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NAC recommendations on Food Security Bill

The story, 'NAC consensus on food security,' in The Hindu of 24 October 2010 erroneously stated that the National Advisory Council recommendations on the proposed Food Security Bill envisage 35 kg of foodgrains at subsidised prices for 75 per cent of the population and 20 kg for the remaining 25 per cent of the population.

In fact, the NAC recommendation is that the new law should provide a legal entitlement to subsidised foodgrains for at least 75 per cent of the population, which translates into 90 per cent of the country's rural population and 50 per cent of the urban population.

This 75 per cent of the population is, in turn, divided into "priority households" — who should have a monthly entitlement of 35 kg at a subsidised price of Re. 1 a kg for millets, Rs. 2 a kg for wheat and Rs. 3 a kg for rice — and "general households" who should have a monthly entitlement of 20 kg "at a price not exceeding 50 per cent of the current Minimum Support Price" for the three grains.

The NAC proposes that 46 per cent of the rural population and 28 per cent of the urban population would be classified as priority households. And that 44 per cent of the rural and 22 per cent of the urban population would be classified as general households. The criteria for categorising households as 'priority' or 'general' should be specified by the government of India.

What this means is that those entitled to 35 kg of grain in the price range of Rs 1-3 will form approximately 40 per cent of the total population, while those entitled to 20 kg will form approximately 35 per cent of the population. The NAC proposal also allows for the provision of subsidised foodgrains to be extended beyond the poorest 75 per cent of the population.

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Farmers take to streets over release of water

Staff Reporter

Seek implementation of Cauvery Water Disputes Tribunal award

Photo: B_Velankanni Raj



digging in their heels:Members of the Tamizhaga Vivasayigal Sangam in staging a road roko on Sikkal Main Road, Nagapattinam on Sunday.

NAGAPATTINAM: The Tamizhaga Vivasayigal Sangam staged road rokos here, across the district, demanding release of water for irrigation and the implementation of the Cauvery Water Disputes Tribunal's award, on Sunday.

Scarcity of water at the tail end has had an adverse affect on Samba cultivation here and the solution was to pressurise Karnataka to adhere to the Cauvery Water Disputes Tribunal award.

The protesters of the Tamizhaga Vivasayigal Sangam affiliated to the Communist Party of India (Marxist) came down heavily on the Tamil Nadu government for “not making any progress on ensuring the final award of the Tribunal was complied with.”

They also demanded that the State government move the Supreme Court for the implementation of the final award. The laxity on seeking implementation of the award has had a greater impact on the tail end of the Cauvery delta that was already subject to the fury and unpredictability of nature in the form of cyclones.

Timely release of water alone would save the region's agriculture, the protesters said. Road blockades were organised at Paalikotagam, Melapidagai, Sikkal, Keezhvelur, Ayapaadi and Kothankudi in Thalainayar block. V.Subramanian, District Secretary, Tamil Nadu Vivasayigal Sangam, led the road roko here in Sikkal.

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College students win TEDA award for solar-powered pump set

Staff Reporter

'The unit is cheaper compared to conventional pumping units'

— Photo: Special Arrangement



Good work: Students and faculty of Kathir College of Engineering, near Coimbatore,

with E.S. Kathir (fifth left), Correspondent, and Lavanya Kathir (sixth left), Secretary, after winning the Tamil Nadu Energy Development Agency certificate for best project.

COIMBATORE: Kathir College of Engineering students R. Ganesh Murthy, D. Manoj Kumar, E. Pradeep, P. Karupusamy, H. Guru Prasad, M. Hemalatha, G. Monika and N. Sabarinath recently won a Tamil Nadu Energy Development Agency (TEDA) award.

A solar-powered pump with communication facility for pumping water for agriculture fetched them the award at the function organised on Rajiv Gandhi Renewable Energy Day.

The low-cost unit runs on solar power, drawn from photovoltaic cells arranged in an array. The students' project report says the array powers a direct-current motor, which is attached to a pumping unit.

“The use of a submersible pump is best suited for the arrangement, as it eliminates the suction pipe and foot valve, resulting in greater efficiency of the pumping unit,” the report says.

The unit is cheaper compared to conventional pumping units and works even in the absence of electricity. It is also cheaper compared to diesel pumps in the long run.

The other advantage of the solar-powered pump, the report says, is that when the weather is hot and sunny, more water is pumped, as the photovoltaic cells draw more energy.

The pumped water is stored in tank for use during cloudy days. And, here again, the students made an innovation.

They have fit the tank with a GSM network module, which alerts through SMS the person concerned on water level. The module, based on the set up, also automatically switches on and off the motor.

The report says the advantages of the solar-powered pump with communication facility include no fuel, maintenance cost, cultivation of additional crop, minimal use of water and labour.

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Chilli price to be between Rs. 3,500 – 3,700 a quintal: TNAU

Staff Reporter

COIMBATORE: The Domestic and Export Market Intelligence Cell of the Tamil Nadu Agricultural University has predicted that the price of red chill from February to March 2011 is likely to be between Rs. 3,500 and Rs. 3,700 a quintal.

A release from the university said the cell was making the prediction after analysing the monthly data of samba chilli prices that prevailed in the last 13 months in the Virudhunagar market.

It has asked farmers to keep in mind the aforementioned price while taking up chilli cultivation during the North-East monsoon period.

At present, the price in the Virudhunagar market was between Rs. 3,000 and Rs. 3,500 a quintal for non A/C and Rs. 4,000 and Rs. 4,500 a quintal for A/C crop.

The release also said that due to increased cold storage capacity in Andhra Pradesh, carryover stocks were more this year.

Compared to .8 lakh tonnes last year, this year's stocks were around 5.5 lakh tonnes.

And, in Karnataka many farmers were expected to shift the area from chilli to maize and cotton, the major competing crops in that region. Hence, the production and in turn the market arrivals of chilli in Karnataka was expected to be less during the season.

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Plan to establish 70 agro-service centres

Staff Reporter

Farm equipment worth Rs. 42.86 lakh given



For farmers' benefit:I. Periyasamy, Minister for Revenue, driving a tractor during the inauguration of agro-service centres in Dindigul on Sunday.

DINDIGUL: The Department of Cooperatives has plans to establish 70 agro-service centres in the district with the help of primary agriculture cooperative banks in order to hire farm equipment and implements at nominal rates, said I. Periasamy, Minister for Revenue.

He inaugurated new agro-service centres and distributed tractors and farm equipment to these centres at a function held here on Sunday.

He said that such a measure would scale down the capital investment of farmers. Moreover, mechanisation would help farmers to overcome shortage of agricultural labourers. He pointed out that modern agricultural practices and advanced machineries would improve productivity.

The cooperatives has plans to buy power tillers, transplanting machines and tractor drawn rotavators, trailers, cage wheel, weed remover. Farm equipment worth Rs. 42.86 lakh were given to these centres.

Earlier, the Minister drove a tractor and checked its condition and inaugurated agro-service centres at Kunnuvarankottai, A. Vellode, Porulur, V. Mettupatti and Thoppampatti villages. These centres would function on the campus of primary agricultural cooperative banks. The Department of Cooperatives has also set up its cooperative pharmacy in Dindigul to supply quality medicines at affordable prices.

Inaugurating the pharmacy at Amudham Cooperative Supermarket building, the Minister said that four more pharmacies would be opened in the district shortly. The pharmacy would offer 15 per cent discount on retail price. All essential medicines and life-saving drugs would be available. District Revenue Officer K. Pechiammal and Joint Registrar of Cooperatives R. Vilvasekaran presided.

The errors in the original story are regretted.

hindustantimes



Reuters

Gyeongju, October 24, 2010

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Inflation may have hit plateau: Pranab

Headline inflation, which was at 8.62 per cent in September, may have reached a plateau, Finance Minister Pranab Mukherjee said.

High food prices, which have helped keep broader inflation well above the central bank's comfort zone of around 5 to 6 per cent, are the result of both supply and demand factors that reflect changing consumption patterns, Mukherjee said.

The Reserve Bank of India, which expects headline WPI inflation to ease to 6 per cent by the end of March, has raised policy rates five times this year to rein in inflation and is widely expected to raise rates by a further 25 basis points on Nov 2.

"The direction of the inflation rate movement is consistent with the Reserve Bank's projection made in the July review, though the magnitude could be slightly different. Inflation rates seem to have reached a plateau," Mukherjee said in a written response to questions from Reuters emailed late on Saturday.

Wholesale price index (WPI) inflation was in double-digits for six months through July.

Mukherjee said food inflation, which has been stubbornly high and came in at more than 15 per cent in early October on an annualised basis, is both a demand and supply issue.

"High food inflation reflects both demand and supply factors. Demand factors ... reflect changing consumption patterns," said Mukherjee, who was in South Korea for the Group of 20 meeting of finance ministers.

Rising incomes fuelled by an economy on track to grow at 8.5 per cent this fiscal year have led Indians to consume more food.

IMF reforms

Mukherjee welcomed a G20 deal on International Monetary Fund reforms that underlines the growing clout of developing economies by giving them a bigger voice.

"Our complaint was that the quota share should reflect ground reality and economic strengths currently. Otherwise it would have eroded the credibility of the institution. That has now been corrected," Mukherjee said.

Finance minister also said further quantitative easing by advanced economies would cause problems, and Indian policymakers will respond depending on the extent of the easing.

Emerging economies including India are seeing an influx of fund flows from the developing world as investors seek higher returns, pushing up asset prices and putting upward pressure on currencies including the rupee.

The US Fed is expected to embark on another round of asset purchases, which would inject more liquidity into markets.

Mukherjee reiterated the central bank's stated position that India will intervene only if capital flows are "lumpy" and "volatile".

Global regulators are still working on a framework for identifying systemically important financial institutions but Mukherjee said Indian banks may be asked to maintain additional capital and liquidity levels once proposals are finalised at the G20 level.

<http://www.hindustantimes.com/StoryPage/Print/617306.aspx>

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New facility to boost weather forecast

CHENNAI: A new satellite meteorological facility has been installed in Chennai meteorological observatory which is expected to improve forecasting capability of the Met department and produce high quality research output in atmospheric dynamics by using weather data from polar orbiting satellites.

The new facility that has been installed has a very high imaging capability of atmospheric cloud and weather systems at a resolution of 1 km both in day and night. Three such data receiving and processing systems have been ordered. The first one was installed in New Delhi during September 2010, the second in Chennai and the third will come up at Guwahati next month. The total cost of all three facilities put together is approximately around Rs 6 crore, according to department officials.

While the geo-stationary satellites such as INSAT series and Kalpana have imaging capability of atmospheric cloud and weather systems at a resolution of 2 km in day and 8 km in night, the polar orbiting satellites have a very high resolution of 1 km in both day and night," said Suresh, Director in Charge of Aerodrome Met office speaking to Express. "Thus the cloud and weather system development on a local scale can be clearly identified and monitored which augment the forecasting capacity of the meteorologists," he said.

Apart from having very high resolution imageries, the polar orbiting satellites have added advantages. The Met department using the facility can obtain vital atmospheric data through sounding principles from oceanic, data sparse and inaccessible areas.

Business Standard

Monday, Oct 25, 2010

Groundnut oil price eases on fresh arrival

Vimukt Dave / Mumbai/ Rajkot October 25, 2010, 0:26 IST

After having ruled firm in past couple of months, groundnut oil prices have started easing with new groundnut crop hitting markets. Groundnut prices in Rajkot have fallen by around Rs 225-230 per tin of 15 kg within a week. Industry players expect prices to come down further as surge in arrivals will put pressure on prices.

Gujarat, one of the main groundnut growing states in the country, is currently witnessing a daily arrival of 1.35 lakh bags (one bag weighing 50 kg). Groundnut prices in Rajkot declined by Rs 225-230 per tin to Rs 1,250 to 1,255 per tin on Saturday, which were ruling firm at Rs 1,470-1,475 per tin a week ago. On October 18, groundnut prices saw a sharp fall of Rs 90 per tin in a single day.

Around 70 per cent oil mills in Gujarat's Saurashtra region, a hub of groundnut oil producing in India, have started crushing new crop for oil production.

"Apart of increased arrival of groundnut, poor demand is also one of the factors responsible for reduction in groundnut oil prices," said Samir Shah, MD, Rajmoti Oil Industry.

"Groundnut production picture in India looks rosy this year," said Suresh Kaneria, Kaneria Oil Industry.

As per the survey conducted by The Solvent Extractors Association (SEA) of India, Gujarat is likely to witness groundnut yield of nearly 1,120 kg per hectare, which shows a jump of 35 percent over 830 kg per hectare last year. On the back of higher yield,

SEA estimates groundnut production in Gujarat to increase by 5 lakh tones to 18.70 lakh tones in 2010-11.

'Sugarcane crushing in UP to start after Nov 15'

Press Trust Of India / New Delhi October 25, 2010, 0:11 IST

Sugar mills in Uttar Pradesh are unlikely to start cane crushing before November 15 due to dispute over price that factories will pay to farmers, a growers' body said today.

"Mills are expected to start only after November 15 as there have been no understanding so far with mill owners on sugarcane price," said Awadesh Mishra, the President of Chairman's Association of cane societies in Uttar Pradesh, the country's second largest sugar producing state.

The association is seeking Rs 320 per quintal for their cane, while mills are offering only Rs 170-180, he said, adding that growers' would not supply cane to mills below Rs 280 per quintal.

Besides, Mishra said, the state government is yet to announce the state advisory price (SAP) for 2010-11 sugar year that started this month.

The Centre has announced Fair and Remunerative Price (FRP) of sugarcane for 2010-11 at nearly Rs 140 per quintal. FRP is the minimum price that mills have to pay to farmers for procuring their produce. SAP is higher than the central price.

In 2009-10, the state government fixed SAP at Rs 165-170 per quintal, but mills paid much higher due to shortage of cane and huge protest by farmers in November last year.

Farmers got an average price of Rs 280 a quintal last year, but few mills paid up to Rs 320, Mishra said.

Indian Sugar Mills Association (ISMA) Deputy Director General M N Rao had said last week that crushing in Uttar Pradesh is likely to begin in the first week of November because of late rains.

Earlier, he had said that it would not be feasible for the mills to pay last year's price as sugar prices have fallen by 40 per cent since January this year.

Sugar is currently being sold at Rs 30 a kg in retail market of the national capital, a sharp drop from Rs 48 in mid-January.

According to ISMA estimates, Uttar Pradesh would produce around 7 million tonnes of the sweetener in the current sugar year ending September, 2011 against about 5 million tonnes in the previous year.

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Back Centre may open sugar export window for extra 10 lakh tonnes

Stiff terms likely for consignments beyond re-export obligations.

The Centre wants to ensure a "positive sentiment," enabling mills to pay remunerative cane prices to farmers.



Harish Damodaran

New Delhi, Oct 24

The Centre may permit sugar exports of 10 lakh tonnes beyond the re-export obligations of advance licence holders after Diwali.

The export of this additional quantity may, however, be subject to strict conditions, including stipulation of a two-month-period for undertaking the shipments and furnishing of a bank guarantee for 10 per cent of the free-on-board (f.o.b) value.

If a mill does not export within two months of receiving the release order, the guarantee would get automatically encashed. “The idea is to allow only genuine exporters. So, if the 10 lakh tonnes (lt) quota is allocated on a first-come-first-served basis, the encashable bank guarantee requirement will deter fly-by-night operators,” highly placed sources told Business Line.

According to them, the Centre is right now “not very keen” to open the export window. At the same time, it wants to ensure a “positive sentiment,” enabling mills to pay remunerative cane prices to farmers. Therefore, it may allow some additional exports after Diwali, when crushing operations would gain momentum and, by which time, the peak festival consumption season, too, is over.

Export clearance

The Centre has, so far, granted export clearance for about 6 lakh tonnes (lt) of

sugar, since having banned shipments last year. This covers re-export of 2.45 lt of raw sugar and 1.78 lt of whites that were earlier imported and lying in ports; 1.4 lt against advance licences (AL); and exports under bilateral arrangements to Nepal (16,000 tonnes), European Union (10,000 tonnes) and Maldives (7,000 tonnes).

The 2.45 lt re-export permissions for raws include 2.1 lt to Bajaj Hindusthan and 20,000 tonnes to Balrampur Chini, while Renuka Sugars (92,000 tonnes), Emmsons International (34,500 tonnes), EID Parry (25,000 tonnes) and Rika Global Impex (9,400 tonnes) are among those to have been similarly allowed in respect of the 1.78 lt whites.

As far as the release orders for 1.4 lt re-exports against ALs go, the ones that have got it are mainly Thiru Arooran/Ambika Sugars (49,500 tonnes), Dharani Sugars (16,000 tonnes) and Sakthi Sugars (4,100 tonnes). In all, there are an estimated 11 lt of pending re-export obligations under the AL scheme, of which 8 lt are against raws imported between September 2004 and April 2008 and the balance against imports during February-September 2009.

Exports profitable

Currently, exports are profitable for Indian mills. With global prices above \$700 or Rs 31,000 a tonne f.o.b, the ex-factory realisations on exports would range from Rs 28,500-29,500, depending on the distance from the coast. As against this, domestic realisations are only Rs 25,000-26,000 a tonne.

The Centre estimates domestic sugar output during the 2010-11 season (October-September) at 245 lt, including 95 lt from Maharashtra, 64 lt from Uttar Pradesh, 32 lt from Karnataka, 15 lt from Tamil Nadu, 14.5 lt from Gujarat and 10 lt from Andhra Pradesh. The industry's figure is higher at 255 lt. If the Centre's estimate is taken along with opening stocks of 48 lt, the total availability would be 293 lt, against a likely domestic consumption of 230 lt. Assuming exports of 20 lt (10 lt against ALs and 10 lt additional), it would leave closing stocks of roughly 43 lt, which is just

about comfortable.

“Ideally, they should wait till around March, when a clear picture of production emerges, before taking a call on exports outside of AL. But, if farmers don't get a good cane price, which is a function of what mills would be realising in November-December, a delay can prove costly and lead to lower plantings next year,” the sources pointed out.

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Back Coonoor tea prices ease on low demand

P. S. Sundar

Coonoor, Oct. 24

Prices declined by Rs 3 a kg at Sale No: 42 of the Coonoor Tea Trade Association auctions, as the demand was inadequate to absorb teas at high prices in the first auctions after the 'Tea and Tourism' festival (Oct 15-18) conducted by Tamil Nadu Government and Tea Board.

Teas worth Rs 1.37 crore remained unsold, as 18 per cent of the 11.95 lakh kg on offer had to be withdrawn for want of buyers.

In the CTC market, Homedale Teas, auctioned by Global Tea Brokers, topped at Rs 132 a kg. “Our Red Dust (RD) topped dust market at Rs 132, while Broken Pekoe topped leaf market at Rs 131.5 a kg. In all, our eight marks got Rs 107 and more,” Homedale Managing Partner, Mr Prashant Menon, told Business Line.

Vigneshwar Estate got Rs 130, Darmona Estate Rs 127, Deepika Supreme Rs 123, Hittakkal Estate Rs 121, and Kannavarai Estate Rs 120. In all, 63 marks

fetches Rs 100 and more.

Orthodox teas

Among orthodox teas from corporate sector, Curzon got Rs 179, Prammas Rs 165, Havukal Rs 157, Kairbetta Rs 156, Highfield Estate, Chamraj Rs 147, and Coonoor Tea Rs 146. In all, 41 marks got Rs 100 and more.

“Orthodox leaf market lost Rs 2-5 a kg. High-priced CTC leaf eased Rs 2-3, while others managed to gain up to Rs 3. Primary orthodox dust sold Rs 10-15 lower. CTC dusts eased Rs 2-4,” an auctioneer said.

Quotations held by brokers indicated bids ranging Rs 38-42 a kg for plain leaf grades and Rs 80-118 for brighter liquoring sorts. They ranged Rs 45-52 for plain dusts and Rs 90-120 for brighter liquoring dusts.

On the export front, Pakistan bought selectively for Rs 41-59 a kg and the CIS, Rs 40-80.

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Back **Assocham's food safety meet**

Hubli, Oct. 24

Assocham's southern region chapter, Bangalore, and the Quality Council of India (QCI), as part of sensitisation programmes for the food industry, held a one-day 'Awareness Programme on Food Safety and Quality' at Hubli. About 40 business people from Hubli-Dharwad took part. Ms Shobha Hegde, Advisor, QCI, and consultant Mr T. Appaji Rao, spoke on the domestic food laws. Mr Prahlad Joshi, Member of Parliament, speaking on the occasion, said availability of safe food to consumers was of paramount importance, and business people had the primary

responsibility of ensuring the same.

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Back Coffee council study says importers quick in passing on price hike to retailers

Downward adjustments much slower when prices are low.



Anil Urs

Hubli, Oct. 24

As world coffee prices hit new highs, the hike appears to be passed on immediately at the retail level in importing countries. This relation is much stronger when price levels are high. But during periods of low prices, downward adjustments is much slower, reveals a study by the International Coffee Council (ICC).

The ICC conducted a study 'Comparative analysis of retail prices of coffee in importing countries' in 10 importing countries in September.

The study revealed that during the periods of rising world prices, rapid upward readjustments of retail prices occurred in some importing countries. During periods

of low prices, as was the case in the period from 1999 to 2004, downward adjustments were much slower. The situation is completely different in the case of Japan where retail prices show little relation to world price changes.

Coffee roasting is an important component of the food and drinks processing industry in many importing countries. Retail prices vary from place to place and exert an important influence in the development of coffee consumption.

The methodology adopted by ICC is through an observation of average annual retail prices during the period 1975 to 2009. The criterion for the selection of importing countries is based on an average annual import volume of at least 1.5 million bags.

10 importing countries

Ten importing countries' average imports (in 60 kg bags) are as follows: Belgium (2,707 bags), France (6,113), Germany (12,990), Italy (5,316), Japan (5,217), Netherlands (2,859), Spain (3,008), Sweden (1,634), UK(2,934) and US (20,753).

These importing countries hold the dominant share of the world's coffee processing industry and account for nearly 71 per cent of total coffee imports by all importing countries. More specifically, their share of world imports was nearly 69 per cent during the period 1990 to 2009 compared to 76 per cent between 1975 and 1989.

Indian exports substantial amounts of coffees to five of the ten coffee importing countries which were part of the ICC study. During this calendar year (as on October 12), exports to Italy stood at 64,453.1 tonnes, Belgium 12,216.1 tonnes, Germany 21,973.9 tonnes, Spain 7,433.6 tonnes and US 5,737.5 tonnes.

Green coffee

With regard to relations between prices of green coffee and retail coffee prices, study for the entire period (1975 to 2009) relatively strong coefficients were

recorded only in the case of France, Germany and, to a lesser extent, Sweden, showing a positive correlation between the ICO composite indicator price and retail prices in these three countries. When the broader period is divided into two distinct periods, however, a number of countries show high correlation coefficients.

During the first period, from 1975 to 1989, high positive correlations were recorded in six countries, namely Belgium, France, Germany, Netherlands, Sweden and the US. Japan was the only country that showed a (weak) negative correlation.

The second period (1990 to 2009), which is characterised by the absence of any intervention mechanisms in the coffee market, showed positive correlations between the ICO composite indicator price and retail prices in all importing countries. Japan and Italy, however, showed lower correlations (below 0.5) between retail prices and international prices.

Retail prices (in \$)

As for comparative analysis of changes in retail prices expressed in US currency is concerned for the period 1975 to 2009, retail prices were highest in Japan and Italy while the lowest average was recorded in the US. Retail price data for the UK are not directly comparable with those in other countries since they relate to soluble coffee. During the regulated market period the highest retail prices were recorded in Japan, Italy and Germany. This was also the case during the free market period (1990 to 2009). On the other hand, comparison between retail price changes during the recent period of relatively high world prices (2005 to 2009) and variations in the preceding period when world price levels were very low (1999 to 2004) shows that retail price increased in all the importing countries except Japan, where the retail price fell by 24.7 per cent. Japan, Italy, Germany, Belgium and the Netherlands recorded the highest retail prices while prices in the US remained relatively low.

Japan: a unique market

Comparative study of retail prices among the coffee importing countries, reveal that there appears to be some convergence between other countries. But Japan is a singular case here the retail prices show no significant link with prices like in other countries, said the study.

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Back Pepper may gain on supply crunch

G.K. Nair

Kochi, Oct 24

Pepper market during the weekend was bullish on strong buying support due to increasing demand from domestic market and some from exporters. All the contracts increased substantially during the week.

As the reality of a tight availability position of physical pepper in the market started surfacing after buyers had taken delivery of around 1,300 tonnes of October contract, the weekend witnessed the bear operators changing their colour to bulls. An estimated 1,400 tonnes of pepper is expected to be taken delivery of on Dec 5 because of the squeeze in availability of physical pepper.

Following this the stock position in the exchange platform would become further thin.

Coverage by international companies with multi-origin operations last week is a clear indication of the shortage of material at low prices elsewhere.

They were said to be shipping out the pepper bought from the exchange platform to their processing facilities in Vietnam where the processing cost is comparatively much less.

Rising demand

Those having export commitments for the Christmas and New Year were also covering actively. Overseas buyers were asking for prompt shipments, market sources said.

At the same time the domestic demand has started rising on account of Diwali and the winter.

Crushers were also actively buying as winter season is the suitable time for grinding.

Similarly, overseas demand for the Christmas, winter and the New Year is also expected to come. Overseas market needs the material by November-end/early December.

The upward trend in the prices of other origins where the material is available indicates that there is a shrinkage in availability of pepper in these origins.

World demand per month is around 25,000 tonnes and the availability is believed to be below the potential demand in the coming weeks, they said.

Therefore, chances are there for some demand at least from selected pockets in overseas markets to come to India for Malabar.

The selected consumers prefer Malabar over other origins even at a premium price, market sources told Business Line.

Add to this, is the emerging good demand from the huge domestic market here

which absorbs about 3,500 – 4,000 tonnes of pepper a month, the trade said.

All these factors point towards a firm market for pepper in the coming days in the domestic and overseas markets. The main source of availability in the international market in the coming weeks is Brazil where harvesting is under way and the crop there is reportedly not more than that of its previous output, it claimed.

November , December and January contracts on NCDEX increased sharply by Rs 1,056, Rs 1,069 and Rs 1,067 respectively to close at Rs 19,689, Rs 19,981 and Rs 20,184 for 100 kg respectively.

Total turn over increased by 4,006 tonnes during the week to 64,463 tonnes and total open interest dropped by 1,716 tonnes to 12,673 tonnes.

Spot prices on tight availability and good demand increased by Rs 700 to close at Rs 19,300 (MG 1) and Rs 18,800 (un-garbled) a quintal at the weekend.

According to the International Pepper Community (IPC) report for the week there was an upward price movement in India, Indonesia and Vietnam. In India, the market was more active and prices increased by around 1-2 per cent, both in spot, f.o.b and in futures market.

In Lampung, local market was more active. Price increased from IDR 28,500 a kg last week to IDR 30,000 a kg this week, recording an increase of 5 per cent. Fob prices of Lampung black increased by 3 per cent.

In Vietnam, local price increased by VND 1,000 a kg on 20 October 2010 from VND 72,500 to VND 73,500. On average the price increased marginally by 1 per cent. There was no change reported however in the case of fob price.

In Brazil, local prices was stable, while fob increased by 1 per cent. Pepper prices remained stable in Sarawak and Sri Lanka.

WHITE PEPPER: The market for white pepper showed an improvement during the week. In Bangka pries increased by 3 per cent locally and 2 per cent fob. Sharp increase of 11 per cent was recorded for Vietnam white pepper from VND 99,000 a kg to VND 110,000. In the case of f.o.b however, the price remained unchanged. In Brazil, fob price of white pepper increased by 1 per cent, while in Sarawak, prices were reported stable.

In 2009, India exported 21,267 tonnes of pepper valued at Rs 332.8 crore as against 26,665 tonnes worth Rs 439.2 crore in 2008, demonstrating a decrease of around 20 per cent in volume and 24 per cent in value. During 2010, export from India is estimated to decrease further as indicated by its export performance up to August 2010. During January – August, export of pepper from India was 11,714 tonnes as against 14,019 tonnes in the same period last year, showing a decrease of 2,305 tonnes (16 per cent). It is estimated that total export of pepper in 2010 would be around 15,000 tonnes. The decreasing trend in export could be due to increased domestic consumption and declining production.

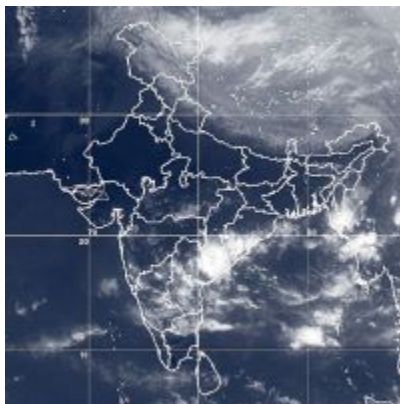
Significantly, the import of pepper has gone up, of late, and the rise in the export of value added pepper products implies that much of the country's exports are out of imported material, the growers said.

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<http://www.thehindubusinessline.com/2010/10/25/stories/2010102551071400.htm>

Back Monsoon withdrawal process to resume

Forecast until Wednesday said that fairly widespread rain, thundershowers would occur over the Northeastern States today



Vinson Kurian

Thiruvananthapuram, Oct 24

Conditions are becoming favourable for resumption of the process of withdrawal of southwest monsoon from East and Central India, Gujarat and some parts of Maharashtra.

This is being occasioned by the cross-over of the very severe cyclonic storm Giri along the Myanmar coast and its further weakening with a rapidity matching that during the phase of its intensification last week.

BAY CALM

The rugged terrain of Myanmar brought the racing storm to a hard bump, sending it to smithereens over the backyard.

The Bay of Bengal has since calmed down, and an India Meteorological Department (IMD) update on Sunday suggested that the monsoon withdrawal line would start gradually covering parts of peninsular India as well.

This would simultaneously set the stage for the northeast monsoon, as the line that separates a withdrawing southwest monsoon and a debuting northeast monsoon is increasingly becoming blurred.

It is likely that the northeast monsoon would 'jump the gun,' not allowing the predecessor to withdraw completely from the mainland.

CYCLONIC WHIRL

In this manner, the onset of northeast monsoon would be taken as the signal to declare the predecessor 'off' for the season, say monsoon watchers.

In any case, and according to IMD predictions, an upper air cyclonic circulation materialised over South Andhra Pradesh and adjoining North Tamil Nadu during the weekend, which has persisted on Sunday.

This may be the system to watch, as it is forecast to gradually lead to a reversal of surface wind pattern over the peninsula from southwesterly to northeasterly and easterly during the course of the week.

An extended outlook by the IMD said that fairly widespread rainfall activity would occur over South Peninsular India and the Andaman and Nicobar Islands as the week progresses.

Satellite cloud imagery on Sunday showed the presence of convective clouds over parts of South Chhattisgarh, South Orissa, Coastal Andhra Pradesh and East Bay of Bengal.

WIDESPREAD RAIN

Meanwhile, a weather update said that fairly widespread rainfall occurred over Coastal Karnataka, Andhra Pradesh and Kerala during the 24 hours ending on Sunday morning.

It was isolated over Interior Peninsular India, Coastal Orissa and the Northeastern States.

Forecast until Wednesday said that fairly widespread rain or thundershowers would

occur over the Northeastern States on Monday.

Fairly widespread rain or thundershowers would occur over North Andhra Pradesh and Andaman and Nicobar Islands during the next two days.

Scattered rain or thundershowers would occur over Orissa, Konkan, Goa, Madhya Maharashtra, Karnataka and Kerala on Monday.

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