and layer industries (poultry sector) depend on sizeable quantity of feed. Other sectors such as dairy and aquaculture still thrive on traditional feeds, but of late have started to increasingly depend on formulated modern feeds.

If the recent industry growth rates continue, by 2015, it is estimated that India will need about 35 million tonnes of animal feed. Animal production in the country is currently dictated by genetics and nutrition.

Modernisation

The Indian feed industry is rapidly modernising with new plants installing modern technology and computer systems for analytical procedure and least-cost ration formulations. Essentially, rapid expansion of the dairy sector, especially the organised segment, is driving the quality and quantity of feeds. Nutrition is a critical part of feed as it enhances animal productivity.

The proposed National Dairy Plan (likely to be operational from April 2011) that aims to meet the projected demand of about 180 million tonnes of milk by 2021-22 with an estimated investment of over Rs 17,000 crores in a period of 15 years is sure to provide a huge boost to the animal feed industry. A huge feed use surge is imminent. Investments in animal breeding, health and feed are necessary. Given the robust demand conditions, will India have enough feed to meet livestock sector needs?

Admittedly, key growth drivers are in place. Yet, currently, the industry faces several challenges including in production, quality and marketing.

Scope for improvement

There is scope for building efficiencies in the supply chain. Also to reckon with are risks and threats that the user industry faces - such as trans-boundary movement of diseases through food trade globalisation, threat of disease versus economies of scale, high logistics and infrastructure costs as well as shortage of dry and green fodder.

The XI Five-Year Plan has projected a five per cent/annum growth each for livestock and fisheries. Livestock sector is expected to drive feed grain demand growth. This implies that our grain output must keep pace with projected demand growth. In the XII FYP, feed and fodder are expected to get more focussed attention from policymakers.

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Back **Orthodox teas ease at Coonoor auction**

P. S. Sundar

Coonoor, Oct. 17

Orthodox market tended lower, while CTC market managed to remain firm at Sale No: 41 of the Coonoor Tea Trade Association auctions with demand fluctuating on Pooja-eve market sentiment.

Teas worth Rs 1.51 crore remained unsold, as 19.5 per cent of the 12.39 lakh kg on offer had to be withdrawn for want of buyers.

CTC

In all, 65 marks of CTC teas fetched Rs 100 and more. In the dust market, Homedale Teas, auctioned by Global Tea Brokers, topped. In the leaf market, Vigneshwar Estate topped.

Among others, Kannavarai Estate got Rs 127, Darmona Estate Rs 126, Deepika Supreme Rs 124, Professor Rs 123.5, and Hittakkal Estate and Shanthi Supreme Rs 121.5.

Orthodox market

“Whole leaf orthodox teas lost Rs 5-10 a kg due to less demand. High-priced CTC leaf was barely steady to dearer Rs 1-2, better medium irregularly easier to dearer Rs 1-2, but plainers lost Rs 2-3 due to less demand. Orthodox dust market was irregular. CTC dusts managed to be firm,” an auctioneer said.

Quotations held by brokers indicated bids ranging Rs 40-42 a kg for plain leaf grades and Rs 80-115 for brighter liquoring sorts. They ranged Rs 45-52 for plain dusts and Rs 90-130 for brighter liquoring dusts.

On the export front, Pakistan bought selectively for Rs 40-56 a kg and the CIS, Rs 38-64.

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Back **Plea for ban on cotton yarn exports**

Our Bureau

Coimbatore, Oct. 15

Knitwear exporters in Tirupur have sent an SOS to the Textile Minister, Mr Dayanidhi Maran, pleading for a ban on cotton yarn exports.

The Tirupur Exporters Association (TEA) President, Mr A. Sakthivel, has in a communication to the Minister suggested imposing a ban on cotton yarn exports till the yarn supply situation and the market improves. “It (the ban) may be lifted once the market is restored, albeit subject to certain condition such as permitting exports only to the extent of 10 per cent of production, imposition of 15 per cent advalorem duty on export of cotton yarn and calibration of cotton yarn exports.” On yarn prices, he said the association has taken up the issue with SIMA and TASMA for reduction in rates for all counts. For the 40s Combed Hankyarn, the rates dropped by 10 a kg to Rs 195 a kg.

“We are seeking a proportionate discount for all other counts and for maintaining the price level for three months even after the cotton prices goes down from the existing level.”

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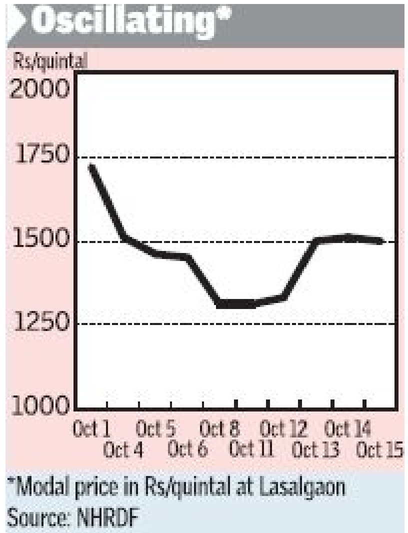
Back **Domestic demand pulls up onion**

M.R. Subramani



Chennai, Oct. 15

After having dropped Rs 300 a quintal last week, onion prices rebounded this week, as the quality of new arrivals was poor.

Onion opened this week at last week's closing modal price (or the rate at which most of the trades are done) of Rs 1,311 a quintal, and rose to Rs 1,511 before ending at Rs 1,500 a quintal.

"Arrivals compared with previous years are lower but most importantly, the quality is not up to mark," said Mr Rupesh Jaju, an exporter from Nashik. "There are deficiencies in the arrivals," he said.

However, Dr R. P. Gupta, Director of National Horticultural Research and Development Foundation, said prices were dropping. "They have dropped from Rs 1,700 at the start of this month, as the new crop has begun to arrive in the markets," he said.

"There is no problem with the new crop. Fresh onions are arriving in the market, and the demand for it is good. Domestic consumers do not prefer stored ones and, therefore, we are seeing the stocks in the market being picked up," he said.

"Stored onions are in demand from exporters only," Dr Gupta said, adding that arrivals were likely to increase from next week. "Arrivals this year have been delayed due to rains in the growing areas in July and August," he said. Compared with last year, onion production was likely to be higher, Dr Gupta said.

Mr Jaju said that domestic demand continued to remain strong, and it was one of the reasons for prices rebounding this week. "Export enquiries are bare minimum. You can say they have almost stopped. Pakistan is back in the export market, while China is shipping out huge quantities. Buyers from the Gulf countries, Malaysia, and Singapore have turned towards them," Mr Jaju said.

Dr Gupta said that higher arrivals in the coming days would keep the prices on leash.

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Back **Higher arrivals cool groundnut oil**

Our Correspondent

Mumbai, Oct 15

Edible oil spot prices declined on Friday with groundnut oil dropping sharply by Rs 20 for 10 kg on higher arrivals in most of the producing States. Poor demand from local retailers and resale selling by stockists, cooled down the sentiment.

Palmolein declined Rs 5. Rapeseed oil dropped Rs 5. The volume was very thin in the absence of fresh demand.

Bursa Malaysia Derivatives November, December contracts closed higher by 7 and 14 ringgits (MYR).

In Indore, NBOT November soya oil futures extend gains tracking cues from abroad.

A wholesaler told Business Line: “In Mumbai spot market due to uncertainty and high volatility in the foreign market and bearish reports from the up country markets, there was almost zero volume/lull situation prevailing since last two–three days. There is no fresh buying–demand despite a Dasara festival."

In palmolein, only about 200–250 tonnes were traded in the resale market.

In Gujarat, groundnut oil declined sharply on higher arrivals of new seeds.

At the national level, a total of 1.75 lakh to two lakh bags of groundnut were reported to have arrived."

Crude palm oil futures in Malaysia for November closed at MYR 2930 . Indore NBOT soya oil futures November contracts closed at Rs 522.40/10 kg against Rs 520.20 the previous day.

Mumbai commodity exchange spot rate (Rs/10kgs): Groundnut oil 860 (880), soya refined oil 495 (495), sunflower expeller refined 570 (570), sunflower refined 630 (635), rapeseed refined oil 575 (580), rapeseed expeller refined 545 (550), cotton refined oil 510 (510) and palmolein was 475 (480).

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Back **Derivatives, mill buying lift chana dal**

Our Correspondent

Indore, Oct 15

Barring chana dal, which edged higher on enthusiastic demand from mills and rise in futures, other pulses in Indore mandi showed a mixed trend. Chana dal gained Rs 50 at Rs 2,800-2,950 a quintal.

Moong dal ruled steady with prices hovering between Rs 4,500 and Rs 5,700 a quintal. Moong (chilkiwali) quoted Rs 4,500 a quintal, while moong (monger) quoted Rs 5,700 a quintal. With demand for moong dal picking up during the winter season compared with other pulses, traders do not foresee any major decline in prices in the near future, until and unless big operators enter the market to disturb the equilibrium.

Due to sluggish demand masoor dal traded lower by Rs 50 at Rs 3,250-4,000 a quintal. Operators sometime back had perked up masoor dal prices on the back of rumours of damage to crop in Canada following floods. But it turned out to be short-lived, and masoor dal started to witness a fall in prices on weak demand.

Tur dal prices continued to rule steady at Rs 5,2005,600 a quintal. Traders hope further decline in its prices, as consumption falls during the winter. Urad dal also witnessed a decline with spot prices falling by Rs 100 to Rs 6,600-7,300 a quintal on sluggish demand.

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Back **Pepper closes higher after volatile session**

G K Nair

Kochi, Oct .15

Pepper futures on Friday witnessed high volatility with the prices shooting up and falling in the latter part of the day's trade, and then recovered with all the contracts closing marginally up.

Heavy liquidation led to the decline, as bull operators were weak. There was good switching over also, market sources told Business Line.

There were no sellers in the spot and primary markets.

October contracts moved up by Rs 28 to close at Rs 18,430 a quintal. November and December contracts were up by Rs 20 and Rs 42, respectively, to close at Rs 18,730 and Rs 18,980 a quintal.

Total turn over increased by 1,386 tonnes. Total open interest fell by 271 tonnes to close at 14,418 tonnes showing good liqudiation.

October open interest fell by 1,323 tonnes to 4,718 tonnes, while that of November and December increased by 867 tonnes and 176 tonnes, respectively, to 8,077 tonnes and 1,395 tonnes indicating good switching over.

Indian parity in the international market remained at $4,400 a tonne (c & f), as the rupee remained strong against the dollar. MG1 is competitive if the rates quoted by Indonesia are correct, export sources claimed. In that case, some demand may come from selected buyers in selected pockets overseas, they added. According to an overseas report from the US, Indonesia was firmer today due to forex rates.

Prices quoted for black pepper of different origins in $/tonne c & f New York September/October shipments were: MG1asta – 4,500-4,600; Vietnam asta – 4,375-4,400 February/March; Lampong 500g/l – 4,000-4,050 (f.o.b); Lampong 550g/l – 4,100-4,150 (f.o.b) ; Lampong asta – 4,200-4,300 (f.o.b); Ecuador asta – ask for offer; Sri Lanka 500g/l – 4,050-4,100 (f.o.b) ; Sri Lanka 550g/l – 4,150-4,200 (f.o.b) ; Brazil B2 500g/l – 4,050-4,100 (f.o.b); Brazil B1 560g/l – 4,125-4,175 (f.o.b) ; Brazil asta – 4,200 (f.o.b).

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Back **Jeera prices fall on weak export demand**

Our Correspondent

Rajkot, Oct 15

Jeera prices continued to fall as exporters were still out of the market. Good sowing expectation in the coming season also pressured the market.

On the National Commodity and Derivatives , jeera October futures came down by Rs 28 to Rs 12,855 a quintal, with an open interest of 4,287 lots.

November futures decreased by Rs 8 to Rs 13,050, with an open interest of 12,723 lots. Spot prices at Unja mandi quoted at Rs 1,411-2,560/20 kg.

An Angel Commodity report said: “Fall in the futures makes buyers in the domestic market to follow a wait-and-watch stance and wait for the prices to stabilise. Any revival of demand in good quantity from overseas buyers may support prices to strengthen in the short term.”

According to market sources, jeera stocks are currently projected to be lower at around 10-11 lakh bags as compared to 13-14 lakh bags in the same period previous year. (Each bag weighs 55 kg).

Jeera stocks in the NCDEX warehouse stood at 6,298 tonnes as on October 13, 2010.

Date:16/10/2010 URL: http://www.thehindubusinessline.com/2010/10/16/stories/2010101650961500.htm

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Back **Falling futures pound spot turmeric**

Our Correspondent

Erode, Oct. 15

Spot turmeric prices fell by Rs 200 a quintal in Erode taking cues from the futures market.

At the Erode Turmeric Merchants Association, the finger variety was sold at Rs 11,000–14,139. This is Rs 80 lower than Thursday's price. The root variety was sold at Rs 10,906–14,009, Rs 280 lower. Sales were poor with only 509 bags sold out of 1,491 that arrived.

In the Erode Cooperative Marketing Society, finger variety sold at Rs 13,769–14,240. This is Rs 129 a quintal lower. The root variety sold at Rs 13,689–14,. Of the 590 bags that arrived for sale, 449 bags were sold. The root variety was down Rs 197 at Rs 12,590 to Rs 14,127.

In the Regulated Market, the finger variety was sold at Rs 13,869 to Rs 14,169 a quintal. This is Rs 129 less than Thursday's price. The root variety was sold at Rs 13,758 to Rs 13,958 a quintal. This is Rs 262 less than Thursday's price. Of the 1,204 bags that arrived, only 693 bags were sold.

“The prices will remain unchanged with minor fluctuation till October end. The fresh crops are likely to arrive by December 15, This year we are expecting a bumper crop, so the prices will go down”, said Mr R.K. Viswanathan, a senior turmeric trader of Erode.

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Back **Regulator to hold talks on resuming sugar futures**

Forward Markets Commission examining various aspects.

FMC would like to ascertain details such as evaluation of the new sugarcane crop, harvest and export demand for sugar, before giving its approval.

M. R. Subramani

Chennai, Oct 15

The Forward Markets Commission (FMC) will hold discussions with all the stakeholders on resuming sugar futures.

The Centre had suspended sugar futures in May last year to contain surging domestic prices and the suspension lapsed on September 30.

“We are examining various aspects and will be discussing with the stakeholders,” said Mr Rajeev Kumar Agarwal, FMC member.

The discussions are likely to be held next week, he said.

Sources in commodity exchanges said the FMC, which regulates futures trading and commodity exchanges, is waiting for the completion of the festival season before giving its approval for resuming futures trade. Last week, the National Commodities and Derivatives Exchange Managing Director and Chief Executive Officer, Mr R. Ramaseshan, told reporters here that the exchange has sought permission to trade sugar futures.

“There is a possibility that sugar futures can be traded now. We have filed permission papers with the FMC,” Mr Ramaseshan said.

Can't futures start immediately after the ban or suspension lapses, the same way as it happened with wheat? To this, Mr Agarwal said: “(It is) Not necessary. We have to see many aspects (with regard to re-launch of sugar futures) and discuss with stakeholders.”

When contacted, an NCDEX official said it was for the FMC to decide when sugar futures could start. “There are a lot of issues with regard to sugar. Even the specifics of the contracts and other parameters have to be worked out,” the official said.

NCDEX had told FMC that it was ready to launch October contracts but now that half the month has gone-by, it was willing to launch futures of November or December or whenever the regulator wants it to start trading. Commodity Exchanges sources said the FMC would like to ascertain details such as evaluation of the new sugarcane crop, harvest and export demand for sugar before giving its approval for the futures re-launch.

A Multi Commodity Exchange (MCX) official said the bourse had not sought permission to start futures trading in sugar but was ready to launch it. “When the FMC says when to start, we will go ahead,” said the official.

Both NCDEX and MCX officials said they discuss various issues on a regular basis and sugar futures was one of them. The Government had allowed the ban on sugar futures to lapse as sugar production this season that began this month is estimated to be 28 per cent higher at 240 lakh tonnes. Some projections have pegged it even higher at 250 lakh tonnes.

The ban was imposed last year after sugar prices touched Rs 40 a kg following sharp fall in production to 145 lakh tonnes during 2008-09. Though production recovered last year, it was not enough to meet the rising domestic demand.

With sugar output seen rising further this year, sugar prices have dropped to around Rs 30 a kg at retail outlets.

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Back **Poor retail offtake weighs on sugar**

Our Correspondent

Mumbai, Oct 15

Spot sugar prices on the Vashi wholesale market, on selling pressure from resellers, saw a mixed trend with spot prices of S-grade rising Rs 2-5, while that of M-grade prices declined by Rs 4-5 a quintal on Friday. Poor retail demand weighed on the sentiment. At Naka delivery, business prices dropped by Rs 8-10 on offloading by resalers / speculators who squared off their outstanding position.

Mr Mukesh Shah of Siddhartha trading co said that higher tender rates/ quotation by mills kept volume at a nominal level. On Thursday evening, about 8/10 mills floated tenders but buyers response was almost nil. All tenders were open for sale. The offers were in the range Rs 2,570–2,610 for S–grade and Rs 2,625-2,650 for M-grade. Naka trade came under the selling pressure from resellers who had outstanding positions that are valid only till Friday.

Navaratri and Dasara's retail demand has not been as expected. The market will continue to witness range-bound price movement, Mr Shah said.

On Friday, total arrivals at Vashi market were down to 35–38 truckloads (10 tonnes each) and lifting was about 32–35 truckloads. West Bengal traders are buying from Karnataka's mills and this has put pressure on Maharashtra's mills. Mills' fresh tender on Friday are expected to be Rs 2,565–2,600 for S-grade and Rs 2,625–2,660 for M-grade.

According to the Sugar Merchants Association, spot rate for S–grade was Rs 2,685-2,726 (Rs 2,687-2,721) and for M grade Rs 2,718-2,796 (Rs 2,722-2,801). Naka delivery rates were: S-grade – Rs 2,640-2,675 (Rs 2,650-2,690) and M-grade –Rs 2,680-2,720 (Rs 2,680-2,730).

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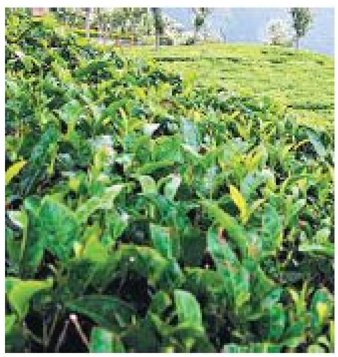
Back **World tea output up 10.24%**



P. S. Sundar

Coonoor, Oct 15

Global tea production has increased by 10.24 per cent so far this calendar year over the corresponding period last year, reveals an analysis of the latest information received from producing and trading organisations of different countries.

Tea production has increased to 1,221.66 million kg (mkg) from 1,108.21 mkg.

This increase of 113.45 mkg over last year, marks a growth of 10.24 per cent.

While African countries have posted a higher production, Asian countries barring Sri Lanka have reported a lower output.

break-up

The bulk of the increase of 78.57 mkg has come from Kenya whose production till August was 260.59 mkg.

The next highest increase of 38.80 mkg has happened in Sri Lanka taking the production till August to 221.30 mkg.

Uganda's production has risen by 6.01 mkg to reach 37.69 mkg. Production has increased in Malawi and Zimbabwe as well.

indian output

But, Indian production has fallen by 10.40 mkg to dip to 584.90 mkg.

This is despite south Indian production rising by 9.90 mkg to reach 162 mkg because North Indian output has fallen by 20.30 mkg to dip to 422.90 mkg.

Nevertheless, at 584.90 mkg, India tops the world production.

Indonesia and Bangladesh have also reported a lower output.