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Importance of organic farming emphasised

Staff Reporter

Orientation-cum expo, farmers' club opened

Photo:B.Velankanni Raj



appreciation: Collector C.Munianathan, second from right, distributing the best farmer award at Thethi Village on Thursday.

NAGAPATTINAM: An organic farming orientation-cum exhibition along with a farmers' club was inaugurated at Thethi Panchayat on Thursday.

Speaking on the occasion, Collector C.Munianathan drove home the significant shift in consumption towards organic farm produce and the need for supply to keep in pace with the increasing awareness-driven demand for organic farm produce. The indiscriminate use of fertilizers in agriculture has not just affected human health but has also irreversibly harmed the quality of soil.

Farmers' club

Organic agricultural practices ensures cost-effective, healthy course of agricultural production and profitability, Mr.Munianathan said. The inauguration of farmers' club along with an orientation on the basic principles of functioning of farmers' clubs was presided over by A.Ambalavaanan, Chairperson, Agricultural Marketing Committee, Nagapattinam.

K.Venugopal, Assistant General Manager, NABARD; Sankara Narayanan, Senior Regional Manager, Indian Overseas Bank; A.Thanikachalam, Lead Bank Manager, IOB were among those present on the occasion.

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16 lakh tonne sugar for November

Special Correspondent

NEW DELHI: The Centre on Friday announced the availability of 16.15 lakh tonnes of sugar for the festival month of November.

This includes a quota of 13.08 lakh tonnes for free-sale release by millers and 2.15 lakh tonnes of levy sugar sold through the Public Distribution System.

Besides the levy and free-sale quotas, the government has made available 0.92 lakh tonnes of white/refined sugar processed from imported raw sugar during August and September.

Factories should sell/deliver and dispatch the entire non-levy quota, including the sugar processed from imported raw sugar released for November, within the validity period of the release order, till November 30.

The validity period for sale and dispatch of the non-levy sugar quota released for October – in respect of both indigenous and sugar processed from imported raw sugar — has been extended by 15 days till November 15.

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Swiss firm to set up grain management academy

Gargi Parsai

NEW DELHI: Swiss grain processor company, Buhler, that provides machinery and technology for rice, pulses and wheat processing industry in India, plans to set up an academy near Bangalore to upgrade skills and offer world-class training in food grain management sector.

The company, which is celebrating its 150 {+t} {+h} anniversary, is to invest in India Rs.100 crore in an integrated manufacturing unit and other expansion projects in the next four years as part of its plans to achieve a turnover of Rs.1,000 crore by 2014.

“We are planning to double our turnover in the next four years ,” Buhler India Managing Director Dipak Mane told journalists here on Friday

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Rain offers hope of water for crops

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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Kissan Swaraj Yatra members hold discussions with farmers

Special Correspondent

Call to promote low-cost and pro-natural agricultural technology

Issues discussed include impact of labour shortage

Plea to stop all free international trade agreements

Photo: E. Lakshmi Narayanan



On a visit: Members of Kisan Swaraj Yatra which is undertaking a tour throughout the country to highlight farmers' issues, arrived in Salem on Thursday and held discussions with local farmers on a variety of common issues that needed to be resolved. -

SALEM: The members of Kissan Swaraj Yatra (KSY), who have been on a country-wide tour to highlight farmers' issues, arrived here on Thursday evening and held a detailed discussion with the local farmers on a variety of issues confronting them.

Alliance

The Yatra initiated by Alliance for Sustainable and Holistic Agriculture (ASHA), a loose alliance of scores of farmers' and activists' groups across the country interacted with the local farmers on issues related to GM crops, corporatization of farming works, labour shortage, turning of seed, water and land into commodities etc.

They said that seed diversity should be entrusted with farmers and forceful acquisition of lands must be stopped.

A low-cost and pro-natural agri technology must be promoted. They said that all

free international trade agreements must be stopped.

A comprehensive support system for rain-fed and dry land agriculture should be evolved.

The yatra will reach Delhi on December 11.

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Heavy rain brings hope for Kuppampati farmers

Special Correspondent

TIRUCHI: Several parts of Tiruchi district received moderate to heavy rainfall on Thursday night, uplifting the spirits of farmers. Kuppampati in the district received the maximum of 80 mm of rainfall during the 24-hour period ending at 8.30 a.m. on Friday morning.

The following were the chief amount of rainfall received in other parts of the district during the same period (in mm): Kallakudi 60.20, Nandhiyar Head 53, Thuraiyur 52, Pullampadi 50.60, Pulivalam 46, Samayapuram 42.50, Sirukudi 35, Thathaiyengarpet 27, Lalgudi 20, Thuvakudi 19.40, Tiruchi Airport 15.60, Tiruchi Town 15.20, Upper Anaicut 14.60, Vathalai 14.60, Tiruchi Junction 13.20, Musiri 12 and Navalurkuttapattu 9.

The district received an average of 26.25 mm of rain during the period.



Associated Press

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Mild increase in economic growth expected in Q3

The economy likely expanded at a greater rate last quarter as Americans loosened a tight grip on their wallets.

But the expected pickup in growth wasn't strong enough to make a noticeable dent in high unemployment.

Leading economists polled in a new AP Economy Survey predict the economy expanded at an annual rate of 2 percent in the July-September quarter.

That would mark an improvement from the feeble 1.7 per cent growth rate logged in April-June period. To knock down the unemployment rate, however, growth would need to be at least twice as fast as the 2 percent rate expected for the third quarter.

Looking ahead to the current quarter, economic growth isn't expected to be much better, logging just a 2.4 percent pace, according to the AP survey.

If that's that case, the economy will end 2010 on weaker footing than it started. In the first quarter, the economy expanded at a 3.7 percent pace.

"It's a half-speed economic rebound," said Brian Bethune, economist at IHS Global Insight.

One year after the recession ended, the economy has failed to generate the kind of growth needed to ratchet down unemployment and bring relief to the nearly 15 million

Americans now out of work. The unemployment rate averaged 9.6 percent in the third quarter, down only a notch from the 9.7 percent average for the second quarter. That's why the Federal Reserve is widely expected on November 3 to announce a second round of government bond buying.

The program will pump billions of dollars into the economy. Doing so will lower rates on mortgages and other loans.

Anticipation of the Fed's action has already helped push down mortgage rates to their lowest levels in decades. The Fed hopes that cheaper credit will spur people and companies to boost their spending, which would strengthen the economy.

Even if the Fed's plan works, economists said it is likely to provide only a modest boost to economic growth -- perhaps a couple tenths of a percentage point -- in the final quarter of this year.

Still, the extra economic activity wouldn't be sufficient to drive down unemployment, economists said.

The rate is still expected to be above 9 percent by the end of this year, even with new Fed aid.

The Commerce Department releases its first estimate of the third-quarter's performance on Friday morning -- just days before the nation goes to the polls on Tuesday to elect a new Congress. Angry voters could cost Democrats their control of the House of Representatives, and maybe the Senate.

The weak economy means Americans with jobs are seeing scant wage gains and those without are facing fierce competition for the few openings that become available. Home foreclosures have soared.

"With this kind of economic growth, we're in for a long, painful haul," said Sean Snaith, an economics professor at the University of Central Florida. "This kind of slow growth

can only chip away at the unemployment rate. Growth must be much more robust to really bring it down."

Under one rule of thumb, the economy would need to expand by 5 percent for a full year to knock the jobless rate down by a full percentage point.

For all of this year, the economy is expected to grow 2.6 percent. That would mark an improvement from 2009. The gross domestic product shrank that year by an equal amount, the largest annual decline since 1946. GDP measures the values of all goods and services -- from machinery to manicures -- produced in the United States.

The slight pickup anticipated in third-quarter growth would mainly reflect a mild uptick in consumer spending. A stock-market rebound made people feel better about spending, and bargains -- from cars to electronics -- also drew them out. Consumer spending probably rose at a 2.4 pace, up from a 2.2 percent rate in the second quarter.

For a robust economic rebound, consumers would need to spend at a pace closer to 5 percent.

Business spending, however, probably cooled. Analysts believe businesses didn't spend as much on equipment and software, after logging double-digits gains in the prior three quarters. Businesses also probably cut spending at a faster pace in the third quarter on commercial construction projects like office buildings and factories.

And, spending on home building is likely to shrivel, acting as a restraint on overall growth.

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Back A village where onion is grown for generations

FOLLOWING TRADITION.



Firoz Rozindar

Chitradurga, Oct. 29

Out in his backyard, Mr Rangaswamy, helped by his four-year-old son, is grading

onions, to be transported to Bangalore. He recalls his father and grandfather taking him to their fields where they cultivated onions.

Mr Rangaswamy hails from a tiny village Kallahalli, about 13 km from Chitradurga town in Karnataka. Passing by this small village, on the roadside, one can see onions spread everywhere and a number of labourers packing them in gunny bags.

With a population of around 2,000, strangely almost every family of this village has been into onion cultivation for centuries.

The onion cultivated last year was a failure. Erratic rain destroyed large tracts of the standing crop.

“Most of us could not even recover the cost of cultivation even after receiving insurance against crop loss,” he said. This year, although nature has not been entirely favourable, farmers expect to recover last year's loss.

He said that the market price of a quintal onion was Rs 1,040 for the first grade, while the second grade was being sold at Rs 720/quintal.

According to Mr Rangaswamy, to make profit, the cost of first grade onion should be at least Rs 2,000, as the farmer spends around Rs 25,000 on cultivating onion on an acre of land and transporting it to Bangalore.

Since the Kallahalli onion fetches remunerative price in Bangalore, the farmers seldom sell the onion in local market.

Kallahalli village alone exports around 700 loads of onion every year to Bangalore. A load has around 250 gunny bags, and each bag weighs around 65 kg.

“Till a few years ago, some of the farmers were transporting onions to West Bengal, but owing to increasing transportation cost, they have now confined their business to the Bangalore market,” he said.

TRADITION

The tradition of cultivating onion, and just onion, has continued in Kallahalli from generation to generation.

“I really don't know why I am cultivating only onion. My father was cultivating it, so am I,” 52-year-old Honnappa said.

Unlike him, Mr Rangaswamy seems to understand why he was cultivating just onion. “Onion is a crop that can be grown in less time and can give a higher yield if the climatic conditions are favourable,” he said.

Despite the rising cost of input and fears of adverse climatic conditions, the farmers here do not wish to switch over to any other crop.

“Cultivating onion is like gambling with nature — sometimes there is huge profit, sometimes a great loss. The hope of making profit encourages us to keep cultivating onion year after year,” Mr Rangaswamy said.

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Back Buhler to offer high-speed rice milling machines

Focussing on grain warehousing technology also.

Ramesh Sharma



On fast track: Mr Urs Buhler, Chairman of Buhler AG; Mr Calvin Grieder, CEO; and Mr Stefan Scheiber, Head of Food Processing Division; at a press conference in the Capital on Friday. –

Our Bureau

New Delhi, Oct. 29

Swiss grains processing technology major – Buhler is eyeing a Rs 1,000 crore-plus turnover from its Indian operations by 2014.

“For the current calendar year, we expect to do business of Rs 450 crore. This, we hope to more than double and cross Rs 1,000 crore in the next four years”, Mr Dipak Mane, Managing Director, Buhler (India) Pvt Ltd, told presspersons here on Friday.

More than half of the 1.8 billion Swiss Franc (Rs 8,100 crore) company's sales in India are from supply of rice milling and colour sorting plants. The rest is accounted for by flour and feed milling, die-casting, pasta, and chocolate plants.

From 10% to over 50%

“Since starting our operations here in 1991, we have installed over 200 complete rice mills, which covers engineering and supplying the entire basic plant and machinery for cleaning, de-stoning, hulling, whitening (bran removal) and polishing. This apart, we have supplied equipment for individual sections from whitening and

polishing to grading and colour sorting,” noted Mr Mane.

Around 20 years back, hardly 10 per cent of the paddy produced in the country was being processed in modern mills, capable of handling at least five tonnes an hour. That proportion, according to Mr Mane, has now crossed 50 per cent, even as the country's (actually the world's) largest rice mill at Dhuri in Punjab, belonging to KRBL Ltd, has a capacity of 150 tonnes/hour.

“When we began, the industry standard for single milling lines was five tonnes/hour. Today, it is 8-10 tonnes/hour. From next year, we will be offering 15-20 tonnes/hour lines,” he said, adding that Buhler has a 25 per cent share in the domestic market for rice milling and colour sorting equipment.

Buhler also claims to have a 50 per cent share of the country's wheat flour milling plant market, which is, however, smaller in comparison to rice mills. Of the 75 million tonnes of wheat that is produced in the country, only about 15 million tonnes is processed in roller flour mills, with 60 tonnes/day or more capacity. The bulk, 80 per cent, is milled in ordinary chakkis or stone grinders.

The other area that Buhler is focussing on — following its recent global acquisition of Schmidt-Seeger, a Germany company — is grain warehousing technology. Schmidt-Seeger supplied the entire handling, drying and storage systems for Adani Agri Logistics's 6,30,000-tonne grain terminals, set up under a BOO (Build, Own, Operate) contract with the Food Corporation of India

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Back [Pepper declines despite domestic, export demand](#)

Erratic rainfall this year is reportedly to delay the arrival of new crop by 15 to 20

days

G K Nair

Kochi, Oct. 29

Pepper futures “surprisingly” declined on Friday despite good domestic and export demand, amid tight supply situation on bearish activities.

“It is surprising that the market fell when there was good demand from both domestic and export markets and at a time when all other origins were firmer. It gives the impression that the market is controlled by such operators who do not take into account the market fundamentals”, market sources told Business Line.

Good quantities of spot pepper were traded at Rs 205-206 a kg while validity expired stocks were traded Rs 2 below the November delivery price. Exporters and Interstate operators covered.

“And, yet the market dropped, it is surprising”, trade sources told Business Line.

They said there was profit booking in November.

November contract on NCDEX dropped by Rs 221 to close at Rs 20,717 while December and January was down by Rs 198 and Rs 165 respectively to close at Rs 20,970 and Rs 21,171 a quintal.

Total turn over increased by 831 tonnes to close at Rs 18,125 tonnes. Total open interest went up by 130 tonnes to 13,333 tonnes, indicating good fresh purchases, they said.

November open interest was down by 172 tonnes while that of December and

January were up by 265 tonnes and 22 tonnes, showing switching over.

Spot prices remained steady on matching demand and supply at Rs 20,400 (MG-1) and Rs 19,900 (ungarbled) a quintal.

Meanwhile, a report said erratic rainfall in the pepper growing areas this year is reportedly to delay the arrival of new crop by 15 to 20 days. Hence, from the usual time of arrival in December, it may hit the markets in January. This factor coupled with the decreasing stocks is aiding the prices to move up, trade sources told Business Line.

Indian parity in the international market is at \$4,850-4,875 a tonne (c&f) almost competitive with other origins. Indonesia has quoted L asta at \$4,650-4,750 a tonne (f.o.b).

As the market in India has zoomed up, all origins including Indonesia were firmer, an overseas report said on Friday.

More and more demand at a time when there is a supply squeeze keeping all the origins firmer, export sources said.

Prices quoted for black pepper of different origins per tonne in dollar c&f New York Sep/Oct shipments were : MG1 asta – 5,025-5,125; Vietnam asta – ask for offer (February/March); Lampong 500g/l – 4,425-4,450 f.o.b; Lampong 550g/l – 4,525-4,550 f.o.b; Lampong asta – 4,650-4,750 f.o.b; Sri Lanka 500-525g/l- limited quantity – ask for offer ; Brazil B2 500g/l – 4,300-4,350 fob; Brazil B1 560g/l – 4,400-4,450 fob; Brazil asta – 4,500-4,550 f,o,b.

White pepper prices quoted were Vietnam – \$6,850-6,900 a tonne and Muntok – 6,800-6,850 a tonne (both c&f).

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Back Finland keen on funding small agri-biz units in developing nations

Our Bureau

Hyderabad, Oct. 29

The Agri-Business Incubator (ABI), International Crops Research Institute for the Semi-Arid-Tropics (ICRISAT), has joined hands with Information for Development (InfoDev) of the World Bank Group, Government of Finland, and Nokia for agri-business incubation.

The development came during the concluding day of the meeting of Community of Practices (CoP) here on Thursday. Established within the framework of the 'Creating Sustainable Businesses in the Knowledge Economy' project, InfoDev's agri-business CoP was launched at a kick-off meeting organised jointly by ICRISAT and InfoDev, during the three-day meet.

More for Developing Nations

“Our financing support will further increase in the coming years for agri-business through ICRISAT, as Finland is now keen on more funding for agri-business in the developing countries. Since 2002, Finland has been extending overseas assistance to countries in Africa, Asia, and Latin America in various areas, but not substantially for agri-business, which we now intend to change,” said Mr Pekka Puustinen, Deputy Director General, Ministry for Foreign Affairs of Finland.

OBJECTIVES

“The meeting brought together more than 50 participants from 15 different

countries, with the objectives to understand the key challenges and opportunities for agri-business in developing countries and emerging markets, and to share successful incubator models that have supported and graduated successful agribusiness SMEs (small and medium enterprises),” said Mr Steve Giddings, Consultant, Incubator Initiative, InfoDev.

Dr William Dar, Director General, ICRISAT, informed that a Global Agri-Business Incubation Conference would be held at ICRISAT, Hyderabad, from February 7 to February 9, 2011, where CoP implementation would also be reviewed. The conference would be followed by another agri-business conference in Helsinki, Finland, during May-June 2011.

The meeting culminated in the development of InfoDev's agribusiness Community of Practice's (CoP) preliminary work plan and deliverables for 2010-2012.

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Back 28,780 new self-help groups credit-linked in Karnataka

Anil Urs

Dharwad, Oct. 29

About 28,780 new self-help groups (SHGs) have been credit-linked and 34,549 SHGs have availed themselves of repeat finance with bank assistance of Rs 475.01 crore in Karnataka, Dr Venkatesh Tagat, Chief General Manager, Nabard told Business Line.

“In the State, the cumulative credit support to SHGs is around Rs 4,750.75 crore and about Rs 222.87 crore has been released as re-finance for 19,678 groups, covering about two lakh groups. The programme is being implemented through 73

banks and about 720 NGOs,” he added.

In Karnataka, there are a total of 5.19 lakh SHGs covering nearly 77.55 lakh rural families.

Earlier, speaking after inaugurating 1,001 joint liability group (JLG) and 75th Farmers Club at Kuradikeri Village in Hubli taluk, Dr Tagat said, “Nabard is playing a crucial role in credit planning process at the district level through preparation of Potential Linked Credit Plans (PLPs) for all the districts in the State. These PLPs have now been recognised as the ‘reference document’ for credit planning at district-level.” Formation and financing JLGs are the programmes of Nabard designed for providing focused attention to credit needs of the rural people living below poverty level and landless farmers, tenant farmers, oral leases, small and marginal farmers, poor artisans.

During the year, about 782 farmers clubs have been formed taking the cumulative number of farmers clubs in the State to 5,194. These clubs enable farmers to get access to credit and technology. “About 18 programmes have been sanctioned to various farmers clubs enabling them to visit various research institutes, progressive farmers to get exposure on new technologies,” said Dr Tagat.

Credit deployment

Nabard has estimated a potential for credit deployment of Rs 37,000 crore in Karnataka for financial year 2010-11.

“This includes Rs 17,250 crore for crop loans, Rs 6,674 crore for term credit in agriculture and allied activities, besides Rs 13,340.53 crore for non-farm sector, agro and food processing sector and other priority sector activities,” said Dr Tagat.

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Back Edible oils gain on thin supply

Our Correspondent

Mumbai, Oct. 29

Spot edible oil prices increased marginally by Rs 2-5 for 10 kg on thin supply position and higher prices of refineries on Friday. Palmolein ruled stable on weak Malaysian market. Groundnut oil was unchanged on bearish trend at producing centres. Soya oil was up by Rs 5, sunflower oil up by Rs 5, rapeseed oil by Rs 2 and cotton refined oil by Rs 2.

Malaysia's BMD and NBOT futures: Malaysia's BMD CPO futures for November closed at MYR 3,040 (3,070), December futures closed at 3,058 (3,081) MYR. Indore NBOT soya oil futures November declined to Rs 532.40 (Rs 538.10). New December futures after opening at Rs 543 was ruling at Rs 544.50. Badala was Rs 12.

Mumbai commodity exchange spot rate (Rs/10kg): Groundnut oil 750 (750), Soya refined oil 520 (515), Sunflower expeller refined 610 (605), Sunflower refined 670 (660), Rapeseed refined oil 580 (578), Rapeseed expeller refined 550 (548), Cotton refined oil 518 (516) and Palmolein was 491 (491).

Pulses flat

Our Indore correspondent reports: Barring urad, prices of other pulses and pulses seeds in the marketd by and large remained flat primarily because of lack of buying interest in the market.

Urad prices in the spot further quoted Rs 100 up at Rs 3,800-3,900 a quintal.

Chana quoted Rs 10 down at Rs 2,250 a quintal, moong quoted Rs 3,700-3,800 a quintal, while moong dal (chilkewali) quoted Rs 4,200-4,300 and moong monger quoted Rs 5,300-5,400 a quintal. Masoor gained Rs 25 at Rs 3,200 a quintal, tur fell by Rs 50 at Rs 3,250-Rs 3,300 a quintal. – Our Correspondents

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<http://www.thehindubusinessline.com/2010/10/30/stories/2010103051312200.htm>

Back Mixed trend in rubber

Aravindan

Kottayam, Oct. 29

Physical rubber prices witnessed a mixed trend on Friday. The market activities were dull in major grades though there were marginal gains on the National Multi Commodity Exchange. Declines in the international futures kept the buyers on sidelines but ISNR 20 and latex gained further on acute short supply.

Sheet rubber closed unchanged at Rs 190 a kg both at Kottayam and Kochi amidst low volumes.

Among other news in the international market, the most active rubber futures contracts on the Tokyo Commodity Exchange fell as a decline in Japanese stock markets and oil prices prompted investors to take profits from recent sharp gains.

Futures gain

In futures, the November series concluded at Rs 193.24 (192.94), December at Rs 196.39 (195.87), January at Rs 198.45 (198.04) and February at Rs 201 (201.07) a kg for RSS 4 on the NMCE. RSS 3 declined with November futures dropping to ₹317.5 (Rs 174.75) from ₹323.7 during the day session but then recovered partially to ₹319.5 (Rs 175.85) a kg in the night session on TOCOM. The grade (spot)

weakened to Rs 178.96 (179.16) a kg at Bangkok.

Spot rates were (Rs/kg): RSS-4: 190 (190); RSS-5: 180 (180); ungraded: 176 (176); ISNR 20: 187 (186) and latex 60 per cent: 125 (123.50).

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THE ECONOMIC TIMES

Mon, Nov 01, 2010 | Updated 11.05AM IST

30 Oct, 2010, 02.24AM IST, S Sujatha,ET Bureau

Exportable cotton yarn surplus at 7.2 lakh tonne

COIMBATORE: The Cotton Yarn Advisory Board has fixed India's exportable surplus at 7.2 lakh tonne in a meeting in Mumbai on Friday. Out of the 7.2 lakh tonne exportable surplus only 5.3 lakh tonne have been registered so far and 3.9 lakh tonne have been shipped in the past seven months, data available with the office of the textile commissioner shows.

Following the unprecedented rise in cotton prices and the subsequent increase in yarn prices, garments exporters have been demanding a ban on yarn exports till domestic needs are met. "Only 20% of the total cotton yarn is being exported," managing director of GTN Textiles , BK Patodia said, adding that industry's needs are being met.

The board has made it clear in the meeting that yarn production is increasing in the country and approximately 3 lakh spindles are added every month. The current cotton

yarn production estimates for 2010-11 stands at 33.7 lakh tonne.

“I don't see any reason in call for cotton yarn ban. It is just that the garment exporters are hoping for prices to come down if the exports are stopped,” said VS Velayutham, ex-chairman of cotton textile export promotion council and chairman of Tirunelveli-based Gomathi Mills . Yarn prices have increased by Rs 21 per kg across counts in the past one month and Mr Velayutham says that it will soon be at par with polyester yarn costs.

30 Oct, 2010, 06.48AM IST, Prabha Jagannathan,ET Bureau

Sugar price set to plummet further this Diwali

NEW DELHI: Diwali could be a little sweeter this season and lighter on the wallet as well, as the price of sugar is set to plummet further from the already low levels.

The factory gate price of sugar in Uttar Pradesh, the biggest producer, is expected to nose-dive to Rs 2,725 a qtl, or 100 kilos, in November, a good Rs 375 less than the price during the same period last year.

Sugar and milk prices have a strong bearing on the cost of beverages, sweets and confectionary. The lower sugar prices will help negate to some extent the firmness in milk's prices. The wholesale prices of milk are up over a 20% from a year ago.

Sugar prices have been going down since September in consonance with the higher sugar output estimates in 2010-11.

On Wednesday, food minister Sharad Pawar boosted the government's estimate to 25

million tonnes from the 23.5-24 million tonnes estimate given only a fortnight ago, on a par with the level projected by the private sector.

The Indian Sugar Mills Association (ISMA), the industry lobby, had earlier pegged sugar production this year at a minimum of 25 million tonnes.

The ongoing festival time is the the peak consumption season for sugar, a politically sensitive commodity.

On Thursday, the Mumbai Sugar Merchants Association pegged the wholesale price for the widely selling small sugar variety at Rs 2,700-2736 per quintal and the price of the medium variety at Rs 2,720-2791/qtl. The wholesale price of sugar's small variety at the same time last year stood at a much higher Rs 3,410-3,600/qtl while the medium variety was priced at Rs 3,600-3,740/qtl.

Significantly, despite lower ex factory prices of sugar in this year's peak consumption period, sugar companies have a reason to smile. Driven by higher sugarcane volumes available this year, costs have remained much lower than last year.

The comfortable sugar prices have allowed the government to let the ban on futures trading lapse at the end of September, and on Wednesday, FMC chairman B C Khatua said that fresh contracts in sugar futures would restart in December, after the peak festival and consumption period.

The weightage for sugar has dropped to 1.73731 in the new wholesale price index, or WPI, with the base year of 2004-05 from 3.61883 in the earlier series.

Food minister Sharad Pawar's assertion on Wednesday that the government would consider easing up sugar exports in mid-November, post Diwali, could provide some momentum to prices later.

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Cane growers seek hike in MSP

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Sugarcane growers in Andhra Pradesh have urged the government to enhance the minimum support price (MSP) for the current season, which is set to begin in the next two weeks.

The Centre has already announced the MSP of Rs 1,368 a tonne at 9.5 per cent recovery. However, the growers want this to be increased to Rs 2,500 a tonne at 8.5 per cent recovery.

AP Sugarcane Growers Association president, AV Gopala Rao, said farmers were spending around Rs 50,000 per acre to raise the crop. Moreover, the input cost including the labour had gone up considerably. Stating that the central government used to declare MSP on 8.5 per cent recovery till 2006, he said the state government too used to provide advisory price to help growers. However, this was withdrawn from the 2007 season and the state government too had stopped announcing the advisory price.

Rao said the sugar price had gone up from Rs 16 a kg to Rs 38 in the last four years. On the other hand, the MSP for the farmers had come down.

Meanwhile, KCP Sugars in Krishna district that has crushing units at Challapalli and Vuyyuru, is gearing up for the 2010-11 season. KCP had set a target of crushing 900,000 tonnes for the season, more than 50 per cent compared with the previous season. During 2009-10 season, it crushed 485,000 tonnes of sugarcane at its Vuyyuru unit.