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Increase spending on farm research, says Hamid Ansari

Staff Reporter

This is essential to raise productivity in a sustainable manner

— PHOTO: G. KARTHIKEYAN

RECOGNITION:Vice-President M. Hamid Ansari (right), giving away honorary degree certificate to A.V. Balasubramanian, an organic farming expert, at the convocation of Gandhigram Rural University at Gandhigram near Dindigul on Thursday.

DINDIGUL: The country needs to increase spending by at least one per cent of agricultural GDP on farm research to raise productivity in a sustainable manner, according to Hamid Ansari, Vice-President.

Delivering the 28th convocation address at Gandhigram Rural Institute (GRI) at Gandhigram near here on Thursday, he said agricultural research must focus on commodities that are relevant to rural poor.

Public institutions, especially State agriculture universities, must be re-energised with adequate funding and commensurate institutional reforms to incentivise research system. The private sector, with a minor role in technology generation, had been more effective in popularising Bt Cotton and hybrids of maize, rice and sunflower. The public sector technology generation had become supply-driven process without adequate regard to farmers' needs and with insufficient marketing of the technology, he said. Greater space must be created for private sector in technology generation and diffusion so that new skills, including transgenics, could be developed and released under regulatory authority system while adhering to bio-safety norms.

The policy makers, research and development institutions and academia should heed some mid-term appraisal of 11th plan to accelerate growth and revitalise agricultural research, Mr. Ansari advised.

“The potential of agriculture to bring about inclusive development and social reformation can only be achieved if public policy directs agricultural research towards poverty alleviation.”

In post-Green Revolution period, productivity growth was sustained through increase in input use that was not adjusted to availability of resources of poor and marginal farmers.

They had limited access to credit, off-farm input and water and consequently faced higher level of risk while adopting such technologies. Adequate research had not been done on dry land and rain-fed farming technologies, marginal land farming and low cost technologies. Research focus on farming system with lower level of input usage and sustainable resources utilisation would benefit the poor immensely, the Chancellor of GRI suggested.

Agricultural research and development were facing systematic institutional and financial problems in the country. While agriculture was a State subject, bulk of agri-research was carried out in Central government organisations. “We spend only 0.6 per cent of agricultural GDP on agri-research and development.”

The key to alleviate poverty is to ensure access to information and enable communication on businesses, farming practices, government policies, health and education issues and rights and obligation of citizens, he said. Organic farming expert A.V. Balasubramanian received degree of Doctor of Science (Honoris Causa) at the convocation in which 1,131 students received their degrees.

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NABARD scheme for broiler farming

Staff Reporter

By women SHGs in Kanyakumari district

Nagercoil: National Bank for Agriculture and Rural Development has decided to introduce a scheme for contract broiler farming by women self-help groups in Kanyakumari district.

Poultry farming could be a main source of family income and gainful employment to the farmers throughout the year. Among the various poultry-rearing activities, layer and broiler farming were popular, said Assistant General Manager (NABARD) R.Shankar.

Releasing the potential-linked credit plan here on Tuesday, he said that contract farming would eliminate the huge risk involved in price fluctuations associated with the inputs (chick and feed) as well as with the output (broiler).

Price insulation

Any rise in the price of the chicks, feed, etc., and any decrease in price of the finished broilers would be absorbed by the integrator and the SHGs were ensured of a steady income.

The bank will lend assistance to the tune of Rs. 2,353 crore for various sectors, including Rs.1,632 crore to agriculture and allied activities in 2011-2012. A sum of Rs. 721 crore had been proposed for other priority sectors. When compared to the current year, it has been proposed to allot Rs. 377 crore for the overall development of the district.

Wind energy

Wind assessment studies were conducted to identify places having wind speed of more than 18 kmph . Muppandal, Kattardimalai and Shenbagaramputhur were potentially wind energy-exploited areas. There were 251 windmills with a capacity of 111 MW. Muttom has been identified as a potential site for the exploitation of wind energy. Tamil Nadu Electricity Board has given permission to the promoters to set up their own sub-stations subjected to certain conditions.

Seaweed farming

Seaweed farming could also be promoted in the district. The quantity of seaweed estimated in deep waters of the State was 75,373 tonne in 1,863 sq.km from Rameswaram to Kanyakumari. About 200 SHG women have been trained in sea weed culture in Kurumpanai, Arockiyapuram and Leepuram villages. To encourage hygienic drying of fish, training has been given to them on solar drying techniques.Fresh water prawn farming has ample scope in the district where a number of fresh water bodies was available. Marine Products Export Development Authority provided subsidy to the tune of Rs. 50,000 per hectare of water spread area or 25 per cent of the capital cost restricted to a maximum of Rs. 2.5 lakh per beneficiary. They also provided subsidy for fresh water prawn hatchery to the tune of Rs 2.5 lakh and Rs 6 lakh for small scale and medium scale hatcheries having annual seed production of 10 million or 30 million, respectively. District Revenue Officer K.Kaliselvan, Regional Manager of Lead Bank G.Krishnamurthy and Project Director of Mahalir Thittam R.Sundarraju attended.

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Increase food production to meet demands: Minister

NAMAKKAL: Food production should be enhanced to meet the demand of the growing population, said Union Minister of State for Health S. Gandhi Selvan, recently.

Participating at the Mupperum Vizha in which Raja Rajan 1000 method of paddy cultivation, precision farming and distribution of agricultural inputs were conducted at Senthamangalam near here recently, the Minister said that 50 per cent of the world population was depending on rice as their main food.

Reduction

Owing to the reduction in cultivable area, the per-hectare yield had to be increased.

"The Raja Rajan 1000 method of paddy cultivation, which could boost paddy yield by two times, should be followed by all paddy-growing farmers," he stressed.

Namakkal Collector S. Madhumathi said that if the district received normal rainfall, more than 20,000 hectares would be covered under paddy crop this year.

The Raja Rajan 1000 method would cover 10,800 hectares. She added that the farmers were getting higher yield in precision farming.

Joint Director of Agriculture S. Sivaraj explained the Raja Rajan 1000 method of cultivation by Power Point presentation and video clippings. The Sendamangalam Assistant Director of Agriculture R. Varadarajan, said that the event would create greater impact among farmers.Sendamangalam MLA K. Ponnusamy appreciated the efforts taken by the agricultural department to popularise the Raja Rajan 1000 method of cultivation among farmers. More than 1,000 farmers participated in the function.Earlier, the Minister witnessed the 'Conaweeder' operation.

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Uproar in council meeting over implementation of water scheme

Oppn. members raise slogans against AIADMK administration

ERODE: Pandemonium prevailed in the Gobichettipalayam municipal council meeting held here on Thursday as the AIADMK members and Opposition councillors entered into heated arguments over the implementation of a water supply scheme.

Immediately after the beginning of the meeting, members of Dravida Munnetra Kazhagam and Congress alleged that a number of pipes, which were laid under a water supply scheme sanctioned in 2008, were damaged and huge amount of water was flowing waste at different parts of the town. They said that people were not getting adequate supply of water due to the unattended problems in the water distribution network. They also criticised the municipal administration on various issues.Annoyed, the AIADMK members argued that the administration was implementing various programmes effectively. They said that there were no major water supply issues in the town.The Opposition councillors rushed to the well of the council hall and raised slogans against the AIADMK administration. They also resorted to a dharna inside the council hall.

Council Chairperson Revathi Devi left the hall. No resolutions were passed during the meeting. The Chairperson, addressing media persons, alleged that the DMK and Congress councillors were unnecessary staging protests, preventing the proper conduct of the council meeting, for the past three months. The municipal administration had taken concerted efforts to complete the water supply works within three months time.

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Rain gives hopes of enough water for crops

Transplantation of seedlings under way

SAILING ON THE STREET:Vehicles wading through rainwater stagnating on 80 Feet

Road in KK Nagar in the city on Thursday.

MADURAI: Sharp showers in the catchment areas of Periyar and Vaigai dams on Wednesday has raised the hopes of Public Works Department (PWD) officials of succeeding in managing irrigation for the standing paddy crops in the southern districts.

Water level in both the reservoirs was on a steady decline ever since irrigation began for the Single and Double Crop areas in Dindigul, Madurai and Sivaganga districts on October 2. With the Periyar dam recording 62 mm and Tekkadi 26 mm of rainfall, the level in the dam increased marginally for the first time, despite a discharge of 925 cusecs, thanks to the 1,146 cusecs of inflow.

Gudalur, Uthampalayam and Vaigai dam recorded significant rainfall increasing the inflow to Vaigai dam to 1,075 cusecs. Almost all the rain gauge stations in the Periyar-Vaigai basin recorded moderate rainfall.

“The northeast monsoon is yet to begin. Since, the Indian Meteorological Department has predicted a normal monsoon, we expect around 500 mm to 600 mm of rainfall that could help the level in Periyar dam. If the level increases to 125 feet from the present 117.30 feet, it would help us in better planning of irrigation,” PWD Executive Engineer, Periyar-Vaigai Basin Circle, S. Vijayakumar said.

He added that northeast monsoon would be the major benefactor for the region. “So far we have received some 350 mm of rainfall through the southwest monsoon,” he said.

Stating that transplantation of seedlings was underway in the single and double crop areas of Dindigul and Madurai districts, he said uninterrupted irrigation would continue for the first 45 days. “We could implement turn system of irrigation thereafter. Otherwise, if there is sufficient rainfall in the plains, we could stop the irrigation and build up the storage in the dams and tanks,” Mr. Vijayakumar added. The system tanks in the region had water up to 40 per cent.

Besides the double and single crop areas, water should be released for the second crop of Cumbum valley, where the first crop was in the advanced stage.

Water level in the Periyar dam on Thursday stood at 117.30 feet (136 feet) with an inflow of 1,146 cusecs and a discharge of 925 cusecs. The level in the Vaigai dam was 54.20 feet (71 feet) with an inflow of 1,075 cusecs and a discharge of 1,891 cusecs. The combined Periyar credit stood at 3,509 mcft.

Rainfall

Periyar dam recorded 62 mm of rainfall followed by Vaigai dam 43, Gudalur 40.8, Uthamapalayam 33, Tekkadi 26, Manjalar dam and Marudhanadi 25 mm each, Sothuparai dam 24, Veerapandi 23, Peranai 20.6, Andipatti 11, Sattaiyar dam 9, Mettupatti 8, Shanmuganadi and Idayapatti 5 mm each, Kallandiri 4.2, Sittampati and Melur 4 mm each, Madurai 3.5 and Pulipatti 1 mm.

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Pudur farmers seek compensation

Staff Reporter

Photo: N.Rajesh

Timely:Tuticorin Collector C.N.Maheswaran distributing subsidy at the farmers' grievance

Tuticorin: The farmers of Pudur block in Tuticorin district have demanded compensation of crop loss at grievances redressal day at the Collectorate here on Thursday.

Collector C.N. Maheswaran presided over the meeting. P. Kalaisaelvan, a farmer said during January, February and March in 2008 and 2009, the farmers had paid premium towards crop insurance for chilli, maize, cumbu and other crops.

The government had announced a compensation of Rs. 12,300 per acre if premium of Rs. 525 was paid.

While, the farmers of Vilathikulam and Ottapidaram blocks were provided with compensation recently those in the Pudur block were not.

Farmer Kalaiselvan questioned the “partisan treatment” but the officials said that the block could not be covered for compensation since the loss was recorded below average level.

V. Ganapathi Raman, a farmer from Maasarpatti village, who demanded crop loans from the cooperative society, said the officials were refusing applications citing policy matters.

U. Kajamaidheen of Ettayapuram sought the attention of district administration to recruit adequate work force in the agriculture depot stationed at Ettayapuram so as to get guidance regarding farming methods and other assistance.

He said that for long time the depot was functioning with a few personnel.

Dr. Maheswaran said that a team of officials would visit the place and take stock of the situation on Monday.

Dr. Maheswaran also handed over financial assistance to the tune of Rs. 41,050 to four farmers through Horticulture Department under National Agriculture Development Programme for adopting of precision farming. Farmers of Pudukottai block including S. Rajammal, V. Selvapapa, S. Ashokraj and S. Velayutham received the benefits.

Kamaraj. Executive Engineer, PWD, Tamirabarani River Basin, Ranjith Singh, Deputy Director, Department of Agriculture, A. Dhanasingh David, Personal Assistant to Collector (Agriculture), and the officials of Horticulture were present. A total of 81 petitions were submitted by farmers. The farmers from various associations also honoured the Collector with shawls on his maiden meeting.

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Food inflation slips to 13.75 per cent

Special Correspondent

NEW DELHI: Food inflation slipped to 13.75 per cent for the week ended October 16 from 15.53 per cent in the previous week on improved supply of essentials, prompting analysts to predict a further slide in the months ahead to single digit when the kharif output hits the market.

However, despite the 1.78 percentage point fall in wholesale price index based food inflation and the continuing downtrend in prices for the second week in a row, economists expect the Reserve Bank of India to hike its key short term rates by at least 25 basis points when the monetary policy comes up for review on November 2.

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Food inflation eases to 13.75% on cheaper vegetables, pulses

New Delhi, Oct 28

Food inflation, based on the annual Wholesale Price Index, eased sharply in mid-October, even as it continues to remain high to exert pressure on the RBI to hike interest rates further.

The Food Price index increased 13.75 per cent in the week ended October 16, sharply lower that the previous week's annual rise of 15.53 per cent, mainly as vegetables continued to exert downward pressure on account of a base effect. Cereals and pulses also contributed to the downward trend. The fuel price index for the latest week surged 11.25 per cent against an annual rise of 11.14 per cent in the previous week, according to data issued by the Ministry of Commerce and Industry on Thursday.

Higher food prices have already pushed up headline monthly inflation to 8.62 per cent in September from 8.5 per cent in the previous month, as against the RBI's “comfort zone” of 5-6 per cent. The central bank is widely expected to hike its key lending rates at its next review on November 2 — the sixth such hike since March — as it looks to close in on its end-March inflation projection of 6 per cent.

According to the data, the Primary Articles group index gained 16.62 per cent during the latest reported week against 18.05 per cent during the previous week. On a sequential basis, the index declined 0.4 per cent as the index for 'Food Articles' group dipped by 0.7 per cent due to lower prices of fruits and vegetables (4 per cent) and bajra, jowar, fish-inland, masur and urad (1 per cent each). However, the prices of poultry chicken, arhar and fish-marine (4 per cent each) and barley (3 per cent) moved up.

The index for ‘Non-Food Articles' group was up 0.3 per cent due to higher prices of copra (7 per cent), raw jute (5 per cent), raw rubber (3 per cent) and raw silk (1 per cent). However, the prices of fodder (3 per cent) and cotton seed and castor seed (1 per cent each) slipped.

The fuel index rose by 0.4 per cent on a sequential basis due to higher prices of light diesel oil (6 per cent), aviation turbine fuel (3 per cent), naphtha and furnace oil (2 per cent each) and petrol (1 per cent). However, the prices of bitumen (2 per cent) dropped.

Chhattisgarh, Orissa show the way in rice purchases

Farmers benefit as most of the buying is in paddy form.

Rice procurement vs production

(in lakh tonnes)

	Procurement			Production		
	2000-01	2008-09	2009-10	2000-01	2008-09	2009-10
Andhra Pradesh	71.74	90.61	72.78	124.30	142.41	105.14
Punjab	69.64	85.53	92.75	91.57	110.00	112.36
Uttar Pradesh	11.74	36.87	27.26	116.80	130.97	107.92
Chhattisgarh	8.57	28.48	33.32	23.70	43.92	41.40
Orissa	9.18	27.90	24.95	46.17	68.13	68.95
West Bengal	4.34	16.67	12.40	124.28	150.37	148.82
Haryana	14.81	14.25	18.19	26.95	32.98	36.25
Tamil Nadu	16.95	11.99	12.16	73.66	51.83	60.24
Bihar	0.20	10.83	8.90	54.44	55.90	36.21
All India	212.81	336.84	314.78	849.77	991.82	891.2

Harish Damodaran

New Delhi, Oct. 28

Hardly ten years ago, Andhra Pradesh (AP) and Punjab accounted for two-thirds of the total procurement of rice by the Government. If Tamil Nadu and Haryana were also included, the concentration ratio rose beyond 80 per cent.

Since then, the combined share of AP and Punjab has fallen to slightly over half. More significant, out of the 10.2 million tonnes (mt) of the additional rice that Government agencies bought in 2009-10 over that in 2000-01, about 6.4 mt or 63 per cent came from Chhattisgarh, Orissa, Uttar Pradesh (UP) and West Bengal.

The accompanying table shows that between 2000-1 and 2009-10 (October-September marketing years), official rice purchases in these four States – that traditionally contributed very little to the Central pool – have doubled or even quadrupled.

The most remarkable story has been of Chhattisgarh, which has seen a surge in procurement from just 0.9 mt to over 3.3 mt. Last year, Government agencies mopped up four out of every five tonnes of rice produced in the State. And given that almost 90 per cent of purchases were in the form of paddy rather than levy rice from millers, one could assume farmers to have benefited.

In fact, Chhattisgarh is today on par with Punjab, where, too, State agencies buy a large portion of the rice output as direct paddy from farmers. This is unlike in say AP, where 90-95 per cent of procurement involves delivery of levy rice by millers, who are, in turn, supposed to (but do not always) pay farmers the official minimum support price for paddy.

Guarantee doubles output

Less successful, but still worth noting, is Orissa. Government agencies now procure roughly 40 per cent of the State's rice, and much of it directly as paddy. The effect of governmental procurement in stepping up production – by guaranteeing an assured market for farmers – is visible in both Chhattisgarh and Orissa. Chhattisgarh's rice output has virtually doubled since 2000-01, while rising by 50 per cent in Orissa.

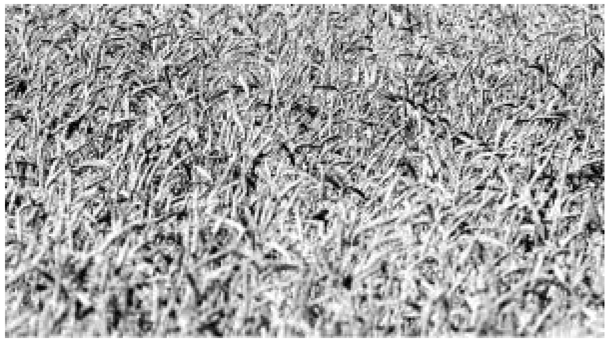
“The credit here goes to the two State Governments, which have made conscious efforts to set up purchase centres and warehouses. Earlier, the farmers had no alternate channel of marketing. Therefore, traders in Raipur and Cuttack had a field day,” noted Mr T. Nanda Kumar, former Union Agriculture and Food Secretary.

He felt that the Chhattisgarh-Orissa model could be replicated by others, especially UP, West Bengal and Bihar. Although procurement in these States has also gone up, it is insignificant in relation to their production or incentivising farmers.

In West Bengal and UP, 55-65 per cent of procurement is through the levy route, indicating the clout of the miller lobbies in these two major paddy-producing States.

“It is for the States to take the initiative in organising procurement. The Centre and Food Corporation of India can only provide liquidity by taking over the grain procured by the respective State Civil Supplies Corporations or Marketing Federations,” Mr Nanda Kumar pointed out.

Thin trading, higher arrivals pound wheat



Our Correspondent

Karnal, Oct 28

Despite steady demand, the wheat market continued to witness a downtrend with arrivals, too being steady. Prices of Dara wheat dropped marginally by Rs 10 a quintal and ruled at Rs 1,240-1,250 a quintal. The fine quality was quoted at Rs 1,260 a quintal. Only about 120 quintals of dara variety arrived in the Karnal market.

Tohfa variety ruled at Rs 2,350-2,380 a quintal; Lok-1 Rs 1,900; Kitchen queen new marka Rs 2,100; Parley-G Rs 2,160-2,175; and Nano at Rs 2,130-2,145 a quintal.

Wheat trader Mr Sewa Ram told Business Line that prices witnessed a downtrend due to thin trading. There could be an upward move after Diwali, he said.

FLOUR FLATTENED

Continued weakness in wheat prices pulled flour prices down by Rs 20 (90-kg bag) and they ruled at Rs 1,240 (90-kg bag) on Thursday against the season's highest of Rs 1,260 last weekend.

Chokar prices rose again, and touched the season's highest at around Rs 590 (49-kg bag).

Paddy Trading

Around 2.1 lakh bags of paddy varieties arrived at the Karnal grain market terminal. Pure basmati rice has also started arriving, with about 1,000 bags reaching here and quoting at Rs 2,700 a quintal.

Around 25,000 bags of PR-13 arrived and ruled between Rs 970 and Rs 1,015 a quintal.

Grade-A variety arrived in 1 lakh bags and ruled between Rs 1,060 and Rs 1,080 a quintal.

Around 25,000 bags of PR-14 were quoted at Rs 1,035-1,070 a quintal.

About 6,000 bags of Sharbati also arrived and ruled between Rs 1,360 and Rs 1,500 a quintal. Sugandha-999 arrived in about 5,000 bags and quoted at Rs 1,550-1,625 a quintal.

Only 4,000 bags of the RR-8 variety were available and they quoted at Rs 940-1,010 a quintal.

Around 20,000 bags of Pusa (duplicate basmati) arrived and quoted at Rs 2,000-2,210 a quintal. Around 25,000 bags of Pusa-1121 quoted at Rs 2,050-2,250 a quintal. The entire stock was lifted by agencies and rice millers.

Outgoing Rubber Board chief felicitated

Mr Sajen Peter

Our Correspondent

Kottayam, Oct. 28

The integrity and dedication of the government servants have a vital role in good governance in democracy, said Mr P.J. Kurian, MP, delivering the presidential address at the farewell meeting of Mr Sajen Peter, Chairman, Rubber Board, at Mammen Mappillai Hall, Kottayam, organised by the public and employees of the Board.

“Indian Administrative Service is not a mere machinery to execute the directions of the political leadership. Mr Sajen Peter was a role model quite exceptional who always upheld his honest and impartial ideas in administration,” he said.

Mr V.N. Vasavan, MLA, said in his felicitation that Mr Sajen Peter had put in his best efforts for branding of Indian natural rubber in the international market.

“He had always been interested in creating quality consciousness among the small holders through his regular and meaningful messages through Rubber magazine and Board's other publications,” he said.

Mr Jacob Thomas (Member, Rubber Board), Mr Siby Monippally (Member, Rubber Board), Dr James Jacob (Director, Rubber Research Institute of India), Mr Augustine Joseph Vellimoozhayil (President, Anthyalam Rubber Producers' Society), Mr P.N. Narayanan Nair (President, Rubber Board Pensioners' Association), Mr P. Achuthan Kutty (Rubber Board Extension Officers Union), Mr Moncy P. Kurian (Rubber Board Technical Officers Union), Mr E.P. Joy (Rubber Board Staff Union) and Mr Mohammed Shereef (Rubber Board Technical Guild), spoke in the meeting.

Rubber supply situation seen worsening in Q4

C.J. Punnathara

Kochi, Oct. 28

While the huge demand and imports by China in October has kindled firm price trends in global rubber markets, the demand-supply situation is expected to deteriorate further during the fourth quarter, the Association of Natural Rubber Producing Countries has warned.

Demand for natural rubber in India, which cooled off in the third quarter, is expected to accelerate during the fourth quarter. However, both India and Malaysia are expected to avoid imports, given the high prices expected in global markets.

Higher imports seen

But, China which had been keeping away from imports has re-entered in a big way in October and the trend is likely to be maintained. China's natural rubber imports are expected to grow by over 40 per cent during the fourth quarter. India, China and Malaysia together account for 47 per cent of global rubber consumption.

The increased imports expected during the coming months are on the back of greater consumption during January-September. Consumption during January-September increased by 10 per cent in China, 5 per cent in India and 2.5 per cent in Malaysia. Meanwhile, global rubber production estimates are likely to slip further in the coming months: from an expected growth of 6.3 per cent to 5.3 per cent.

This is mainly because several producing countries have scaled down their production estimates. Due to the persistent and unseasonal rains in October, India has scaled down its supply growth from 7.2 per cent estimated earlier to 2.9 per cent. Similarly, due to unseasonal rains and tapping disruption, supply from Thailand is expected to fall by 3.9 per cent in Q4.

In China, a large number of trees could not be tapped in October due incessant rains in the Hainan province, which has reduced production. Chinese production could also be affected during the winter months due to extreme cold weather. Vietnam, China and Cambodia have all revised their production estimates downward.

According to figures available from the ANRPC, the sharp spurt in global spot and futures prices for rubber can be explained by not only the expected shortage in production, but also due to the appreciation in the value of currencies of producing countries such as Thailand, Malaysia and Indonesia. The strengthening of the Japanese currency and spurt in the price of crude oil are also expected to have influenced the price of rubber.

Global supply of natural rubber that was expected to grow by 5.3 per cent in 2010 is likely to be scaled down after a review next month. The possibility of marked change in supply scenario is remote in the coming year as well since the yielding area under rubber trees is unlikely to grow significantly before 2012. The concerns over natural rubber supply are likely to persist till the end of 2011, unless there is sharp downturn in demand, the ANRPC warned.

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Back **Low buying by government, sugar factories hits jute industry**

Shobha Roy

Kolkata, Oct. 28

A significant drop in the Government procurement of jute bags for packaging foodgrains during the current season coupled with the large-scale violation of the mandatory Jute Packaging Materials Act (JPMA), 1987 by the private sector sugar mills has caused a demand-supply mismatch in the jute industry.

There has been a 20-25 per cent drop in the Government procurement of jute bags for packaging this season, according to Mr Manish Poddar, Chairman, Indian Jute Mills' Association. “The Government had anticipated demand for 25 lakh bales during the current season (close to 14 lakh bales during the kharif season and about 11 lakh bales for the rabi season). However, procurement has only been about 20 lakh bales, thereby, creating a demand-supply mismatch,” Mr Poddar told Business Line.

The drop in procurement by the Government was mainly on account of the lower foodgrain procurement during the current year, he said.

There has also been a rampant rise in the use of synthetic bags for packaging by the sugar industry in violation of the order issued by the Ministry of Textiles under the JPMA, which directs all sugar factories to use jute bags for packing sugar to the extent of 100 per cent, he said. The total demand from the sugar industry typically stands at about 2.5 lakh bales; however, there has been no demand from the sugar industry so far during the current year.

The Jute Commissioner had directed all sugar factories in the country to submit returns giving details of the sugar produced or manufactured and removed from the factories and the packing materials used, in order to check the rampant use of synthetic bags for packaging. However, this has not had any impact on the industry so far, he said.

The jute industry has also increased its sacking capacity by almost 20 per cent over the last two years, and the lower demand from the Government and the sugar industry would hurt the jute industry, he said.

The Government's projection for the next season's procurement has also been quite low so far. “Only two States, namely, Punjab and Haryana, have given their projections, which work out to close to 5.5 lakh bales. We are yet to get projections from other States,” he added.

There has also been an abnormal rise in prices of raw jute due to the late arrival of quality jute on account of the delay and failure of monsoons in many districts of south Bengal. “The prices are ruling at about Rs 3,400 per quintal currently, against Rs 2,500 per quintal during the same period last year. The upsurge in raw jute prices has lead to an unprecedented rise in the premium for high quality raw jute, hiking hessian prices and prompting importers to try out new alternatives,” Mr Poddar said.

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The drop in procurement by the Government was mainly on account of the lower foodgrain procurement during the current year, he said.

There has also been a rampant rise in the use of synthetic bags for packaging by the sugar industry in violation of the order issued by the Ministry of Textiles under the JPMA, which directs all sugar factories to use jute bags for packing sugar to the extent of 100 per cent, he said. The total demand from the sugar industry typically stands at about 2.5 lakh bales; however, there has been no demand from the sugar industry so far during the current year.

The Jute Commissioner had directed all sugar factories in the country to submit returns giving details of the sugar produced or manufactured and removed from the factories and the packing materials used, in order to check the rampant use of synthetic bags for packaging. However, this has not had any impact on the industry so far, he said.

The jute industry has also increased its sacking capacity by almost 20 per cent over the last two years, and the lower demand from the Government and the sugar industry would hurt the jute industry, he said.

The Government's projection for the next season's procurement has also been quite low so far. "Only two States, namely, Punjab and Haryana, have given their projections, which work out to close to 5.5 lakh bales. We are yet to get projections from other States," he added.

There has also been an abnormal rise in prices of raw jute due to the late arrival of quality jute on account of the delay and failure of monsoons in many districts of south Bengal. "The prices are ruling at about Rs 3,400 per quintal currently, against Rs 2,500 per quintal during the same period last year. The upsurge in raw jute prices has lead to an unprecedented rise in the premium for high quality raw jute, hiking hessian prices and prompting importers to try out new alternatives," Mr Poddar said.

Date:29/10/2010 URL:
http://www.thehindubusinessline.com/2010/10/29/stories/2010102951712700.htm

Back **AP Dairy Development Co-op enters packaged water business**

Our Bureau

Hyderabad, Oct. 28

The Andhra Pradesh Dairy Development Co-op Federation Ltd (APDDCF), which markets its products under its flagship ‘Vijaya' brand, has announced its entry into packaged water business.

The five decade-old dairy federation plans to further expand its business after the Andhra Pradesh Government recently approved a Rs 50 crore expansion of its manufacturing capabilities.

The State Animal Husbandry Minister, Mr K. Pardha Saradhi, said that the company's revenues have grown from Rs 117 crore in 2003-2004 to Rs 460 crore in 2009-2010.

While this growth augured well, the federation needs to step up its marketing initiatives to capture a large untapped market in the State and other parts of the country.

Speaking at a function to announce the entry of the federation into packaged water business through a partner — Surabhi Enterprises — the Minister assured necessary Government support. He said that the federation's milk share in Hyderabad is relatively less, and there is potential to penetrate the market with aggressive marketing.

He also said that the Surabhi Enterprises, which has bagged the contract to manufacture bottled water to be marketed under ‘Vijaya' brand, needs to ensure that the reputation of the federation and the State is safeguarded. He also wanted the federation to consider a new pricing strategy to win market share where brands such as Kinley, Aquafina, Kingfisher and Bibo have made a mark.

The Managing Director of APDDFC, Mr Hardeep Singh, said that the market for bottled water here is estimated to be about Rs 100 crore and growing at over 20 per cent annually.

This business has immense prospects for growth as per capita consumption of bottled water is much lower than the global average. The packaged water is priced lower than that of its competitors.

Date:29/10/2010 URL:
http://www.thehindubusinessline.com/2010/10/29/stories/2010102950212200.htm

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Back **Poultry sector warms up to N-E monsoon**

Gayathri G

Chennai, Oct 28

The poultry industry, which experienced a temporary lull for the past three months, is beginning to look up with the onset of the North-East monsoon coupled with Diwali demand. Wholesale egg prices increased this week with the Namakkal-based National Egg Coordination Committee's zonal committee raising prices by 15 paise to Rs 2.65 a piece at its meeting held on Thursday.

Consumption in Tamil Nadu and neighbouring Kerala, Karnataka and Andhra Pradesh – major markets for Tamil Nadu's shell egg and broiler trade – have started to pick up with the austere festivities coming to an end.

“The price will rise further with start of winter during which consumption of poultry products increases,” an NECC spokesperson told Business Line. The previous highest wholesale rate for the shell egg in the State was in June this year at 272.57 for 100 eggs when the rate was Rs 2.70 a piece.

NECC has increased the rates for layer birds to Rs 42/kg (Rs 40/kg) while Palladam-based Broiler Coordination Committee has fixed the prices of live chicken at Rs 53/kg (Rs 51). Namakkal and Palladam are the benchmark of poultry prices in the country.

“In the northern markets, broiler price has risen by about 20-25 per cent in the past one week due to supply crunch on incessant rains. The price rise is dependent on our spiralling input costs,” said Mr Selvaraj, Chairman, BCC.

Prices of soyameal, the key ingredient in the poultry feed, has risen to Rs 18,700 a tonne from Rs 18,600 a tonne.

Date:29/10/2010 URL: http://www.thehindubusinessline.com/2010/10/29/stories/2010102950222200.htm

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Back **Lack of retail demand affects sugar**

Our Correspondent

Mumbai, Oct 28

Spot rate on the Vashi wholesale market continued to rule steady on Thursday with thin movement of Rs 3-5 in the absence of month-end retail demand and increased resale, profit booking.

For the third consecutive day, arrivals were more than lifting in the markets as traders have covered more than required stocks in last few days.

Naka and mill tender rates were steady with range-bound movement. On expectation of higher demand for Diwali, a firm sentiment prevailed at mills level.

Mr Roshan Murgai of Sugar Supply Co, told Business Lin e: “Stockists kept away from fresh buying as they have already covered sufficient their needs last week due to Mathadi Kamgar's strike.

Transportation charges from Karad, Kolhapur, Sangli and Satara which increased by Rs 15-20 a bag last week have dropped now.

“Mills have sold most of the quota for this month, but still some pressure to sell before validity – month-end may be seen. On the other side, usual month-end weak demand and heavy inventory stock on head, stockists are not in favour of fresh buying. Neighbouring States' demand also eased. November's quota is also due. Traders are expecting 14.5-15 lakh tonne normal free sale quota. For October normal quota was 14.98 lakh tonnes.”

On Thursday, mills were quoting tender rates at Rs 2,575-2,595 for S–grade and Rs 2630–2660 for M–grade.

Total arrivals in Vashi markets were 40–43 truckloads 10 tonnes each) and lifting was 35–38 truckloads, said market players.

According to Bombay Sugar Merchants Association, spot rates for S-grade was Rs 2,700-2,736 (Rs 2,700-2,741) and M-grade Rs 2,720-2,791 (Rs 2,716-2,791).

Naka delivery rates were: S-grade: Rs 2,660-2,680 (Rs 2,660-2,680) and M-grade: Rs 2,700-2,730 (Rs 2,700-2,720).

Date:29/10/2010 URL:

http://www.thehindubusinessline.com/2010/10/29/stories/2010102950232200.htm

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Back **Mixed trend in edible oils**

Our Correspondent

Mumbai, Oct 28

Spot edible oil prices on Thursday witnessed a mixed trend with palmolein rising by Rs 2/10 kg and sunflower oil by Rs 5. Rapeseed oil and soya refined oil declined by Rs 5 and Rs 3 respectively. Groundnut and cotton refined oil ruled steady on an easy trend in Gujarat on higher arrivals of seeds.

Malaysian markets rebounded on bargain hunting and closed higher, encouraging speculators to go long on Indore NBOT soya oil futures. Prices increased sharply despite weakness in the spot market.

In absence of fresh demand, the volume was very thin. In palmolein very little resale trade took place on profit–booking. In Saurashtra region, groundnut arrivals are over 3 lakh bags a day now weighing on the sentiment.

At Rajkot, groundnut Telia tin rate was steady at Rs1,100 (Rs 1,100) and in loose Rs 700 (Rs 700) for 10kgs, on expectations of fresh demand for Diwali.

In foreign markets, crude palm oil November and December futures closed higher by 30 and 40 ringgits (MYR) on speculative buying. Prices may rise to MYR 3,100/tonne next few days.

In Mumbai market, due to dull demand sentiment was weak. In palmolein, about 250–300 tonnes was resale traded in the price range of Rs 484-485. As refineries were quoting higher rates, there was no direct trade with them said market sources.

Malyasia crude palm oil futures closed at November MYR 3,070 (3,030) MYR. Indore NBOT soya oil futures Novemberincreased to Rs 537.50 (Rs 533.10).

Mumbai commodity exchange spot rate (Rs/10kgs): Groundnut oil 750 (750), Soya refined oil 515 (518), Sunflower expeller refined 605 (600), Sunflower refined 660 (660), Rapeseed refined oil 578 (580), Rapeseed expeller refined 548 (550), Cotton refined oil 516 (516) and Palmolein was 491 (489).

Date:29/10/2010 URL:
http://www.thehindubusinessline.com/2010/10/29/stories/2010102950192200.htm

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Back **Soya rises toeing global market**

Our Correspondent

Indore, Oct 28

Soyabean prices gained on Thursday on cues from bullish foreign market. Soybean has been witnessing a downtred in the last couple of days.

Spot prices quoted Rs 20 higher at at Rs 2,175-2,200 a quintal, while plant deliveries ruled steady at Rs 2,155-2,180 a quintal.

Similarly, soyabean prices on the National Commodities and Derivative Exchanges, opened at Rs 2,221 in the morning, peaked to Rs 2,294 a quintal as the foreign market turned bullish. The November contracts closed on positive note at Rs 2,281, while December and January contracts closed at Rs 2,253 and Rs 2,325 respectively.

In other mandis in Madhya Pradesh, arrivals were recorded at 4.50 lakh bags, while inflow into Indore was 12,000 bags.Soyaoil prices also gained in the local mandi on improved domestic demand and global cues. Soya solvent in the spot ruled firm at Rs 465-470/10 kg, while soya refined gained Rs 4 at Rs 500-512.On the National Board of Trade also it gained Rs 4. After opening at Rs 536, soya oil futures, taking cues from foreign market, closed at Rs 538.10.

On the other hand, soyameal declined by Rs 200 at Rs 18,500 a tonne on sluggish export demand.According to a soyabean trader, Mr Kailash Partani, domestic soya oil prices are guided by foreign market. He, however, hoped that soyabean may witness a correction of Rs 50-100 on pressure of increased arrival in mandis.

Date:29/10/2010 URL: http://www.thehindubusinessline.com/2010/10/29/stories/2010102950182200.htm

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Back **Poor buying takes flavour off jeera**

Rajkot, Oct 28

Jeera prices on futures and spot market decreased marginally on Thursday due to lack of demand and profit booking by participants.

According to market sources, prices will rule weak during the next few days.

On the National Commodity and Derivatives Exchange (NCDEX), jeera for November delivery traded at Rs 13,140 a quintal, a drop of Rs 32 with an open interest of 12,018 lots.

December contracts decreased by Rs 15 to Rs 13,350, with an open interest of 12,426 lots.

At the Unja mandi, jeera was traded at Rs 2,036-2,634 for 20 kg.

Total arrivals of around 2,000 bags were reported at Unjha mandi against 1,500 bags on Wednesday.

An Angel Commodity research report said: “Profit booking by the market participants forced jeera futures to shed earlier gains and end negatively.

There are reports that demand from the overseas and domestic buyers may recover in the coming days.”

According to Kedia Commodity, stocks are expected to lower in the domestic market until fresh arrivals in March.

This will provide support to the prices in the short to medium term.

Traders said reduced offtake by stockists and exporters at existing higher levels, mainly pulled down the price of the spice.

They said ample stocks and increased arrivals from producing belts further influenced the trading sentiment.

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http://www.thehindubusinessline.com/2010/10/29/stories/2010102951782600.htm

Back **Sumptuous yield**

— Ritu Raj Konwar

First fruit of labour:A girl shows the first harvest of the season in her cabbage field in East Khasi hills, about 40 km from Shillong, Meghalaya. Meghalaya is one of the largest cabbage producing States in the North-East and caters to the demand of the whole region.

Date:29/10/2010 URL: http://www.thehindubusinessline.com/2010/10/29/stories/2010102951772600.htm

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Back **Centre's rice procurement slides 12.3%**

Our Bureau

New Delhi, Oct. 28

Governmental rice procurement is down 12.3 per cent in the ongoing 2010-11 marketing season (October-September) compared to last year.

The Food Corporation of India (FCI) and State agencies have so far managed to purchase only 64.63 lakh tonnes (lt) as against 73.70 lt during this period in the 2009-10 season. Procurement is trailing in Punjab (52.06 lt versus 59.06 lt) and Haryana (11.59 lt versus 13.86 lt), while being ahead in Tamil Nadu (0.61 lt versus 0.21 lt).

Progressive paddy arrivals in mandis are also lower this time in Punjab (79.23 lt versus 90.03 lt) and Haryana (18.64 lt versus 22.14 lt). “Crop yields have definitely dropped compared to last year. I expect an overall 10-12 per cent decline in total procurement”, said Mr Raj Sud, a trader in Punjab's Khanna grain market.

Dr B.S. Sidhu, Director (Agriculture) of Punjab Government, attributed the reduced yields to lower coverage under PAU-201, a short-duration, high-yielding variety. “Last year, 17-18 per cent of Punjab paddy area was under PAU-201, which gives 75 quintal a hectare, compared to 65-67 quintal for normal non-basmati varieties. This time, not even 0.1 per cent area would have been planted under this variety because of FCI's refusal to procure it (on grounds of quality, which the State Government has refuted)”, he told Business Line.

Date:29/10/2010 URL: http://www.thehindubusinessline.com/2010/10/29/stories/2010102951802600.htm

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Back **Nilgiri's tea belts receive lower rainfall**

P.S. Sundar

Coonoor, Oct. 28

All agro-climatic zones in the Nilgiris, the largest tea producing district in South India, have received a lower rainfall in the first nine months of current calendar compared to the corresponding period of last year and the 10-year average (decennial), reveals an analysis of the latest meteorological data.

Between January and September, Kotagiri received the highest cumulative average of 65.9 cm (2009: 66.6 and decennial: 86.2) records UPASI Tea Research Foundation.

Kundha received 60.1 cm (91.3 and 101.5), Udhagamandalam 56.4 (92.8 and 96.8), Coonoor 53.4 (54.4 and 70.7) and Kullakamby 46.8 (47.1 and 62.3).

“In September, however, widespread rainfall was received. Most estates in Coonoor, Kotagiri and Kullakamby received higher rainfall than last year and the decennial average,” said Dr B Radhakrishnan, Assistant Director of the Foundation.

In September, tea belts in Kotagiri received the highest rainfall of 15.4 cm (9.9 and 14.8), Coonoor 15 (4.5 and 12.2), Kullakamby 10.9 (5.6 and 11.2), Udhagamandalam 8.9 (15.7 and 11.4) and Kundah 8.2 (16.2 and 14.1).

Business Standard

Friday, Oct 29, 2010

Groundnut oil price eases on fresh arrival

Vimukt Dave / Mumbai/ Rajkot October 29, 2010, 0:50 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 period of ten days. 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 have declined by Rs 225-230 per tin to Rs 1,250 to 1,255 per tin, which were ruling firm at Rs 1,470-1,475 per tin a few days 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.

High pulses imports may continue even if output rises

Press Trust Of India / New Delhi October 29, 2010, 0:18 IST

India's pulses imports may not decline despite an expected increase in production this year because of rising domestic demand, according to traders.

India, the world's biggest consumer of pulses, imports 3-4 million tonnes on average every year. Production of pulses has remained stagnant at 13-14 million tonnes over the past few years, while demand hovered at 18-19 million tonnes.

"Although there may be some increase in production, (it) may not meet the country's entire demand, which is growing at a faster rate. So, the gap need to be met through imports only," Pulses Importers Association K C Bhartiya said.

Overall, imports of pulses in the 2010-11 fiscal would remain at last year's level of 3.5 million tonnes and there may not be any decline, he said, adding that dollar depreciation plus the higher MSP for pulses may augment imports.

According to government estimates, pulses production during the kharif season (June-September) is pegged higher at 6 million tonnes as against 4.30 million tonnes in the year-ago period.

However, the industry estimates that kharif pulses output may increase by only one million tonnes.

To step up domestic supply of pulses, the government is also encouraging the import of pulses by reimbursing PSUs for losses up to 15 per cent of the landed cost and service charge of 1.2 per cent of the cost, insurance and freight (CIF) value.

Experts attributed the rise in the area under pulses cultivation to higher realisation achieved by farmers during 2009-10. A sharp increase in the support price has also encouraged farmers to sow more pulses, as the production deficit in the country amounts to about 4 million tonnes.

UP mills say can't pay more than Rs 175/qtl for cane

Dilip Kumar Jha / Mumbai October 29, 2010, 0:17 IST

Barely a week before Uttar Pradesh announces the state-advised price (SAP) for sugarcane, mill owners said they were not willing to pay more than Rs 175 a quintal this season.

“SAP beyond Rs 175 a quintal will be impractical. Mills will not be able to pay more this season,” said Vivek Saraogi, president of the Indian Sugar Mills Association (Isma) and managing director of Balrampur Chini, one of the largest sugar producers in the country.

SAP is the minimum price fixed by the state government for 10 per cent recovery which mills pay to farmers for sugarcane. The price is revised upwards every year. However, SAP has lost its relevance in the last few years with cane prices being determined by independent market forces and availability in the state.

Last year, the state government fixed SAP at Rs 165 per quintal, but sugar mills had to pay Rs 260 per quintal due to low production. SAP is independent of the central government’s fair and remunerative price (FRP) of Rs 129.84 aquintal. During the mid season, prices shot up to Rs 280-285 a quintal for 10 per cent recovery. For 2010-11, the government has fixed sugarcane FRP at Rs 139.12 a quintal.

Analysts expect the government to announce SAP anytime next week, as mills will start crushing by the end of November. “The state government is set to raise cane prices this year as well. But, the quantum is yet to be known. But anything beyond Rs 190 will not be feasible,” said B J Maheshwari, director and company secretary of Dwarikesh Sugar Industries Ltd.

With UP assembly polls due in 2012, the state government is expected to play its cards accordingly, says an analyst.

Sugarcane production is expected to increase 10 per cent to over 300 million tonnes in the 2010-11 crop year on account of improved acreage and yields. Sugarcane production in the 2009-10 crop year stood at 274 million tonnes.

India is witnessing bumper output this season with production estimated at 25 million tonnes and consumption at 25.3 million tonnes.

According to Vinay Kumar, managing director of the National Federation of Cooperative Sugar Factories (NFCSF), new varieties of sugarcane have helped improved the yield from 55 tonnes per hectare to 65 tonnes in two of India's major cane growing states — Uttar Pradesh and Maharashtra.

Sugar prices are currently at Rs 27-28 a quintal (ex-factory). In addition, a cost of Rs 3-4 per kg is incurred on conversion to sugar. Therefore, at 10 per cent recovery at a cane price of Rs 175 a quintal, mills will be able to comfortably pay the farmers. An increase beyond this would result in mounting dues to farmers or closure of mills, said an another analyst said.

THE ECONOMIC TIMES

29 OCT, 2010, 01.13AM IST, JAYASHREE BHOSALE & ARUN IYER,ET BUREAU

Jaggery prices cheer up Maharashtra producers

PUNE/BANGALORE: Late rains and an increased demand during the festival season have brought cheer to jaggery manufacturers in Maharashtra. Contrary to their fears of jaggery turning cheaper on reports of a bumper cane production in the sugar season 2010-11, prices of top-quality jaggery are in the range of Rs 3,400-3,600 per quintal.

However, reflecting the unorganised status of this sector of the sugar industry , the trend is different in Andhra Pradesh, where prices at the Ankapalle market could remain soft despite the festival offtake. Traders said that close to 400 lumps (one lump weighs 15 kg) was in cold storage which had been procured at an average price of nearly Rs 3,000 per quintal.

Currently, black jaggery is quoting at around Rs 190-200 per kg. The Ankapalle market, the second biggest in the country, is witnessing daily arrival in the range of 3,000-4,000 lumps. Arrivals tend to peak around mid-January, just ahead of Sankranti.

While jaggery is consumed across the country, there is no standard measure for a lump across states. Nor is there any standard on its density.

In Maharashtra’s Kolhapur market, famous for its jaggery trade, JB Molani, deputy secretary of the Kolhapur APMC, said, “Prices for 10 kg on October 26 ranged between Rs 2,400-3,600 per quintal while arrivals were more than 68,000 quintal.”

About 25% of the 1,100 jaggery units in Kolhapur district have started operations and have produced more than 1.55 lakh ‘ravay’. A ‘ravay’ is a 10-kg lump. “The season started late as we have had rain till last week,” said Rajaram Patil, president of the Kolhapur-based Shri Chhatrapati Shahu Sahakari Gul Kharedi Vikri Sangh (a cooperative of the jaggery or ‘gur’ manufacturers in Kolhapur).

The Kolhapur ‘gur’ is sought after within and outside the country. Over 90% of the produce goes to markets in Ahmedabad as the Gujaratis use ‘gur’ in food preparations.

Maharashtra jaggery traders expect prices to come down after Diwali because sugar factories have not yet declared cane prices. If sugar factories pay less than Rs 2,000 per quintal for cane, ‘gur’ prices are expected to go down.

“Currently, jaggery prices are holding above Rs 3,000 per quintal mainly due to the demand for Diwali. After the festival, the prices may come down by Rs 600 per quintal,” said Jaswantlal Shah, president of the jaggery traders association of Kolhapur.

Traders in Andhra Pradesh had been optimistic and procured jaggery in January and February this year expecting bumper profits. But prices have been on the downswing and most of the traders are sitting on huge losses. “The festival offtake is not likely to push the prices higher,” a trader said.

A private bank official in Visakhapatnam said banks had lent close to Rs 20 crore to the trade though traders said the number could be far lower at about Rs 10 crore.

The 2009-10 season had been good for jaggery manufacturers in Maharashtra with the wholesale prices having touched Rs 5,000 per quintal. The Kolhapur APMC traded 8.18 lakh quintal worth Rs 254.78 crore at an average price of Rs 3,200 per quintal.

29 OCT, 2010, 01.12AM IST, ARUN IYER,ET BUREAU

Coffee growers eye people who lost jobs after ore mining ban

BANGALORE: Karnataka coffee growers who have been complaining of a chronic shortage of farmhands may finally have an answer in the upcoming harvest season.

Many people who have lost their jobs following the Karnataka government's decision to ban iron ore mining and shipment can be drafted for work on plantations. While there is no data on the number of potential recruits, most of the labourers are from north Karnataka, notably the Bellary-Hospet iron ore belt.

"We are getting enquiries to recruit them during the ensuing harvest season, notably in Chikmagalur and Hassan districts. These enquiries reflect change in the availability of farmhands," said Mr NK Pradeep, president of the Karnataka Growers Federation.

Ballupet-based planter BA Jagannath said it was difficult to find labourers even if planters were ready to pay more than what is normally paid even under the National Rural Employment Guarantee Programme (NREG). "We pay at least Rs 30-40 daily more than what is paid under the NREG. With Diwali just round the corner, the labourers want additional money to spend," he added.

B Subramani, president, Kodagu Coffee Growers Co-operative Society, said: "Robusta harvest should commence from the middle of November. We have been employing people from Orissa, Bihar and Jharkhand and there is no reason why we should not be employing them (the north Karnataka labourers)."

But there is scepticism whether the new batches of labourers will stay on the farms. In an earlier interaction with ET, trade union activist V Sukumar had said most planters do not have pro-labour policies.

“The migration from plantations which has happened over the last few years reflects the neglect of the labour class. Steps must be taken to promote the welfare of these workers,” he said. Labour concerns aside, some growers are uncomfortable with the cash demands being placed on them.

“Most contractors are seeking eye-popping quantum of advance monies before the labourers actually begin working,” said a grower.

28 OCT, 2010, 02.14PM IST,REUTERS

Spices futures up on local demand, lower supply

MUMBAI: Indian pepper futures rose more than 1 percent in afternoon trades on Thursday on seasonal domestic demand amid lower supplies and poor stocks, analysts said. Firm global prices also supported the upside, they said. "Other competitor countries have raised pepper prices on expectation of good demand. Domestic demand is also good and is supporting the rise in prices," said Chowda Reddy, senior analyst at JRG Wealth Management.

At 1:46 p.m., November pepper was up 1.64 percent to 20,715 rupees per 100 kg. In the Kochi market, a trading hub in Kerala, pepper gained 121 rupees to 20,237 rupees per 100 kg. Pepper November contract may touch 20,800 rupees in the intra-day trade, added Reddy. India's pepper exports in April-August 2010 fell 5 percent to 7,600 tonnes from a year ago.

TURMERIC: India's turmeric futures were up, supported by a pick-up in domestic and export demand, while restricted supplies also added to the rise, analysts said. "Traders are not releasing the stocks as they are expecting a further jump in prices in the coming days. Domestic demand is good and likely to remain firm," said Reddy from JRG Wealth Management. At 1:46 p.m., November turmeric was up 1.01 percent at 12,960 rupees per 100 kg. Spot turmeric at Nizamabad, a key market in Andhra Pradesh was up 57.5 rupees to 14,600 rupees on festival buying. "Turmeric prices may touch 13,000 rupees," said Reddy.

Turmeric output in Andhra Pradesh, the country's top producer, is seen 40 percent up in 2010/11 on expanded area as higher prices lured farmers and on favourable monsoon rains. In April-August 2010, India's turmeric exports were 22,250 tonnes, down 13 percent from a year ago, according to the Spices Board data.

JEERA: Jeera futures were up in the afternoon trades tracking a firm spices complex, poor supplies and diminishing stocks, analysts said. "Prices may touch 13,300 rupees in the intra-day trade. Export demand is expected to come at these levels as our prices are competitive in the international market," said Nalini Rao, analyst at Angel Commodities . At 1:46 p.m., November jeera was up 0.36 percent at 13,219 rupees per 100 kg.

In the Unjha spot market, a major trading hub in Gujarat, jeera fell 20 rupees to 13,110 rupees per 100 kg. Jeera exports in April-August 2010 had fallen 23 percent to 15,500 tonnes from a year ago. However, hopes of higher sowing restricted the gains, analysts said. In India, jeera is cultivated during winter from October to December, and harvested in February-April.

28 OCT, 2010, 02.12PM IST,PTI

Cardamom futures remain firm on sustained demand

NEW DELHI: Cardamom futures prices remained firm for the third straight day by gaining Rs 11.90 to Rs 915 per kg today, mostly supported by sustained demand in the spot market on account of festive season.

Fall in arrivals in the spot markets from producing regions in the physical market, too, influenced cardamom futures prices here.

At the Multi Commodity Exchange counter, cardamom for November delivery gained Rs 11.90, or 1.32 per cent, to Rs 915.00 per kg, with a business turnover of just one lot.

Similarly, the spice for delivery in December edged up by Rs 11, or 1.23 per cent to Rs 902.00

per kg, with a business volume of two lots.

Analysts attributed the rise in cardamom futures prices to strong demand in the spot market for the ongoing festive and marriage season against tight supply.

28 OCT, 2010, 02.10PM IST,PTI

Castorseed futures spurt 3 pc on strong demand

NEW DELHI: Castorseed futures prices shot up by Rs 106 to Rs 3,634 per quintal today, following brisk buying by traders in line with a firming demand in spot markets.

Marketmen said speculative buying by traders on the back of heavy demand and restricted supply in physical markets, mainly led to the sharp rise in futures prices.

The demand for castorseed, which is normally used in lubricants, medicines and soap manufacturing industries, picked up in the spot markets.

At the National Commodity and Derivatives Exchange counter, castorseed futures prices for November delivery climbed up by Rs 106 or 3 per cent to Rs 3,634 per quintal, with an open interest of 2,550 lots.

The January contract surged by Rs 73.50, or 2.19 per cent, to Rs.3436 per quintal, with an open interest of 2,980 lots.

Castorseed for delivery in December also hardened by Rs 63, or 1.82 per cent, to Rs 3,517 per quintal, clocking an open interest of 6,240 lots.

hindustantimes

Fri,29 Oct 2010

Food inflation eases, but rates pressure stays

Reuters

New Delhi, October 28, 2010

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Country's annual food inflation eased in mid-October, but it remains stubbornly high and will feed into wider headline inflation to keep pressure on the central bank to raise rates at its Nov 2 review. The food price index in the year to Oct. 16 rose 13.75 per cent, compared with 15.53 per cent in the previous week, as prices of vegetable prices fell.Food inflation has remained in double digits for around three months despite government predictions it would fall towards the end of the year and there are signs ministers are increasingly resigned to higher inflation. "The direction is very clearly welcome, but you need to see a proper reduction in the number. The level still remains a cause for worry," said Shubhada Rao, chief economist at Yes Bank."We do see a small rate hike on Nov 2 of 25 basis points and then an extended pause."The five year swap rate fell 2 basis points to 7.20 per cent following the data on easing food inflation.The fuel price index for the same week rose 11.25 per cent against an annual rise of 11.14 per cent. The primary articles price index was up 16.62 per cent.Subir Gokarn, a deputy governor at the Reserve Bank of India (RBI), on Tuesday called high food prices a structural problem and warned rising prices would put upward pressure on inflation and interest rates.Finance Minister Pranab Mukherjee on Tuesday said 4-5 per cent inflation is "ideal" for the country's economy, but admitted achieving that level might be difficult.

Higher food prices have already pushed up headline inflation to 8.62 per cent in September from 8.5 per cent a month ago, compared with the RBI's comfort zone of 5-6 per cent.While monetary tools by themselves cannot deal with high food prices, they can help to tamp down demand in the economy and keep a lid on inflationary pressures.The RBI is widely expected to raise its key lending rate by 25 basis points, the sixth such hike since March, when it meets to review policy on Nov. 2, as it looks to achieve its end-March projection of headline inflation at 6 per cent.

Food prices were expected to cool following normal monsoon rains and improved supplies, but so far have belied that optimism, putting at risk hopes for a substantial easing in headline inflation by end-December.To control food prices, the country has allowed duty-free import of rice and wheat and has released grains from its stocks.

The ruling Congress party, which faces several crucial state elections in 2011 and 2012, is under political pressure for not controlling food prices in a country where over 40 per cent of the population live on under $1.25 a day.In 1998, voter anger over a spike in onion prices helped the Congress wrest three states from the opposition Bharatiya Janata Party (BJP). A similar rise in 1980 contributed to the fall of Janata Party federal government.The ruling coalition government admits high inflation as a major policy challenge, but critics say its policies to deal with prices are hamstrung by its obsession with economic growth.But as the industrial output data for August showed high inflation is threatening to choke off the domestic demand driven economic growth by impacting consumer spending.

weather

Chennai - INDIA

Today's Weather

Cloudy	Friday, Oct 29
	Max Min
	32.9° | 25.3°
Rain: 02 mm in 24hrs	**Sunrise:** 6:01
Humidity: 94%	**Sunset:** 17:44
Wind: Normal	**Barometer:** 1009.0

Tomorrow's Forecast

Rainy	Saturday, Oct 30
	Max Min
	32° | 24°

Extended Forecast for a week

Sunday	Monday	Tuesday	Wednesday	Thursday
Oct 31	Nov 1	Nov 2	Nov 3	Nov 4
28° | 26°	27° | 25°	27° | 25°	27° | 25°	29° | 25°
Rainy	Rainy	Rainy	Rainy	Rainy