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Food inflation dips to 15.53 per cent

NEW DELHI: The rise in food prices eased, by nearly a percentage point, to 15.53 per cent as of October 9. The fall gave the Planning Commission reason to forecast single-digit food inflation by December.

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Farmers stage demonstration

Staff Reporter

Demand release of a farmer who was arrested for killing a smuggler

— PHOTO: M.GOVARTHAN



Joining hands:Members of various farmers associations staging a demonstration in Erode on Thursday demanding the release of a farmer, who was arrested after he reportedly shot a sandalwood smuggler on his field recently.

ERODE: Members of various farmers associations and elected representatives staged a demonstration here on Thursday demanding the immediate release of a farmer, who was arrested after he reportedly shot a sandalwood smuggler on his field recently.

A three-member gang entered the field belonging to Ramasamy (60), a farmer and senior functionary in the Tamil Nadu Milk Producers Welfare Association, near Nasiyanur here and tried to fell one of the two sandalwood trees.

Ramasamy tried to scare them away with his double-barrel gun, which was licensed. When the gang continued to cut the branches, the farmer fired a round on the gang. Duraisamy, a member of the gang, died in the incident.

In Bangalore

Association members pointed out a similar incident reported in Bangalore and said that the Karnataka Government honoured the farmer with a shield and a certificate. They wanted the Tamil Nadu Government to withdraw the case registered against Ramasamy and release him immediately. MLAs R.M. Palanisamy, Vidiyal Sekar and office-bearers of various associations participated in the protest.

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62,500 hectares to be brought under samba

Special Correspondent

TIRUCHI: An estimated 62,500 hectares will be brought under samba cultivation this season in the district and farmers have started preparing their fields for raising the nurseries and also for transplantation activities. As usual, Lalgudi block accounts for a large extent of area, followed by Tiruverumbur and Andanallur blocks.

Anticipating timely onset of monsoon, Agriculture Department officials have chalked out a special strategy for popularising the System of Rice Intensification (SRI) or 'Rajarajan

1000' technique for raising the crop in about 29,000 hectares this season.

26,420 hectares covered so far

An extent of 26,420 hectares had been brought under samba cultivation so far. It included 13,482 hectares under the SRI technique. With a view to achieving the targeted area, Agriculture Department officials have taken special steps for stocking the fertiliser and other inputs for ensuring timely supply to the farmers. The important varieties are BPT 5204; improved white ponni and CO-43, said J. Sekar, Joint Director of Agriculture.

R. Ravi, Assistant Director of Agriculture, said that Tiruverumbur block had been witnessing a brisk activity in SRI technique. About 2,100 hectares had been brought under SRI technique so far, against the normal area of 8,500 hectares in this block.

A subsidy of Rs.8.85 lakh had been sanctioned for the block under the Integrated Cereals Development Programme (Rice) and the National Agriculture Development Project.

Kuruvai harvest brisk

Mr.Sekar said that kuruvai cultivation was brisk in parts of the district. Harvest had been completed on 2,708 out of 4,750 hectares brought under cultivation. Crop cutting experiments had been conducted in areas where harvest had been completed and 10,440 kg per acre had been registered at Pachaperumalpatti village near Uppliyapuram. Most farmers had raised ADT-43 variety, he added.

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MSP for wheat, pulses up

Gargi Parsai

Support price for gram hiked to Rs. 2,100 from Rs. 1,760 per quintal

NEW DELHI: The Centre has announced a modest hike of Rs. 20 per quintal in the Minimum Support Price (MSP) of wheat to be procured from farmers for the Targeted

Public Distribution System. The hike in pulses, however, is substantial.

The Cabinet Committee on Economic Committee, chaired by Prime Minister Manmohan Singh, approved the Agriculture Ministry's proposal for raising the MSP of wheat to Rs. 1,120 per quintal for the 2010-11 rabi season from Rs 1,100 per quintal last year. The MSP of gram has been hiked to Rs. 2,100 from Rs. 1,760 per quintal, while the MSP of masur dal has been raised to Rs. 2,250 from Rs. 1,870 per quintal last year.

Announcing the decisions, Union Home Minister P. Chidambaram said the MSP of mustard/rapeseed was hiked by Rs. 20 to Rs. 1,850 per quintal, while the MSP of safflower was up to Rs. 1,800 per quintal from Rs. 1,680 per quintal last year.

The MSP of barley was fixed at Rs. 780 per quintal against Rs. 750 per quintal last year. The hike in the MSP of pulses points to the government's efforts to raise the total production of pulses to at least 16.5 million tonnes from an average of 14.5 million tonnes. The country imports about 3 to 4 million tonnes of pulses annually to bridge the gap between demand and supply. The shortfall has already resulted in a sharp escalation in the price of pulses in the last two years.

Higher support price for pulses in the kharif crop season this year resulted in a sharp increase in the cultivation of pulses with the seasonal production estimated to rise to 6 million tonnes this year as against an output of 4.3 million tonnes last year.

Mr. Chidambaram said the MSP approved were based on the recommendation of the Commission for Agricultural Costs and Prices.

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Concern over decline in private investment in farm sector

BHUBANESWAR: Vice-President of India Mohammad Hamid Ansari here on Thursday expressed concern over consistent decline in the share of private sector investment in the agriculture sector.

Addressing the Thirtieth Convocation of the Orissa University of Agriculture and Technology here, Mr. Ansari said private sector investment in the agriculture in the last decade in real terms had increased by 48 per cent, in comparison to public sector investment which witnessed 180 per cent increase.

The Vice-President, terming the agriculture sector important for nation's development, said agriculture provided employment to around 52 per cent of the workforce.

“Around half of all those engaged in agriculture are illiterate and a miniscule 5 per cent of them have completed higher secondary education. It thus has a disproportionately important role in achieving a higher and inclusive GDP growth, food security, employment expansion and poverty alleviation,” he said.

Mr. Ansari said the nation had achieved foodgrain self-sufficiency by enhancing production from 50 million tonnes in 1950 to over 230 million tonnes now.

“Yet recent trends of the last 15 years are a cause of concern. After improving steadily from 1980 to 1997, the terms of trade have turned against agriculture since 1999,” the Vice-President said.

The Indian government had announced a ‘new deal to rural India’ focused on reversing the declining trend in public investment in agriculture with special emphasis on irrigation, wasteland development, agriculture research and extension, he said.

Mr. Ansari said the food security and self-sufficiency should be measured not just in terms of production, but in terms of access to, and actual consumption of food, grains.

Governor and Chancellor Murlidhar Chandrakant Bhandare conferred honorary doctorates to Rajendra Singh Paroda, Kirti Singh, Tarun Kumar Bose, Nrusingh Charan Panda and Niranjana Panda for their excellent work in agriculture and allied sector. Manoranjan Nayak was conferred with honorary doctorate for his contribution to education by founding Siksha O Anushandhan University.

Among others Damador Rout, State Agriculture Minister and Professor D. P. Ray, Vice-Chancellor of OUAT, spoke on the occasion.

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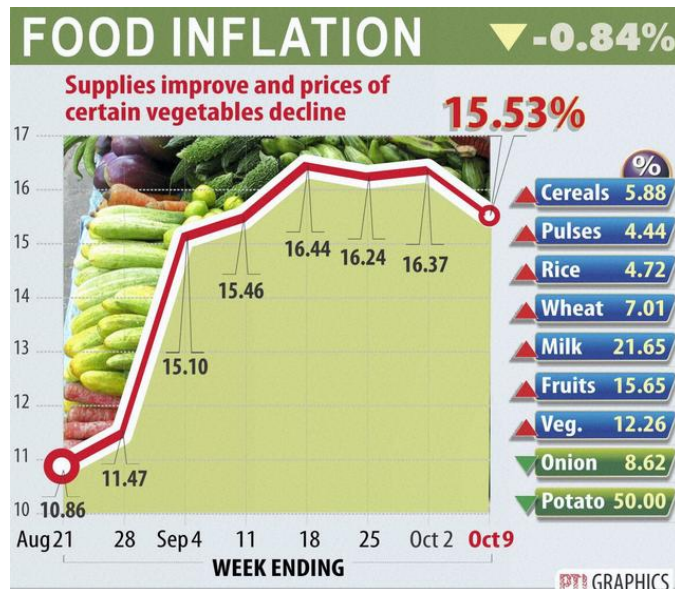
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Food inflation eases

NEW DELHI: Food inflation eased to 15.53 per cent for the week ended October 9 from 16.37 per cent in the previous week owing to a marginal week-on-week softening in prices even as milk, fruits and vegetables continued to rule at elevated levels on an annual basis. According to the Wholesale Price Index (WPI) data on primary articles released here on Thursday, the week-on-week decline in food inflation by 0.84 percentage point was mainly on account of a slight dip in the prices of certain vegetables following easing in supply-side pressures. The data, however, revealed that on an annual basis, the prices of most essentials, except cereals, held firm at higher levels. Published: October 21, 2010 13:14 IST | Updated: October 21, 2010 22:23 IST New Delhi, October 21, 2010

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Published: October 21, 2010 16:32 IST | Updated: October 21, 2010 22:17 IST BEIJING, October 21, 2010

China's economy slows in Q3



A Chinese man pushes a cart of vegetables on the streets of Beijing, on Thursday. China's rapid growth slowed in the latest quarter as Beijing steered its expansion to a more sustainable level, possibly cutting its contribution to a global recovery. Photo: AP.

China's economic growth slowed to 9.6 per cent in the third quarter of the year, reflecting a

phasing out of the government's \$ 586 billion stimulus plan and a return to normal growth.

Analysts said the slowing down of the economy, in the short-term, could result in falling Chinese demand for overseas goods, which has played a key role in driving the global recovery. Domestic demand for resources such as iron ore — India's biggest export to China — is expected to fall as a result of the slowing growth.

The Chinese economy recorded 11.9 per cent growth in the first quarter of the year, and 10.3 per cent in the second. The cooling down in the third quarter was driven by government measures to calm the housing market and bank lending, according to Zhu Baoliang, an analyst with the government's State Information Centre.

Chinese officials welcomed the figures, but expressed concern over rising inflation. The consumer price index (CPI) rose for the third consecutive month, by 3.6 per cent, to a 23-month high. Food prices rose 8 per cent.

"The economic turnaround has been further consolidated and is moving in the anticipated direction," said Sheng Laiyun, a spokesman for the National Bureau of Statistics, adding that the inflation figures were due to "adverse natural conditions".

Fixed asset investments, which have largely driven China's economy since the 2008 stimulus plan went into action, showed signs of slowing. The slowing down, analysts said, was a positive development in the long-term, as China tries to rebalance its economy and stimulate domestic consumption as a driver of growth.

"Short-term, the slowdown means China will have less demand for goods from the rest of the world," Alistair Thornton, a China analyst for IHS Global Insight, told the Associated Press. "But long-term, the slowdown could be a benefit to the world economy because the Chinese economy cannot keep going at such a high pace and in such an unbalanced way."

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Farmer groups call for end to transgenic brinjal experiments



Special Arrangement Farmers checking the native species of brinjal at the “Brinjal Mela” held at University of Agricultural Sciences (UAS) in Dharwad on Thursday.

University of Agricultural Sciences, Dharwad, accused of biopiracy

Various organisations including the Karnataka Rajya Raitha Sangha (KRRS) have reiterated their demand to stop all experiments on transgenic varieties of brinjal being carried out by the University of Agricultural Sciences (UAS) in Dharwad.

Representatives of groups such as Sahaja Samrudha, the KRRS, the Dharwad Organic Growers Association and Kheti Virasat Mission had gathered at the UAS, Dharwad, for the Brinjal Mela organised as part of the ‘Kisan Swaraj Yatra’ and used the occasion to express their views.

The protesters accused the university of biopiracy and undermining the rights of the farming community by taking up the development of Bt brinjal.

Convener of Sahaja Samrudha Krishna Prasad said the gathering was meant to begin a dialogue on the issue and protest against the “wrong” research agenda of the university. He said the university had used traditional varieties of brinjal grown in Karnataka and Goa,

including Udupi gulla or Mattu gulla, which has received Geographical Indication (GI) status, for its transgenic experiments without the required approvals from the State Biodiversity Board.

Funding for research

Addressing the gathering, chairman of the Western Ghats Task Force Anant Hegde Ashisar stressed the need to fund agricultural research projects keeping in mind the rural farmer. He said the task force had sought more funds to take up research in agri-biodiversity related issues.

President of the KRRS Kodihalli Chandrashekar raised the issue of proposed amendments to the seed Bill. He called for a debate on the rights of farmers to grow, sow, re-sow, share or sell their farm seeds and planting materials.

Yagna performed

As part of the mela, a UAS Dharwad Sadbuddhi Yagna was performed, with the protestors praying that scientists at the university take up pro-farmer agriculture research and stop siding with multinational companies.

Registrar of the UAS, Dharwad, K.S. Vijaykumar assured the gathering that the university would continue the dialogue with farmers and take up research activities keeping in mind the interest of the farmers.



Reshma Patil, Hindustan Times

Email Author

Beijing, October 21, 2010

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China growth slows to 9.6%, inflation hits 23-month high

China's economy slowed to 9.6 per cent in the third quarter. Though the world's second-largest and fastest-growing economy avoided overheating, inflation rose to a 23-month high.

The growth rate fell from nearly 12 per cent in the first quarter and 10.3 per cent in the second quarter as Beijing began to withdraw stimulus measures, rein in bank loans and control spiralling housing prices. From January to September, GDP (gross domestic product) grew by 10.6 per cent.

"The economic turnaround has been further consolidated and is moving in the anticipated direction," said Sheng Laiyun, spokesman of the National Bureau of Statistics.

"The slowdown in heavy industrial production was the most prominent, as infrastructure investment slowed, and recently, power cuts restrained production," said Tao Wang, head of China economic research at UBS Securities in Beijing.

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Food inflation falls to 15.53 pc

New Delhi, Oct 21 (PTI) Food inflation declined to 15.53 per cent for the week ended October 9, on improved supplies and declining prices of certain vegetables, especially potato. Food inflation fell by 0.84 per cent points to 15.53 per cent during the week, from 16.37 per cent in the

previous week, government data showed. On an annual basis, potato prices eased by 50 per cent and onions became cheaper by 8.62 per cent. However, other essential items like cereals, milk and fruits continued to remain dearer.

Experts said the impact of adequate monsoon was slowly becoming visible on prices of essential items, as supply side pressure was easing after good harvest. On an annual basis, cereals prices have risen by 5.88 per cent. While pulses became costlier by 4.44 per cent on a yearly basis, wheat and rice prices increased by 7.01 per cent and 4.72 per cent, respectively. Among other food items, milk prices soared by 21.65 per cent during the week compared to the same period in 2009, while fruit rates rose by 15.65 per cent. Overall, vegetable prices remained high with a 12.26 per cent increase on an annual basis. After some moderation in July, food inflation remained high during August and September due to supply disruptions, caused by heavy monsoon.

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Business Standard

Friday, Oct 22, 2010

Cane output to rise 35% on increased area, yield

Ajay Modi / New Delhi October 22, 2010, 0:43 IST

Higher output to help India re-enter export market.



India, the second-biggest sugarcane producer, is likely to see a 35 per cent increase in output in the sugar year beginning this October. While the agriculture ministry data estimate sugarcane output at 324 million tonnes (mt), 17 per cent higher than last year, a recent meeting of state cane commissioners pegged the output at 345 mt. The industry estimate is 353 mt.

According to an official of the apex industry body, Indian Sugar Mills Association (Isma), the country should produce in excess of 25 mt as it produced 26.3 mt in 2007-08 when sugarcane output was 346 mt.

BETTER PROSPECTS		
	2009-10	2010-11
Acreage	4.2 mn ha	5.04 mn ha
Cane production	277 mt	353 mt
Crushing by sugar mills	185 mt	247 mt
Sugar output	19 mt	25.5 mt
Consumption by gur units	57 mt	66 mt
Gur output	5.5 mt	6.5 mt
For seeds/chewing	35 mt	40 mt
Source: Industry estimates (mn ha: million hectares, mt: million tonnes)		

Around a dozen stakeholders, producers, associations, traders and exporters surveyed by Business Standard expected production to be in the range of 25-26 mt.

Vinay Kumar, managing director of the National Federation of Cooperative Sugar Factories, says the higher output estimate is mainly due to a rise in the area under the crop, good rain and increased productivity. Record sugar prices early this year and incentives paid by the mills prompted farmers to plant more.

Industry watchers also expect a better recovery rate this year due to adequate rain. A delayed start by mills in Uttar Pradesh will also ensure a better recovery.

Another factor that will boost sugar production is lower cane diversion to gur (jaggery). According to Arun Khandelwal, president of the Muzzafarnagar Gur Traders Federation, diversion could fall from 35 per cent to 30 per cent in Uttar Pradesh, which accounts for 55 per cent of the country's gur output. "Gur traders burnt their fingers last year and are expected to be less active this year," he said.

This higher output will facilitate India's re-entry into the global sugar trade at a time international sugar prices are higher than domestic prices. The buoyancy in the international sugar market is due to apprehension of a lower crop in Brazil, the world's biggest producer. The global market may not have the projected three-million-tonne surplus next year.

Rising uncertainty about Brazilian shipments and tightness in other global markets (floods in Pakistan and China, drought in Russia) have led to predictions that global sugar prices will remain firm until the middle of 2011.

With an opening stock of five million tonnes, sugar availability for the next season will be 30.5 million tonnes. Considering domestic consumption of 22-23 million tonnes and four million tonnes as next season's opening stock, the country will have a surplus of 3.5 million tonnes.

Both Isma and the cooperative federation expect the country to ship at least 2.5-3 million tonnes sugar in the current year, including around one million tonnes under the re-export obligation.

The buoyant global demand will have twin impact on the industry, say experts. First, the industry will be able to earn a premium over domestic realisation. Second, the export of surplus will ensure that domestic prices remain healthy.

It is, however, unlikely that the industry will see the handsome price of around Rs 4,000 a quintal that prevailed in January. Sugar prices are expected to remain stay between Rs 2,600 and Rs 2,800 a quintal.

UP eyes bumper sugar output

Virendra Singh Rawat / New Delhi/ Lucknow October 22, 2010, 0:06 IST

UP sugar production is likely to surge 30 per cent to touch 6.5 million tonnes during the 2010-11 crushing season.

Last year, the state sugar production was about 5.2 million tonnes vis-à-vis 4 million tonnes in 2008-09.

Due to recent floods, the crushing is also expected to be delayed and start only by mid November.

According to estimates, the cane acreage and production this year has increased to 2.10 million hectares and 124 million tonnes respectively.

“However, there could be some revision of these figures due to loss of cane crop in the floods,” Uttar Pradesh Sugar Mills Association secretary K N Shukla told Business Standard.

Following good rainfall, the recovery percentage has been pegged at 9.40 per cent, which means more sugar production per unit of cane. The state government is yet to announce the sugarcane State Advised Price payable by sugar mills.

Rice exports to register increase

Komal Amit Gera / New Delhi/ Chandigarh October 22, 2010, 0:05 IST

Rice exporters from India are upbeat over the higher projections of basmati output and better prospects of exports.

The loss of crop, in Philippines due to storms and in Thailand and Pakistan due to floods, is driving Indian exporters to speculate for better realisations this year.

The satellite image procured by All India Rice Millers Association and Agriculture and Processed Food Products Exports Development Authority (APEDA) depict an increase in area under basmati from 1,400,000 hectares last year to 1,800,000 hectares this year.

The total basmati production last year was about 4.5 million tonnes and an increase of 25 per cent is expected by the various lobbies (traders, farmers and exporters) this year.

The higher output may also fetch better margins to the exporters as the higher supplies would undermine the negotiating power of the farmers.

According to sources in APEDA, the orders procured by rice industry and registered with APEDA were about 3.2 million tonnes. The actual export was to the tune of 2 million tonnes.

Dawat Basmati Rice Managing Director V K Arora said that he expects the exports to increase this year due to new markets eyeing India for best quality basmati. He also expects a 30-40 per cent increase in domestic demand for basmati due to rising disposable incomes.

The only fear of exporters is the hardening of the Indian Rupee vis-à-vis other international currencies. Most of the Indian rice is routed through Iran and this can effect realisations.

THE HINDU Business Line

Business Daily from THE HINDU group of publications

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Back Food inflation eases to 15.53% as supplies rise

Prices of cereals, pulses and vegetables drop.

New Delhi, Oct. 21

Food inflation, based on the annual Wholesale Price Index (WPI), eased in early October on enhanced supplies and a drop in year-on-year inflation in some essential items, especially cereals, pulses and vegetables such as potatoes and onions.

Government data on Thursday showed the food price index in the year to October 9 increased 15.53 per cent, compared with 16.37 per cent in the previous week. Fuel

inflation for the same week was stable at 11.14 per cent.

Food makes up 14 per cent of the WPI, while fuel contributes 15 per cent.

Experts said the impact of the abundant rains was beginning to show on the prices of essential items, as supply side pressure has started to ease. Despite the dip, food inflation continues to remain high, retaining the pressure on the RBI to hike policy rates at its next review on November 2, they said. The Central Bank has already raised interest rates five times this year.

On an annual basis, inflation in potatoes was down 50 per cent and onions dipped by 8.62 per cent.

Annual basis

However, other essential items such as cereals, milk and fruits continued to remain dearer. Cereals have gone up by 5.88 per cent on an annual basis, while pulses were up 4.44 per cent; wheat and rice increased by 7.01 per cent and 4.72 per cent, respectively. Among other food items, inflation in milk was 21.65 per cent during the latest reported week, compared with the same period last year.

According to the data, on a sequential basis, the Primary Articles group index declined by 0.2 per cent as the index for 'Food Articles' group dropped by 0.3 per cent due to lower prices of poultry chicken (4 per cent on a week-on-week basis), fish-marine and bajra (3 per cent each) and fish-inland, moong, fruits and vegetables, arhar, maize and barley (1 per cent each). However, the prices of beef and buffalo meat (7 per cent), pork (4 per cent) and rice, gram, jowar and condiments and spices (1 per cent each) moved up.

The index for 'Non-Food Articles' group gained 0.1 per cent due to higher prices of copra (6 per cent), raw rubber (3 per cent), mesta and coir fibre (2 per cent each) and raw silk (1 per cent). However, the prices of groundnut seed and castor seed (2 per cent each) and tobacco (1 per cent) declined. The index for 'Minerals' group was down by 0.2 per cent due to lower crude petroleum.

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<http://www.thehindubusinessline.com/2010/10/22/stories/2010102252922100.htm>

Back Flour soars as Delhi begins to build stocks



Our Correspondent

Karnal, Oct. 21

Heavy demand for flour from Delhi lifted the flour prices by Rs 35-40 (90 kg bag). It touched the highest level for the season and ruled at Rs 1,260 (90 kg bag) on Thursday. While the prices of dara wheat ruled firm at Rs 1,250-1,260 a quintal, also the highest for the season. The fine quality was at Rs 1,280 a quintal.

Mr Sewa Ram, a wheat trader, told Business Line that because of the Commonwealth Games fresh stock of wheat did not go there and it resulted in a good rally in the prices of flour.

Traders hope that wheat prices could witness a rally of Rs 20-30 a quintal in the coming days as the arrivals of wheat are low from Uttar Pradesh. Due to heavy demand, UP traders are heading towards Delhi market with their stocks, he added.

Flour prices ruled at Rs 1,260 (90-kg bag) on Thursday against 1,240 (90 kg bag) quoted on Tuesday.

On the other hand, the market of desi wheat varieties ruled firm on their highest levels of the season. Prices of Tohfa variety ruled at Rs 2,350-2,400 a quintal; Lok-1 ruled around Rs 1,900-1,920; Kitchen queen new marka at Rs 2,100-2,130; Parley-G variety at Rs

2,160-2,185; and Nano at Rs 2,130-2,155 a quintal. Chokar prices ruled firm at the levels of around Rs 580 (49-kg bag).

Paddy Trading

More than 1.45 lakh bags of paddy varieties arrived at the Karnal grain market terminal. The entire stock was lifted by agencies and rice millers.

Around 30,000 bags of PR-11 arrived and it ruled between Rs 1,000 and Rs 1,100 a quintal. About 70,000 bags Grade-A variety arrived and ruled between Rs 1,050 and Rs 1,090. Around 35,000 bags of PR-14 were quoted at Rs 1,030-1,180 a quintal.

About 3,000 bags of Sharbati ruled between Rs 1,350 and Rs 1,530. Sugandha-999, with around 3,000 bags, were Rs 1,400-1,600. Only 2,000 bags of the RS-10 variety were available. They were quoted at Rs 1,250-1,300 a quintal. There were 4,000 bags of Pusa (duplicate basmati) quoting at Rs 1,900-2,050. Around 3,500 bags of Pusa-1121 were quoted at Rs 2,000-Rs 2,225 a quintal.

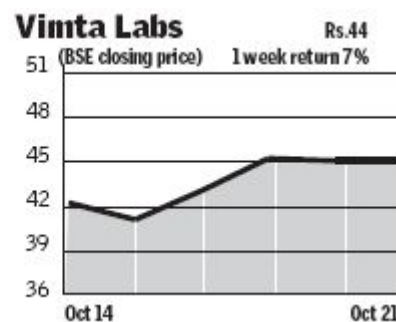
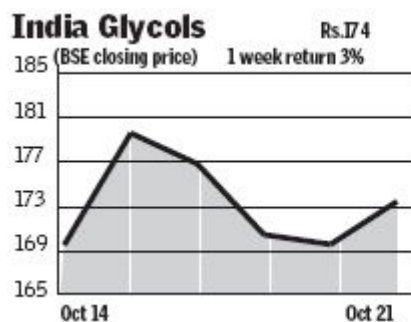
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Guar gum makers bet on crop prospects

Commodity Corner.

Higher production could lower input cost



M.R. Subramani

Chennai, Oct. 21

The prices of guarseed and guar gum, which witnessed a rally during May-July, are currently ruling range-bound.

The dampener for the prices has been the estimates of production, which is expected to be at least five times that of last year.

In fact, initially the production was expected to be six times higher but inclement weather has, to an extent, brought down the projections.

Currently, spot guarseed prices are ranging around Rs 2,000 a quintal after hitting a high of Rs 2,463.50 in July. In the futures market, November contracts had opened in May at Rs 2,501 and since then has travelled only one direction - down. On Thursday, it ended at Rs 2,114 a quintal, again of 1.88 per cent from Wednesday.

Futures

Spot guar gum prices are currently quoted at Rs 4,850 a quintal after having peaked at Rs 5,800 on July 21. Prices have seen a downtrend since then. In the futures market, November contracts opened at Rs 5,651 a quintal are now quoting at Rs 4,812, a gain of over 2 per cent from Wednesday's close.

In fact, both guarseed and guar gum counters have been witnessing an uptrend this week. There are two reasons for this. One, the quality of the crop is reported to have been affected going by the arrivals. Two, reports of export demand are trickling in. But will the trend sustain and how will the stocks of companies that deal in guar gum fare?

Guar or cluster beans is a legume crop that grows in the semi-arid regions of the country during kharif season. Guar is primarily grown in Rajasthan, besides Haryana, Punjab, Gujarat and Madhya Pradesh.

While guar is seen as a vegetable in the South, in the North, it is primarily seen as a raw material to produce guar gum.

Guar gum is used as a thickening agent and additive in food products such as instant soups, sauces, processed meat products, baked goods, milk and cheese products, yoghurt and ice-creams.

It finds use in industrial applications such as paper and textile sectors, ore flotation, explosives manufacture and fracturing of oil and gas formations.

India is the major producer of guar seed and gum, making up 80-85 per cent of the total global supply.

Thursday's data from China show that economic growth is on track despite the Chinese government efforts to slow it. Various governments are expected to provide momentum for economic growth that does not seem to happen in Europe. Nothing illustrates this better than business confidence being still low in Germany, according to reports on Thursday.

Export demand

This means export demand for guar gum could, at the most, be lukewarm. Also, crude oil prices are hovering around \$80 a barrel.

If demand for fracturing of oil and gas formations has to increase, then crude oil will have to rule above \$95.

This is one of the factors that could affect guar gum demand. However, demand for food purposes is expected to continue.

This is one of the reasons why exports are a little higher than last year.

Talking of guarseed and guar gum, there are three firms whose fortunes depend on these products. They are India Glycols, Vikas WSP and Vimta Labs. Of these, India Glycols and Vikas WSP directly deal with guar gum exports. Vimta Labs, on the other hand, has been nominated by the European Union to certify that guar gum shipments are free from dioxins and pentachlorophenols (PCP).

Presence of dioxin and PCP, considered harmful to human health, in guar gum exports from India led to the EU rejecting a few consignments three years ago. It is mandatory for all guar gum shipments to the EU to have the certification.

Guar gum exports this fiscal are expected to be nearly 2.5 lakh tonnes. The trend is likely to continue next fiscal too as the global economy recovers from recession.

Ordinarily, the export trend would not have mattered. But the demand is seen re-emerging at a time when Pakistan, India's main competitor in the global market, has reported poor crop.

Pakistan has been unable to offer any large quantity in the export market this year. In such circumstances, India stands to gain, particularly when its production, expected to be above 10 lakh tonnes, makes up 85 per cent of the global production.

With a high carry over stocks of guarseed and gum, the exporting firms can expect the prices to rule stable and that in turn could seen them perform better.

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Back Pepper futures bounce back

G. K. Nair Kochi, Oct. 21

Pepper futures bounced back on Thursday on strong buying support amid limited availability, with all the contracts moving up sharply.

Non-availability of physical pepper had prompted people to opt for delivery, resulting in genuine buying and many had started buying back.

On Wednesday, weak operators holding back their positions till late in the afternoon started liquidating as badla was at a high in the closing hours and that pulled the market down in the evening.

There was good demand today. Some exporters who had committed earlier were covering while inquiries were flowing from upcountry markets with the commencement of Diwali buying. Some quantity was also traded at the terminal market at Rs 186-188 a kg, market sources told Business Line.

The November contract on the NCDEX increased by Rs 351 and closed at Rs 19,229 a quintal (100 kg). December and January went up by Rs 317 and Rs 330 respectively to close at Rs19,500 and Rs 19,720.

Total turn over increased by 1,588 tonnes to 12,028 tonnes while total open interest moved up by 46 tonnes to 12,759 tonnes.

November open interest dropped 162 tonnes and December and January moved up 178 tonnes and 11 tonnes respectively to 2,159 tonnes and 119 tonnes.

Spot prices went up Rs 200 to close at Rs 18,400 (ungarbled) and Rs 18,900 (MG 1) on good buying support amid tight supply.

Indian parity in the international market went up to \$4,575 -\$4,600 a tonne (c&f) for Europe and \$4,700 a tonne for the US and remained above other origins. On Wednesday, an estimated 1,360 tonnes of October pepper were converted into delivery. Some 250 tonnes of pepper, ETO sterilised was reportedly bought by multi-origin operators at \$4,400 a tonne (c&f) New York while the sellers claimed that they sold at \$4,500 a tonne (c&f) New York. According to an overseas report from the US, the pepper market was quiet.

Availability in Sri Lanka is reportedly scarce. New crop in Brazil is said to be “smaller this year”, sources quoting unconfirmed reports from Brazil said. Prices quoted for black pepper of different origins September/October shipments in dollar per tonne c&f New York were: MG 1 asta – 4,550-4,650; Vietnam asta -4,500 February/March; Lampong 500g/l -4,000-4,050 (fob); Lampong 550g/l – 4,100-4,150 (fob); Lampong asta -4,200-4,250 (fob) ; Ecuador asta - ask for offer; Sri Lanka 500g/l – 4,150-4,200 (fob); Brazil B2 500g/l -4,000-4,100 (fob); Brazil B1 560g/l – 4,100-4,200 (fob) ; Brazil asta – 4,250-4,300 (fob).

White prices quoted for Vietnam and Muntok were \$6,450 a tonne (c&f) and \$6,300 a tonne (c&f) respectively.

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[Back](#) Castor symposium to focus on R&D

Our Bureau

Hyderabad, Oct. 21

The Indian Council of Agricultural Research (ICAR) and Acharya N.G. Ranga Agricultural University (ANGRAU) will hold a national symposium on “Research and development in castor: Present status and future strategies” on October 22 and 23.

The symposium would discuss the need to have concerted efforts to develop varieties and hybrids for tackling problems such as pests and diseases for enhancing the productivity. The other challenges such as mechanised harvesting-cum-threshing, tolerance to drought and salinity to remain competitive in the global market, an ANGRAU spokesperson said.

Experts from the Indian Society of Oilseeds Research, Indian Institute of Chemical Technology, Oil Technologists Association and Solvent Extractors' Association of India would also take part in the meeting.

India accounts for 57.70 per cent of the 12.60 lakh hectares of castor acreage globally. In production too, India leads with 71 per cent in a total global output of 11.70 lakh tonnes. Productivity in India is far higher at 1,352 kg/ha against global average of 925 kg/ha. India meets 90 per cent of the world's requirement of castor oil.

“The export of castor oil and its products is steadily increasingly from Rs 6.49 crore during 1980-81 to Rs 2,253 crore during 2008-09,” he said.

“Value addition to castor oil alone can fetch additional revenues of Rs 30,000 crore. Castor has the potential to become the premier vegetable oil crop for industrial oil production across the globe. The symposium would discuss ways and means to achieve this,” he said.

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[Back](#) **Festival demand boosts soyabean, oil**



Our Correspondent

Indore, Oct. 21

Soyabean and soya oil continued to see a bullish trend on global cues and increased festival demand.

In the spot market, soyabean quoted Rs 40 higher at Rs 2,080-2,130-35, while soya seed of lower quality quoted as low as Rs 1,800 a quintal.

Notwithstanding continuous rise in arrival of soyabean in the State, which on Thursday was recorded at 5 lakh bags, and the expected increase in production in the country, which the Soyabean Processors Association of India puts at 1.1.2 lakh tonnes, prices are witnessing an uptrend on strong global cues in the wake of reported damage to crops in Brazil and Argentina.

In the past 11 days, soyabean prices have increased by Rs 190 a quintal.

Against this backdrop, traders see further rise in its prices with increased festival demand and purchasing at plant level.

Plant deliveries of soyabean were quoted Rs 50-60 higher at Rs 2,200-2,215 a

quintal.

Bullish trend was also seen in soyameal or de-oiled cake with the price at Kandla quoting Rs 300 up at Rs 18,800.

According to traders, after Dasara, arrival of soyabean in State mandis should have gone beyond 5 lakh bags a day but due to mavtha (winter rains) in the State, arrival of soybean in the State mandis has got affected with farmers getting busy in sowing of upcoming crops. Arrival of soyabean in Indore on Thursday was recorded at 8,000 bags.

Production of soybean in the State this year is expected to be around 61 lakh tonnes (from 55 lakh tonnes last year) but traders fear a little decline in estimated production because of some damage to soybean crops where were reported to be afflicted by Kapadia and Mozla diseases.

Rise in soya prices has also been attributed to stockists engaged in building inventories. On the other hand, soya oil prices also continued to maintain a bullish trend on strong global cues and perked up festival demand.

In the spot, soya solvent prices quoted Rs 8 higher at Rs 465-468 for 10 kg. Similarly, soya refined prices quoted about Rs 8 to Rs 10 higher at Rs 495-500. In the futures soya solvent prices were Rs 3 up at Rs 438.50 for 10 kg and soya refined quoted Rs 6 up at Rs 534. At the National Board of Trade, soya oil prices opened at Rs 530.60 and closed at Rs 532.90.

Traders do not expect sluggishness in soy oil prices in near future, given the decline in production of soy oil at global level and increase in its consumption. Consumption of soya oil in the country is expected to go up to 26-27 lakh tonnes from 23 lakh tonnes presently. With rise in consumption, imports of oil may go up to 92 lakh tonnes, oil experts told Business Line.

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[Back](#) **Edible oils rebound on global cues**



Our Correspondent

Mumbai, Oct. 21

Imported edible oil prices increased sharply on the edible oils market, taking cues from overseas markets on Thursday.

In foreign markets, palm oil, soya oil and cotton prices moved up on bullish activities. In line with that, local prices for palmolein and soya oil increased Rs 8 and cotton oil by Rs 5 for 10 kg.

Other oils such as groundnut, sunflower and rapeseed were steady.

Overall, the volume in the market was very thin. Some trade took place for near future delivery. The undertone was firm.

In Gujarat, after declining for four days with a hefty loss of Rs 185 for 10 kg, groundnut oil bounced back with a gain of Rs 15.

A Mumbai-based wholesaler said in the spot market, refineries increased their rates sharply for palmolein and soya oil, but stockists stayed on the sidelines and

were more interested in fulfilling old buying.

Ruchi sold nearly 200/250 tonnes of palmolein for 20/30 November validity at higher rates. In spot 100/150 tonnes palmolein resale was done in the range of Rs 476–480. Liberty quoted palmolein at Rs 481/483, Ruchi Rs 477 and Allana at Rs 482. Bursa Malaysia crude palm oil futures closed at MYR 2995 (2990) for November contracts. Indore NBOT soya oil November futures were at Rs 528.40 (Rs 526.50).

Mumbai commodity exchange spot rate (Rs/10kg): Groundnut oil 780 (780), soya refined oil 500 (492), Sunflower expeller refined 575 (575), Sunflower refined 625 (630), Rapeseed refined oil 575 (575), Rapeseed expeller refined 545 (545), Cotton refined oil 505 (500) and palmolein 480 (472).

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Back Strike threat keeps sugar steady



Mumbai, Oct 21

Spot sugar prices on Vashi wholesale market continued to rule steady with a firm undertone for the fourth consecutive day. On Thursday, retailers rushed to cover their sugar needs following the threat of Mathadi Kamgar's strike from Monday. But higher supply from mills kept arrested the price movement. The outlook was positive on hopes of higher demand for Diwali. Arrivals increased but against

sharp increase in lifting, it remained lower. Mills quoted higher rates. In spot market, rates for S-grade were down by Rs 5 and M-grade variety ruled steady.

Naka and tender rates saw mixed trend. Mill tender rates were steady as most of the tenders were open. On the other hand, in Maharashtra, new season's production has started. On Wednesday evening, mills managed to sell approximately 30,000-35,000 bags with S-grade quoting at Rs 2,590-2,620 and M-grade at Rs 2,635-2,660. Most of the tenders were open as stockists/traders were more interested in taking the deliveries of pending /outstanding orders, not in fresh buying.

Due to threat of strike, transportation charges at mill/producing level also went up by Rs 4-5 a bag. On Thursday, total arrivals were 65-70 truck loads (each of 10 tonnes) and lifting was about 75-80 truck loads. According to the Sugar Merchants Association, spot rate S grade was Rs 2,700-2,731 (Rs 2,709-2,736) and M grade Rs 2,730-2,801 (Rs 2,730-2,811). Naka delivery rates were S grade Rs 2,660-2,700 (Rs 2,660-2,690) and M grade was Rs 2,700-2,750 (Rs 2,715-2,760).

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Back Consumption picks up, eggs rule flat



Gayathri GChennai, Oct. 21

Wholesale egg prices continued to remain flat this week, with the Namakkal-

based National Egg Coordination Committee's zonal committee retaining the same Rs 2.50-a-piece-level, at its meeting held on Thursday.

Consumption in Tamil Nadu and other States such as Maharashtra, Karnataka and Andhra Pradesh has started to pick up slowly, with the austere festivities coming to an end. However, again during Diwali, the rise in consumption may take a beating, fear poultry industry sources.

With this lull, layer farmers are a worried lot. NECC has maintained the rates for layer birds at the Rs 42/kg (Rs 44) price band for the past six days. The Palladam-based Broiler Coordination Committee has fixed the prices of live chicken at Rs 51/kg throughout this week from last week's Rs 53.

Besides the consumption factor, stabilising soyameal prices across markets also keeps egg prices on leash. Prices of soyameal – a key ingredient in poultry feed – ruled at Rs 18,200-18,300 a tonne (Rs 18,600-18,800). On the export front too, things are not rosy . Namakkal exported around 1,053.27 lakh eggs in September last year, while this year it is down at 609.29 lakh eggs.

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Back Private parties urged to tap opportunities in farm sector

Hyderabad, Oct. 21

The Union Minister of State for Agriculture, Prof K.V. Thomas, today agreed to convene a meeting of various stakeholders in the agriculture sector to discuss issues and concerns relating to procurement and creating additional storage space for food grains.

He called upon the private sector to take up investment opportunities in the agriculture and allied sectors.

Speaking at the CII Southern Regional Council meeting here today, Prof. Thomas

said the Government has always been open to new suggestions so as to create a conducive investment regime. Any suggestion meriting attention would be looked into positively to further improve the investment climate.

He said the good monsoon had boosted farm productivity but was causing sleepless nights as there is no space to store food grains in the godowns. "Therefore, due to record procurement, we are facing a shortage of storage capacity." The scheme for the reconstruction of godowns for FCI by private entrepreneurs has been made more attractive. "I expect our industry to seize the opportunity and contribute towards the creation of storage infrastructure," he said. The requirements of agriculture and the allied sector were huge and industry's contribution could make a difference.

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Back Diwali likely to light up jeera

Rajkot, Oct. 21

Jeera price increased as local demand shot up and arrivals were limited.

Market analysts said that the price will see a rising trend till Diwali festivities are over.

On the National Commodity and Derivatives Exchange, jeera for delivery in November traded with a minor rise of Rs 2 to Rs 12,875 a quintal, with an open interest of 12,483 lots. Jeera December futures dropped Re 1 to Rs 13,077, with an open interest of 11,646 lots.

Arrivals were poor with 1,500 bags coming in at Unja and 200-250 bags at Rajkot.

Mr Ajay Kumar Kedia of Kedia Commodity, Mumbai, said: "Festival demand is keeping the price firm now. Local demand exists but arrivals are not enough. Till

Diwali, jeera price will increase. After that it will come down.”

The price may go up to Rs 13,400-13,500 a quintal before Diwali, he said.

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Back Coconut biodiversity meet to set priorities

Our Bureau

Mangalore, Oct. 21

The Central Plantation Crops Research Institute (CPCRI), Indian Society for Plantation Crops, and Bioversity International will jointly organise a conference on ‘Coconut Biodiversity for Prosperity’ at Kasaragod in Kerala during October 25-28.

A press release said here that the endeavour of the conference is to bring together all leading coconut researchers around the world on biodiversity, encompassing a wide array of subjects like genetic resources conservation, molecular biology, breeding, advances in physiology and biochemistry, pest and diseases, pre- and post-harvest processing, technology transfer and global market research.

The deliberations would help in formulating the research programmes and priorities for coconut in the emerging the global scenario.

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