THE HINDU

Training in bee keeping at TNAU

Staff Reporter

COIMBATORE: Tamil Nadu Agricultural University will organise a training in bee keeping on October 6 on the university premises.

According to a university release, hands-on training will be imparted in identification of bee colonies and their rearing, artificial group rearing of bees, queen bee rearing and production techniques, identification of natural enemies of bees and their management, Italian bee rearing techniques, and so on.

Interested candidates have to reach the Department of Entomology before 9 a.m. The fee of Rs. 150 has to be remitted.

A certificate will be given at the end of training. Candidates can call 0422-6611214; or e-mail to entomology@tnau.ac.in. for details.

Udhagamandalam

'Meet demand for organic tea'

Special Correspondent

Udhagamandalam: The growing demand for organic tea should not be lost sight of by the tea planting community in the Nilgiris, said the Executive Director, Tea Board R. Ambalavanan at Devarshola near Gudalur recently.

Presiding over the 91st Annual General Meeting of the Nilgiri-Wynaad Planters Association (NWPA), he urged tea producers to prepare themselves to meet the demand.

Pointing out that in various parts of the world, particularly European countries there was a marked preference for organic tea, Mr. Ambalavanan said that while keeping this in mind producers should ensure that they focused on quality.

Adverting to the increasing difficulty in getting hold of labour, Mr. Ambalavanan said that only mechanisation can mitigate the problem. The Tea Board is sensitive to this challenge.

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Value-addition holds the key, Minister tells farmers

Staff Reporter

- PHOTO: S. SIVA SARAVANAN

P. Umanath, Coimbatore District Collector; M. Kandhaswami, president, CODISSIA; Pongalur N. Palanisamy, Minister for Rural Industries and Animal Husbandry; R. Venkatachalam, Coimbatore Corporation Mayor; and K. Ramachandran, Minister for Khadi and Village Industries Board; at Agri Intex - Regional Agricultural Fair for Southern Region in Coimbatore on Thursday.

COIMBATORE: Technology and modern farm implements have made agriculture profitable, said Pongalur N. Palanisamy, Minister for Rural Industries and Animal Husbandry, here on Thursday.

He was inaugurating the 10 {+t} {+h} edition of the four-day Agri Intex – Regional Agricultural Fair for Southern Region on the theme "Market Led Agriculture for Globalisation" at the CODISSIA Trade Fair Complex.

The fair was jointly organised by CODISSIA and Agri Intex and supported by the Union Ministry of Agriculture and Tamil Nadu Agricultural University.

Subsidies

"The Union and State Governments have provided the farming community with several subsidies and schemes that have helped in the development of agriculture. The Union Government has waived loans worth Rs. 72,000 crore. The State Government has waived loans worth Rs. 7,000 crore. The State Government has also provided the farmers with free electricity," Mr. Palanisamy said.

But labour shortage did not let agriculture progress in a manner it had to.

"This is a major problem that can be met only by the judicious use of technology and implements," the Minister added.

Drip irrigation

Calling for strengthening drip irrigation in the State, Mr. Palanisamy said in addition to the 40 per cent subsidy that the Union Government was giving to encourage farmers to use this mode, the State Government was providing an additional subsidy of 25 per cent.

He asked farmers to think in terms of value-addition regarding whatever produce they were cultivating in their farms. K. Ramachandran, Minister for Khadi and Village Industries Board, spoke on the various sops provided by the State Government to promote agriculture in the State.

Developed country

“We are taking large strides towards becoming a developed country. Nearly 60 per cent of our country is dependent on agriculture. Only if we excel in this area, can we truly become a developed country. But, our farmers are not working in coordination with the agriculture officers. Without this concerted effort, the results will only be half-baked. It will also result in lot of wastage,” Mr. Ramachandran said.

“Value-addition and processing is still lagging behind in our country. It is just 2 per cent when compared to the 60 per cent or 70 per cent in many other countries.

So, development of related facilities like cold storage and agri-export to enhance processing and storing food produce should be looked into,” he added.

TNAU

P. Murugesa Boopathi, Vice-Chancellor, Tamil Nadu Agricultural University, said the university had 485 crop varieties, 149 farm implements and thousands of technologies to its credit.

It was vital for farmers to put them to good use and attain maximum benefits out of them.

He called upon farmers to use the agri portal website and the Domestic and Export Market Intelligence Cell that gave farmers information on sowing and selling.

He made a mention of the three-year B.F. Tech course launched exclusively for farmers in the open and distance education mode.

Technology

P. Umanath, Coimbatore District Collector, said that until few years ago technology in agriculture was considered harmful. Even today, some thought so. So, he appealed to farmers to consider it as something that would only enhance the yield and profit for them.

Relevance

Speaking on the relevance of the exhibition to students, the Collector said, the products and techniques displayed at the exhibition would make them realise that what they read in books got outdated even before they completed the course.

Book

Mr. Ramachandran released the fair directory, while a book titled “Uzhavarin Valarum Velanmai” was released by Mr. Palanisamy.

M. Kandhaswami, president, CODISSIA, K.V. Sashidharan, chairman, Agri Intex 2010, and R. Venkatachalam, Coimbatore Corporation Mayor, spoke.

hindustantimes
Mon,04 Oct 2010

Food inflation shoots past 16%; interest rates could rise further

HT Correspondent, **Hindustan Times**
Email Author
New Delhi, September 30, 2010
First Published: 21:48 IST(30/9/2010)
Last Updated: 03:03 IST(1/10/2010)

Food inflation touched a worrisome 16.44 per cent, rekindling the debate whether another round of interest hike was round the corner as monetary authorities and the government's macro economic managers grope for options to cool prices without upsetting growth in the broader economy

"Inflation has increased and particularly the number of food items, like jawar or bajra and pulses, fruits, vegetables, meat, eggs. All these food items prices have increased. This is an area of concern," Finance Minister Pranab Mukherjee said.

Food inflation climbed 0.98 percentage points to 16.44 per cent during the week ended September 18, from 15.46 per cent in the previous week.

On Thursday, Punjab National Bank (PNB) increased its base rate by 0.5 percentage points to 8.5 per cent.

A higher base rate, which serves as the minimum floor rate, would increase interest rates for borrowers. "Such hike by PNB is aimed at better transmission of monetary policy rates into the lending rates," PNB said in a statement.

Earlier this month, the Reserve Bank of India raised the repo rate, the rate at which banks borrow from RBI, by 0.25 percentage points 6 per cent. A higher repo rate raises banks' borrowing costs, which in turn would raise interest rate on final home, auto and corporate loans.

Another public sector bank, Indian Bank, is likely to decide on an interest rate hike shortly.

"The RBI signalled that the cost of money is going up and this would be passed on to the customers," T.M. Bhasin, chairman and managing director, Indian Bank told Hindustan Times.

IDBI Bank has also raised its base rate from 8 to 8.5 per cent.

The country's largest lender — the State Bank of India — however, has retained its base rate at 7.5 per cent.

Chennai - INDIA

Today's Weather

Partly Cloudy

Monday, Oct 4
Max Min
32° | 24.8°

Rain: 0.1 mm in 24hrs
Humidity: 89%
Wind: Normal

Sunrise: 5:58
Sunset: 17:58
Barometer: 1008

Tomorrow's Forecast

Rainy

Tuesday, Oct 5
Max Min
32° | 24°

Extended Forecast for a week

Wednesday **Oct 6**	Thursday **Oct 7**	Friday **Oct 8**	Saturday **Oct 9**	Sunday **Oct 10**
32° | 25°	33° | 26°	33° | 26°	31° | 26°	31° | 27°
Rainy	Rainy	Rainy	Rainy	Rainy

Business Standard
Monday, Oct 04, 2010

Natural rubber output rises 7.6% in six months

George Joseph / Kochi Oct 04, 2010, 01:08

Natural rubber (NR) production increased 7.6 per cent in the first six months of the current financial year, compared to a slower growth of two per cent in the consumption during the period.

The latest data of the Rubber Board estimates a production of 375,250 tonnes during April-September compared to 348,625 tonnes in the same period of 2009-10. In the same period, consumption increased to 465,550 tonnes as against 456,365 tonnes in the last financial year.

In September alone, production increased to 77,500 tonnes, while consumption had a negative growth. A total of 78,000 tonnes of NR was consumed last month, as against 78,765 tonnes consumed in September 2009. During April-September, the consumption by automotive tyre manufacturers increased four per cent, according to the latest Rubber Board data.

The main production season, October-December, has just commenced and it is likely that more rubber would come to the market in the coming months.

During April-July, a 6.5 per cent increase was recorded in the production, while consumption increased 3.3 per cent. Till June, growth in production was lower than consumption. In April-June, production increased 4.1 per cent while consumption recorded 5.2 per cent. In April-May, consumption edged up 9.5 per cent while only 2.9 per cent increase was recorded in production.

Since production will be at its peak in the coming months, the supply side is expected to benefit, which may lead to a fall in prices. This, coupled with the proposed import of 25,000 tonnes of rubber at lower duty, will ensure adequate supply in local markets, said traders and experts.

The Board estimated 893,000 tonnes of production (up 7.4 per cent) and 978,000 tonnes of consumption (up 5.1 per cent) for the financial year 2010-11. According to growers, both production and consumption are likely to surpass the estimates due to a bunch of factors.

Around 350,000 tonnes of production is expected this time during October-December and tapping would be in full swing in January. The ill-effect of summer is likely to impact the plantations by mid February. So according to them there is a possibility that the production would cross 900,000 tonnes in 2010-11.

As there is a surge in the demand for tyres from both the original equipment and replacement segments, consumption may cross 1 million mark for the first time this year. The upbeat mood in the automobile sector would influence the production of tyres, tube and other rubber-based accessories, resulting in a sharp rise in consumption. So the mismatch in production-consumption is likely to widen, leaving room for more imports to the country.

Soybean yield set to hit all-time high

Dilip Kumar Jha / Mumbai Oct 04, 2010, 01:05

Average soybean productivity is likely to set an all-time record this year after well-distributed monsoon rain helped better germination and vegetation of the crop.

The latest survey conducted by the Indore-based Soybean Processors Association of India (Sopa) says India’s average yield could rise 8 per cent this year to set a record of 1,089 kg per hectare (ha). Last year, the average yield was reported at 1,006 kg per ha, as against 967 kg per ha in 2008. The survey forecasts that India’s total soybean output would set a new record to surpass the benchmark 10 million tonnes this year. The total output this year is estimated at 10.13 million tonnes as against 9.72 million tonnes in 2009 and 9.3 million tonnes in 2008.

The agriculture ministry had earlier estimated the total sowing area under soybean at 9.3 million ha this year as against 9.67 million ha and 9.62 million ha in the preceding two years.

Although the sowing area has declined marginally this year yet the favourable monsoon conditions are set to increase productivity, says Sopa coordinator and spokesperson Rajesh Agrawal.

The yield could have been even better had the late-sown crop in parts of the Indore region received better rainfall. Sopa had earlier estimated a yield of 1,200 kg per ha. The crop sown between July 15 and 30 did not receive adequate rainfall. Also, soybean sown during the early monsoon season was damaged in parts of Madhya Pradesh and Maharashtra. “But, the damage was negligible. Hence, the overall estimate is positive for us,” says Agrawal.

In Madhya Pradesh, nearly 30 per cent sowing took place during June. Good rains were received during the first week of July, resulting in a fast increase in sowing all over. The entire sowing was completed by the third week of July. Minor pest attacks and cases of disease were reported. In most fields, weed management was good, as a result of timely weedicide and insecticide sprays. The early varieties have matured and harvesting has already commenced in a few districts. It will pick up in the next two weeks and is likely to be completed by October 15.

Notably, in Madhya Pradesh, the impact of extension efforts is clearly visible. By and large, farmers have adopted most of the appropriate soybean production techniques, weed-management and plant-protection measures, etc. The estimated yield per hectare is 1,105 kg and the total production would be around 6.1 million tonnes in the country’s largest-producing state.

In Maharashtra, the second-largest producer, weather conditions were largely favourable this year in contrast with the drought conditions witnessed last year. Germination, vegetative growth, flowering, etc have been very good all over. No major pest or disease attacks were observed. Largely, the JS-335 variety of soybean was sown in the state. Nagpur, Vardha, Chandrapur, Hinguli and Wasim experienced higher rainfall, as a result of which there was higher weed growth and productivity could be affected.

During kharif this year, the area under soybean cultivation in the state is 2.6 million ha, which is 14 per cent lower than the 3.03 million ha in the previous year. The estimated yield per hectare stands at 1,058 kg and the total production would be 2.75 million tonnes. The drop in production can largely be attributed to the reduction in sowing area.

In Rajasthan, the area under soybean cultivation this kharif season was 6.920 lakh ha, almost on a par with last year’s figure of 7.094 lakh ha. The entire region under soya cultivation received normal rains and the general weather conditions remained favourable all through. The estimated yield per hectare for the state stands at 1,103 kg and the total production would be 763,300 tonnes as against 609,400 tonnes during 2009, a growth of 24.5 per cent.

Groundnut oil prices ease from record level

BS Reporter / Mumbai/ Rajkot Oct 02, 2010, 00:51

After having scaled a record high of Rs 1,575 per tin of 15 kg, groundnut oil prices have eased by Rs 105-110 per tin within last two weeks following arrivals of new groundnut crop in the local markets.

Groundnut oil prices had touched an all-time high of Rs 1,575 per tin on September 11 in the wake of shortage of raw material for crushing. However, prices have started easing thereafter with new groundnut crop hitting markets. Currently, groundnut oil prices are hovering around Rs 1,465-1,470 per tin, which shows a decline of Rs 105-110.

“Shortage of groundnut has eased after fresh arrivals, which will put pressure on oil prices. We expect prices to fall below Rs 1,200 per tin after festive season of Diwali,” said Samir Shah of Rajkot-based Rajmoti Oil Mill.

Gujarat at present sees daily arrival of 25,000-30,000 bags (one bag weighing 50 kg) of groundnut and the price of groundnut is now ruling between Rs 620 to Rs 700 per 20 kg.

The demand of groundnut oil is quite low currently due to firm prices. Edible oil dealers are now pinning hopes of rise in demand with festivals such as Navaratri and Diwali round the corner.

Groundnut production in the state is estimated to rise to 1.5-1.6 million tonnes this year as compared to 1.2-1.3 million tonnes last year.

With amended FCRA, farmers to get space on futures platform

Rajesh Bhayani / Mumbai Oct 01, 2010, 02:55

With the Union Cabinet clearing a Bill to amend the Forward Contracts (Regulation) Act, introduction of options and index futures could be a reality. This will, however, take some time as after parliamentary passage, the regulator will have to prepare the rules and regulations.

Options will help farmers hedge. They will also help the corporate and agri commodities segment grow. The derivatives market reduces the risk involved.

At present, only futures trading has been allowed. But hedging there is costlier and involves paying a daily mark to market (revaluing assets at market prices) margin. Options can make hedging cheaper, as the risk here is confined to the premium paid for buying the option. It also helps reduce risk and cost by deploying several strategies.

“An options facility is useful, as apart from reducing the cost of hedging, it reduces the risk. Several companies are waiting for these instruments to hedge their risks in commodities,” said Gnanasekar Thiagarajan, director at Commtrendz Research, which advises several companies. An exchange official explained on condition of anonymity that, “We have already started working on how options will work and are studying what are the global practices and will soon start taking market feedback to find out the suitability of these products for India.”

How it works
There are two options: A call option (you buy this if you are bullish or see prices moving up) and a put option (if you expect prices to come down or are bearish). The buyer of the option has the right to exercise it. His risk is confined to the premium paid. The seller of the options has to bear all the risk and is known as the option writer. His risk is not limited but he gets a premium when he sells the option. At the settlement time, he has to pay a premium, even if it is higher. Banks, brokers and physical market traders who have the capacity to give or take deliveries can become option writers.

For example, if a farmer wants to hedge today, he will have to pay daily mark to market margins, which he will not be comfortable with. A cotton farmer may fear that prices will fall when the crop comes to the market and hence sell cotton in the futures market today, the contract maturing when he expects the crop. However, when options are allowed, he can simple buy a put option maturing in the month when he expects the crop to be harvested.

So, if prices are higher when the crop comes, he can let the put option expire and forget the premium he has paid. If prices are low when he harvests, the premium on his put option would have increased. This means he will get a lower price for his produce but increased premium on the put option.

Similarly, a textile mill would like to buy cotton cheaper and hence would buy a call option. So, if prices fall when the crop comes, it will buy at a cheaper rate from the market and forget the premium paid; if prices are high, it will pay a higher price for cotton but will get a higher premium, as the call premium goes up when prices rise. Who will sell or write options? There will be market makers, investment bankers who will write options. Generally, traders or market makers sell or write options, as these are for hedging and generally squared off.

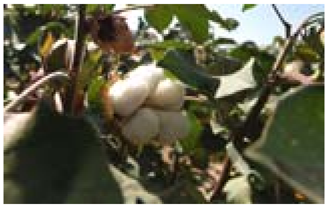
Globally, the settlement date for options in commodities is a few days before the futures settlement. Before the settlement date, one has to square off the position or it is transferred to a futures and option holder.

The regulator is working on how options will be introduced. Says Forward Markets Commission Chairman B C Khatua: “It is expected that introduction of options will facilitate participation of farmers on the futures platform, which has been the endeavour of FMC and the government all these years. It would enable the market to reach a higher level of sophistication and impart greater efficiency in both price discovery and risk management processes.”

Textile firms rush to complete year's cotton buying

Chandan Kishore Kant / Mumbai Oct 01, 2010, 02:53

A mid uncertainty on cotton export and anticipation of further price rise, textile majors are thinking of doing all or the bulk of their procurement during the initial part of the season.



The Indian cotton year, which runs from October to September, begins today. Companies say they would prefer not to procure on a month-to-month basis. R K Dalmia, president of Century Textiles and Industries, part of the B K Birla group, told Business Standard, “We will buy cotton in the first few months only, as prices are likely to go further up and there are concerns on quality of the crop.”

Industry leaders at the recent annual general meeting of Confederation of Indian Textile Industry said mills had no cotton stocks. There are also reports that quality has suffered due to excessive rain in Punjab and Haryana.

According to Sunil Khandelwal, chief financial officer of Alok Industries, "Globally, there are supply constraints as the crop in China and Pakistan has suffered. Prices in the domestic market move with the international prices, which are rising.” Alok would, he said, finish cotton procurement for the main season during November-February.

The CFO of Arvind Ltd, chose not to disclose the buying plan but said, "There is a general caution on cotton prices presently."

Normally, the new crop starts arriving by the first week of October. This year, say industry players, arrival would get delayed by a month. “We expect cotton arrival this year to be around the last week of October or first week of November,” said Dalmia.The price of the Shankar-6 variety is Rs 38,000 a candy (a candy is 356 kg). The country is expecting an over all production of 29.2 million bales against 29 million bales last year.

Maize prices fall on subdued demand

Press Trust of India / New Delhi Oct 01, 2010, 17:19

Maize prices fell by Rs 30 per quintal on the wholesale grains market today owing to slackness in demand against increased supply

Elsewhere, prices moved in a tight range on alternate bouts of trading and settled around previous levels.

Traders said slackened industrial demand against adequate stocks positions following increased arrivals mainly led to decline in maize prices.

Maize prices declined by Rs 30 to Rs 1070-1080 per quintal.

Following are today's quotations in Rs per quintal:

Wheat MP (deshi) 1,650-1,750, wheat dara (for mills) 1,235-1,240 chakki atta (delivery) 1,240-1,245, atta Rajdhani (10 kg) 175, Shakti bhog (10 kg) 175, Roller flour mill 660-680 (50 kg), Maida 760-790 (50 kilos) and Sooji 870-890 (50 kg), Basmati rice (Lal Quila) 9,300

Shri Lal Mahal 9,300, Super basmati rice 9,000, Basmati common 5,500-5,600, rice Pusa-(1121) 4,500-5,000, Permal raw 2,005-2,055, Permal wand 2,080-2,230, Sela 2,305-2,355 and Rice IR-8-1,835-1,860

Bajra 850-860, Jowar yellow 1,100-1,200, white 2,100- 2,150, Maize 1,070-1,080, Barley (UP) 1,070-1,090 and Rajasthan 1,080-1,090

Gur prices rule steady on some support

Press Trust of India / New Delhi Oct 01, 2010, 17:13

The wholesale jaggery market closed on a flat note in the national capital today as prices moved in a limited range on restricted arrivals against scattered demand.

Muzzafarnagar gur market also ruled steady in thin trade.

Marketmen said adequate stocks position and limited buying, largely held gur prices unchanged.

Following are today's quotations in Rs per quintal:

Chakku Rs 2,900-2,950, Pedi Rs 3,000-3,050, Dhayya N.T. and Shakkar Rs 3,100-3,200
In Muzaffarnagar: Raskat Rs 2,150-2,200 chakku Rs 2,600- 2,700 and Khurpa N.T
In Muradnagar: Pedi N.A. And Dhaya N.A

THE HINDU Business Line
Business Daily from THE HINDU group of publications

Agri-Biz & Commodities - Pulses

Utilising pulses, edible oils for nutrition security

G. Chandrashekhar

There is apprehension that the country is rapidly moving towards nutrition insecurity. In addition to slow erosion of food security, nutrition security of several hundred millions is under a serious challenge. India's pervasive malnutrition and under-nutrition is by now widely known. In particular, children and women are at greater risk of suffering the adverse effects of malnutrition.

Large population

The number of underweight children in our country is highest because of the large population base. According to the National Family Health Survey (2005-06), 42.5 per cent of children under the age of five have been reported to be underweight and as high as 69.5 per cent anaemic. This has serious implication for the country's growth story going forward, particularly given the age profile of the population. Malnutrition and under-nourishment exert long-term adverse effects on human health, labour productivity and general well being. Perpetual under-nutrition results in low resistance to infections and increased morbidity. According to the policymakers, the problem of malnutrition is multi-dimensional and multi-sectoral as well as inter-generational in nature; and that a single sector scheme cannot address the problem of malnutrition.

The determinants of malnutrition include household food insecurity, illiteracy and lack of awareness especially among women, access to health services, availability of safe drinking water, sanitation and environmental conditions and purchasing power etc. Besides, marriage of girls early age at, teenage pregnancies resulting in low birth weight of the newborns, poor breast-feeding practices, poor complementary feeding practices, ignorance about nutritional needs of infants and young children and repeated infections further aggravate malnutrition among children.

Several schemes

The Government has, no doubt, been implementing several schemes which have an impact on the nutritional status of the people. Yet, the issue has remained a daunting challenge and there is real possibility the situation can get worse. An important scheme is the Integrated Child Development Services which provides a package of six services namely supplementary nutrition, pre-school non-formal education, nutrition and health education, immunisation, health check-up and referral services.

Other schemes include mid-day meal programme, nutritional programme for adolescent girls as well as supply of essential food items at subsidised cost through targeted public distribution system (TPDS) and Antyodaya Anna Yojana.

While a lot is being done to fight malnutrition, lot more needs to be done. A simple time-tested way of fixing the problem of protein and calorie deficiency among people is available; yet, there has been reluctance on the part of the Government to implement it. It is unclear what is holding up a favourable decision.

To be sure, India is the world's largest producer, importer and consumer of pulses. With production of 14-15 million tonnes (mt) and import of 3-3.5 mt , the country consumes 17-18 mt of various pulses; yet the per capita availability is around 15 kg a year, far below the nutritionists' recommendation of 20 kg per capita.

Real picture

However, these numbers mask the real picture. The actual per capita consumption of pulses is highly skewed in favour of those with high purchasing power. High prices of pulses lead to demand compression among poor people who are in actual need of protein. This skew in consumption pattern is undesirable and needs correction. Our food management policies must ensure poor people have access to much-needed pulses at affordable prices.

Nearly the same goes for edible oil which is a good source of calories. The country is a major producer, importer and consumer of edible oil. We produce 7-7.5 mt and import 7-8mt of various edible oils, raising the total consumption to about 15.5 mt. But the per capita availability at about 13.5 kg is much less than what nutritionists recommend and lower than world average of 16 kg. Again, like in pulses, there is an undesirable skew in consumption of edible oil with the top 20 per cent of the people consuming nearly 24 kg per capita and the bottom 30 per cent having to make do with a third of that. We need to ensure the nutritionally challenged bottom 30 per cent of the population is in a position to access larger quantity of cooking oil at affordable prices. It is unfortunate that the Central Government discontinued the supply of edible oil under PDS sometime in 2002 when the world market was going through a long bearish phase and prices were the lowest.

Volatile commodity market

Policymakers lost sight of the fact that by their very nature commodity markets are volatile. True to their nature, world vegetable oil market prices started to move up and currently, prices are nearly four times they were eight years ago. High open market prices have forced the poor to cutback on consumption. There is also the serious risk of adulteration of oil in the open market.

The enforcement of food laws in the country is rather lax. There is strong case for revival of edible oil supply through the public distribution system, the initiative for which must come from the Central Government.

Currently, State governments are free to organise imports and distribute; but not many States seem to be interested or committed. By the same token, the Central Government must ensure that pulses are supplied under PDS. Even a scheme of supplying two kg per family per month at subsidised rates would go a long way in supporting poor consumers.

If supply of essential and nutritionally much-needed food items such as pulses and edible oil involves a subsidy, so be it. We have enough foreign exchange to import foods in times of shortage; but we cannot import nutrition. Can we? We have to continually feed the people, especially the poor, with nutritious food. Pulses and edible oil are no less essential than rice, wheat and sugar. Inclusion of pulses and edible oil in the existing list of foods under PDS should pose no difficulty. What is required is political will to implement the idea.

Fertiliser cos may not hike prices in rabi season

MRP vs. Subsidy for Fertilisers

(Rs/tonne)

	MRP*	Subsidy
Urea	5310	7000**
DAP	9950	16268
MOP	5055	14692
14:35:14:0	8790	15877
10:26:26:0	7900	15521
12:32:16:0	8300	15114
20:20:0:13	6900	10133
28:28:0:0	8285	13861
16:20:0:13	6480	9203
23:23:0:0	6745	11386

*Average rate charged by firms net of taxes and levies;
**Taking an average retention price of Rs 12,000-12,500.

Harish Damodaran

New Delhi, Oct 3

Fertiliser firms will, by and large, refrain from raising prices during the ensuing Rabi planting season.

“We have been informally told to maintain prices at current levels. Accordingly, it has been agreed to observe status quo in di-ammonium phosphate (DAP) and muriate of potash (MOP). Only complex fertilisers may see some upward revision by Rs 10-15 a bag, which comes to Rs 200-300 a tonne”, industry sources told Business Line.

The Centre has technically de-controlled prices of all non-urea fertilisers with effect from April 1, as part of ushering in a nutrient-based subsidy (NBS) regime. That, on paper, gives companies full freedom to fix farmgate prices, based on supply-and-demand conditions and receipt of a fixed per tonne subsidy linked to their products' nutrient composition.

For the current Kharif season, firms had hiked prices of DAP, MOP and various complexes – containing different proportions of nitrogen, phosphorous, potash and sulphur (N:P:K:S) – by Rs 600 to Rs 700 a tonne. Even in the case of urea – which is outside the purview of the NBS – the Centre increased the maximum retail price (MRP) from Rs 4,830 to Rs 5,310 a tonne.

Poll compulsions

But for Rabi, “the Centre has made it clear it will not tolerate any price increases, especially in DAP and MOP”. In urea, that question simply does not arise, as it is a controlled fertiliser.

“They want us to cooperate till the Tamil Nadu, West Bengal and Assam elections are over in May. We have no option, more so because the Minister (for Fertilisers, Mr M.K. Azhagiri) himself is from Tamil Nadu,” the sources added.

In other words, ‘decontrol' notwithstanding, the industry may have to wait for the next kharif season to print higher MRPs on their bags. That could, in turn, have implications on the Centre's fertiliser subsidy bill.

Currently, the MRP component in all major fertilisers – even after the price rationalisations effected from April – is way below what firms realise through subsidy (see Table).

For 2010-11, the Centre has provided Rs 49,980.73 crore towards fertiliser subsidy, as against Rs 52,980.25 crore in the preceding fiscal. According to the sources, the budget estimate may overshoot primarily for two reasons.

Demand spurt

The first has to do with a good monsoon, which, along with remunerative prices for most crops, has boosted demand. This year, total fertiliser material consumption is likely to go up by at least 10 per cent to top 58 million tonnes (mt) – 28 mt urea, 12 mt DAP, 9-9.5 mt complexes, 5 mt MOP, 3 mt single super phosphate and 0.5 mt of others.

The second factor is world prices. In June, the landed price of imported urea was hardly $250 a tonne, whereas MMTC's 0.6 mt tender late last month fetched offers for $347-362, cost & freight Indian ports. DAP and sulphur are similarly importable now at $550 and $180 a tonne, compared to their respective June levels of $475 and $120.

"The country would have to import roughly 8 mt urea and 8.5-9 mt DAP this year. Of these, some 4 mt and 2 mt are still to be contracted. And this will obviously be at higher prices, which could again push up the subsidy bill", the sources noted.

Pepper declines despite tight supply

G.K. Nair

Kochi, Oct. 3

The pepper market continued to show a declining trend, on selling pressure by investors who were holding validity-expired graded pepper and farm-grade pepper.

They had purchased the stocks at lower rates a while ago, which they are now trying to liquidate at a discount — ranging from Rs 2-3.50 a kg. However, there were few buyers. Bear operators, trying to capitalise on this situation, were successful in pulling down the market, trade sources told Business Line.

At the same time, availability of physical pepper was only on the exchange platform with the investors. In the primary markets, growers and dealers were not keen to sell even when the prices crossed Rs 190 a kg, which sent out the impression that they are not holding much stock, or are waiting for the prices to cross Rs 200 a kg.

Overseas markets

There is a scarcity of physical pepper in the market. In the overseas market also, the situation is not very different.

Vietnam will reportedly export the same volume of pepper as last year, estimated at 1.2 lakh tonnes. Indonesia is quoting one rate for the public and another for direct buyers. It has almost sold out its new crop. Brazil is the other source of origin, where harvesting is said to be at its peak and hence it has started showing an easier trend, they said.

Notwithstanding this, the prices of asta grade pepper continued to rule above $4,000 a tonne (c&f) indicating that there is limited availability.

The currency factor in India where the rupee continued to gain strength against the dollar is keeping the Indian parity for MG 1 much above other origins at $4,475 a tonne (c&f).

Meanwhile, domestic demand has not picked up so far this year, because of the unfavourable weather conditions prevailing in North India and the restrictions on movements due to the Commonwealth Games in Delhi, a major trade hub for pepper.

The fear of untoward incidents following the Ayodhya verdict had also restricted inward lorry movements from other States and that too slowed down domestic buying. All these factors contributed to a dull market during the week, aiding the price fall. Overseas buyers were also not very active, hoping the prices might decline further.

However, once they resort to buying for the winter season, Christmas and New Year, that might pave the way for an upsurge in prices in the coming weeks, especially in November, trade sources said.

All the contracts on the NCDEX during the week dropped. October, November and December fell by Rs 718, Rs 744 and Rs 739 respectively during the week, to Rs 18,766, Rs 18,940 and Rs 19,182 a quintal. Total turnover was down by 23,041 tonnes. Open interest during the week declined by 34 tonnes to 16,246 tonnes.

Spot prices, in tandem with the futures market trend, fell by Rs 500 during the week to close at Rs 18,600 (ungarbled) and Rs 19,100 (MG 1) a quintal at the weekend close.

According to the International Pepper Community (IPC), black pepper trading remained dormant during the week, as available material from this year's crop was limited. In Lampung, arrivals from the recent crop were not brisk and the output was not encouraging. In addition to this, farmers were also expecting better price during a tight supply situation. Increased export from Lampung during last month was from previous year's carry over.

In India, the domestic market has declined as indicated by the volume of trade in the Commodity Exchange. Prices decreased in spot as well as futures market by around 1-2 per cent from last week.

In Brazil, prices decreased both in local and f.o.b. This may be because the pepper harvest in Brazil is approaching its peak. In Vietnam and Sarawak, local prices also decreased, while f.o.b remained stable as last week.

In Bangka, white pepper prices moved up locally, while at other origins white pepper prices were reported to remain unchanged.

Well adapted to production systems

FOCUS:BAJRA.

Pearl Millet, also known as Bajra is the most widely grown species of millets in the world. It is now generally accepted that pearl millet originated in Africa and that it was introduced into India from there. Bajra is well adapted to production systems characterised by low rainfall, low soil fertility, and high temperature, and thus can be grown in areas where other cereal crops, such as wheat or maize, would not survive. In its traditional growing areas, pearl millet is the basic staple for households in the poorest countries and among the poorest people. It also one of the most drought resistant crop among cereals and millets.

The nutritive value (See Table) of Bajra is higher than sorghum. Bajra grain contains about 12.4 per cent moisture, 11.6 per cent protein, 5 per cent fat, 67 percent carbohydrates, about 2.7 per cent minerals. The mineral matter is rich in calcium, phosphorus and iron and has more than 16 times the iron content of rice. It has the same quantity of protein as wheat and the protein contains a high proportion of prolamine, followed by globulin and albumins. The starch is composed of 32.1 per cent amylase and 67.9 per cent my pectin. The grains are rich in thiamine, riboflavin and niacin.

Major pearl millet growing States

State	%age share of all India area	Productivity in Kg/ha
Rajasthan	51.0	788
Maharashtra	15.3	673
Gujarat	10.6	1277
Uttar Pradesh	9.2	1235
Haryana	6.2	1331
Karnataka	3.0	532
Madhya Pradesh	1.9	1550
Tamil nadu	1.4	1144
Andhra Pradesh	1.1	872

Bajra grain is consumed in the form of leavened or unleavened breads, porridges, boiled or steamed foods, and (alcoholic) beverages. Bajra is also used as poultry feed and green fodder for cattle.

Bajra (pearl millet) is consider as the fourth most important cereal crop (constitutes more than 55 per cent of global millet production and is grown in over 40 countries, predominantly in Africa and the Indian subcontinent. The major producing countries are Senegal, Mali, Niger, Nigeria, Sudan, and India.

Production, yields

India is the largest producer of Bajra, both in terms of area (9.1 m ha) and production (7.3 m t), with an average productivity of 780 kg/ha during the last five years. Pearl millet area in India declined by 26 per cent during the last five years, but production increased by 19 per cent owing to a 44 per cent increase in productivity.

In India, Bajra is a kharif crop and is chiefly grown in Rajasthan, Gujarat, Uttar Pradesh, Haryana, Andhra Pradesh, Tamil Nadu, Punjab and Maharashtra. The crop can do well in areas with less than 350 mm annual rainfall and temperatures between 25 to 35 degree Celsius.

Nutritive value of bajra

Energy K.Cal	Protein g	Fat g	Carbohydrates g	Calcium mg	Iron mg	B Carotene mg	Thiamine mg	Riboflavin mg	Niacin mg
361	11.6	5.0	67.5	42	8.0	132	0.33	0.25	2.3

Pearl millet is mainly cultivated during kharif (rainy) season across the country. It is also grown to a lesser extent during rabi (post-rainy) season in Andhra Pradesh, Karnataka, Tamil Nadu and Puducherry. Summer pearl millet is popular in Gujarat with very high-yield exceeding 1.88 tonne per ha with excellent grain quality.

It is also grown during summer season in Punjab and Rajasthan The productivity imbalance in pearl millet is due to erratic rains and shifting of Pearl millet cultivation to marginal soils due to diversification of traditional area to high value crops across the country. Only about 8 per cent of pearl millet area is irrigated

The constraints in production of Bajra in India are that cultivation is predominantly in marginal lands; unreliable rainfall is an issue which tends to keep the use of inputs such as fertilizers to a minimum thereby affecting yield; loss of crop due to downy mildew and bird damage and limited commercial demand depresses the incentive to use farm inputs.

Source: YES Bank

Krishi Mela kicks off at Dharwad

Separate budget for agriculture stressed.

Our Bureau

Hubli, Oct. 3

Highlighting the achievements in integrated farming, sustainable agriculture, soil nutrient management and organic farming practices in north Karnataka districts is the key feature at the Krishi mela organised by University of Agricultural Sciences at Dharwad.

The four-day event at the University of Agricultural Sciences campus at Dharwad has transformed the campus into a giant village with farmers and their families descending in big numbers.

The sprawling university campus has attracted about 600 government and private sector industries associated with agriculture and horticulture sectors. Stalls showcasing farmers' achievements, new farm equipment and accessories are on show at the mela. Inaugurating the krishi mela on Sunday, Mr Umesh Katti, Karnataka Agriculture Minister, said, “There is a need for a separate budget exclusively for agriculture on the lines of economic budget presented annually in February. The agri-budget should be before the farming season commence in June or July.”

“The agri-budget exercise should facilitate fixing minimum support price (MSP) for the crops through proper scientific methods by taking into account farm economics (input cost for that particular year),” he added.

Mr Jagadish Shettar, Karnataka Minister for Rural Development and Panchayat Raj, urged his Cabinet colleagues (Mr Basavaraj Bommai from Haveri, Mr Umesh Katti from Belgaum) holding water and agriculture portfolios coming from north Karnataka to come forward in addressing all farm related issues jointly.

Detailed survey

“The Centre should also take a lead in conducting a detailed survey to find out farmers standard of living before taking up or announcing policies or schemes,” he said. “Uttar Kannada district is rich in horticulture and agriculture related crops. The agricultural university at Dharwad and State government departments should come out with special package to address farm relates problems,” said Mr Vishveshwar Hegde Kageri, Karnataka Primary and Secondary Education Minister.

Earlier on Saturday, Mr Basavaraj Bommai, Karnataka Minster for Irrigation, speaking after presenting farm awards, said the Government is working towards getting Rs 80 crore assistance to address salinity in major irrigation belts such as Tungabhadra, Krishna and Cauvery basins from the National Bank for Agriculture and Rural Development. To bring in more area under irrigation, the State Government is preparing a detail plan to introduce lift irrigation system.

“There is potential to irrigate more than 30,000 hectares in the State. At Shiggaon in Haveri district, we plan to take up this system to irrigate 6,000 acres,” he said.

“As the university is celebrating its 25th year of existence, we are chalking out a series of events like seed mela and now krishi mela to mark the occasion,” said Mr R.R. Hanchinal, Vice-Chancellor, University of Agricultural Sciences at Dharwad.

Nafed to pay Rs 500 premium for pulses in Karnataka this kharif

In Karnataka, Nafed is planning to procure pulses through the Karnataka Co-operative Marketing Federation Ltd.

Anil Urs

Hubli, Oct 3

The National Agricultural Co-operative Marketing Federation of India (Nafed) has come forward to procure green gram, urad and tur (arhar) grown this kharif season in Karnataka by paying a premium of Rs 500 a quintal on the fixed minimum support price (MSP).

Nafed plans to procure green gram by paying a premium of Rs 500 a quintal on the MSP of Rs 3,170 a quintal, fixed by the Central Government under its Accelerated Pulse Production Programme (A3P).

Similarly, urad and tur (arhar) is also being covered under the scheme (Rs 500 above MSP), which has the MSP of Rs 2,900 a quintal and Rs 3,000 a quintal, respectively.

“We do not have a fixed quota for procurement. This is being done to rescue and insulate farmers from declining prices of green gram by offering good price. The programme is also to make cultivation of pulses profitable for farmers. We are also to provide marketing support to ensure remunerative prices,” said Mr N. Guruswamy, Branch Manager-Bangalore, Nafed.

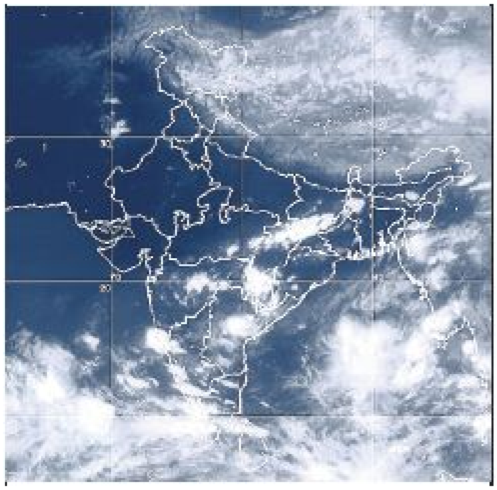
In Karnataka, Nafed is planning to procure pulses through the Karnataka Co-operative Marketing Federation Ltd (KSCMF). The KSCMF is to buy pulses through its branch offices at its districts head quarters, and at APMCs (agricultural produce market committees) directly from the farmers according to prescribed FAQ specifications.

Nafed has also roped in the Domestic and Export Market Intelligence Cell (DEMIC), established at Department of Agri-Business Management, University of Agricultural Sciences, Dharwad, to reach out to the farmers to announce the prices for procurement.

“As per the price predictions done by us, the prices of green gram is expected to be around around Rs 3,500-3,700 per quintal in leading green gram markets of Bidar, Gulbarga and Gadag during October-December 2010,” said Dr H. S. Vijyakumar of DEMIC.

“The Central Government's MSP for green gram this year is Rs 3,170 per quintal. Therefore, farmers are advised to sell the crop immediately on harvest. Storage of the crop will not fetch any higher price. Bold seeded, cleaned, well dried grains are to fetch higher prices keeping this in mind, farmers need prepare the produce for the market,” he added.

Buzz builds in Bay ahead of likely ‘low'



Vinson Kurian

Thiruvananthapuram, Oct 3

India Meteorological Department (IMD) too has joined the outlook of international weather models for a brewing low-pressure area in West-central Bay of Bengal over the next two days.

A causative upper air cyclonic circulation has already been triggered over the central parts of Andaman Sea, an IMD update said on Sunday.

An existing ‘low' that has been prowling the Arabian Sea waters across the peninsula for over the past few days, bringing most of the area under a wet cover.

LIKELY INTERACTION

Model consensus predicts the possibility of the Bay system approaching the Chennai coast and setting up an interaction with a western disturbance featuring an associated trough dipping deep into Central India.

An upper air cyclonic circulation has formed over Northwest Rajasthan signalling the turn of events as ‘atmospherically engineered' from across the international border.

The interaction could bring a fresh wave of rains over the East Coast of India and adjoining peninsula during the course of the week, according to varied model forecasts.

This would also make for the first productive interaction post-southwest monsoon between an extra-tropical system (western disturbance) and a tropical one (emerging from the peninsular seas).

MONSOON ENDS

The southwest monsoon recorded 102 per cent rainfall during the four-month season ending September 30, which matched the lower end of the band that IMD's long-term projections had estimated.

In a significant turnaround from an El Nino-inspired drought year during the 2009 monsoon, the current year's season saw 31 Met subdivisions (13 during last year) recording excess rainfall.

Jharkhand (-41 per cent); Gangetic West Bengal (-31 per cent) East Uttar Pradesh (-23 per cent) and Bihar (-22 per cent) in East India and Assam and Meghalaya (-23 per cent) in North-east were the five subdivisions to record deficit rainfall during this year.

This compares significantly well with the 23 deficit Met subdivisions of the last year.

As it turned out, La Nina conditions (or El Nino in reverse) have proved the major differentiator during the current season.

Excess rains during the season have mostly fallen over peninsular India and Northwest India in what are two signature rainfall anomalies that a La Nina is known to leave over mainland India.

Meanwhile, an IMD update of weather over the last 24 hours ending on Sunday morning said that fairly widespread rainfall occurred over Kerala, South Tamil Nadu, South and Coastal Karnataka, Lakshadweep and Andaman and Nicobar Islands.

This has continued to hold the withdrawal line of southwest monsoon pinned to the northeast-to-southwest axis linking Raxaul, Patna, Sidhi, Bhopal, Ratlam, Ahmedabad and Porbandar.

Satellite imagery showed the presence of convective (rain-generating) clouds over parts of Chhattisgarh, Coastal Andhra Pradesh, Kerala, South Tamil Nadu, East-central and South Bay of Bengal, Andaman Sea and South and East-central Arabian Sea.

A heavy weather alert valid for the next two days said that isolated heavy to very heavy rainfall would occur over Andaman and Nicobar Islands.

It would be isolated heavy over Lakshadweep, Kerala, South Karnataka and Tamil Nadu.

Forecast valid until Friday said that fairly widespread rainfall would occur over South Peninsular, East and Northeast India.

An agri-met advisory put out by the IMD said that dry and sunny conditions in North-west are favourable for harvesting and post-harvesting operations of kharif crops.

Farmers have been are advised to undertake harvesting of rice and maize in Jammu and Kashmir; rice in Uttarkhand; bajra, jowar and maize in Rajasthan; and soyabean, maize, sorghum, sesame, green gram and black gram in Madhya Pradesh.

Flooding and water logging situation persists in some districts of Uttar Pradesh. Damage has been reported in standing crops like rice, soyabean, black gram, green gram, sesamum, jowar and bajra from some districts of the central plain zone, Bundelkhand and the western plain zones in Uttar Pradesh.

An industry that needs introspection

FOCUS: SOLVENT EXTRACTION.

G. Chandrashekhar

In an economy that seems to be perennially short in terms of vegetable oil production, the solvent extraction industry plays a key role in utilising available raw material and augmenting output not only of vegetable oils but also of extractions or oilmeals that are a rich source of feed for the livestock sector.

According to the Directorate of Vanaspati, Vegetable oils and Fats, as of January 2009, there were 795 solvent extraction plants with an annual capacity of 41.9 million tonnes in terms of oil bearing material. However, because of continuing shortage of raw material including oilseeds and oil bearing sources, the capacity utilisation has been a mere 34 per cent. In other words, the industry nurses a huge idle capacity which affects its competitiveness. Many units remain closed and asset values have been falling.

The solvent extraction industry crushes certain oilseeds such as soyabean directly to produce meal and oil. It also processes oilcakes (the solid residue after milling oilseeds like groundnut) that contain some oil which is then extracted through the process of solvent extraction which, in turn, yields solvent extracted vegetable oil and deoiled meals.

We produce 1.3 mt-1.4 mt of various solvent extracted oils of which ricebran oil is prominent. The solvent extracted vegetable oil has to be compulsorily refined before it is marketed for human consumption. The deoiled meal or extraction, a major source of proteins in the livestock diets, is absorbed by the livestock sector for feeding animals, poultry and so on.

Raw material

The Indian solvent extraction industry produces 22-23 mt of various oilcakes/meals for which currently cottonseed and soyabean are major raw material. Unfortunately, in the last three years, output has shown a declining trend having fallen from the peak of 23.4 mt in 2007-08 (when oilseeds and oil bearing material were available at an estimated 38.3 mt) to 21.8 mt in 2009-10 (oilseeds and oil bearing material 35.7 mt).

Domestic consumption of the output of the industry is approximately 80 per cent or about 18 mt while the rest - mainly soyabean extraction - is exported.

Domestic consumption of the industry's output is gradually rising because of continuing healthy expansion of the domestic livestock industry.

The output of the solvent extraction industry needs to expand to meet rising domestic demand; but such expansion is dependent on the availability of raw material that is cultivated oilseeds and oil bearing material such as cottonseed, copra, ricebran etc. There is apprehension we may reach a situation in the coming years when no export surplus of oilmeals may be available.

Oilmeal exports

May be it is a sign of the emerging situation that the country's oilmeal exports declined from the peak of 5.5 mt in 2007-08 to 4.3 mt the following year and further down to 3 mt in 2009-10. The industry has complained of considerable stress in recent times because of a combination of negative processing margins, high input prices, speculation in the futures market and of course duty-free imports of vegetable oil that affects the marketability of indigenous solvent extracted oil.

On its part, the industry needs to introspect. There is case for consolidation of fragmented capacities so as to derive scale economies. There is scope of establishing backward linkages that can provide assured access to raw material. In the upcoming XII Five-Year Plan, feed and fodder are expected to receive focussed attention and there is likely to be encouragement for forward and backward linkages. The feed industry and the solvent extraction industry can together benefit from robust economic growth.

Slack arrivals at Kochi tea auction

Our Bureau

Kochi, Oct . 3

Arrivals slackened at the Kochi tea auction to 7.83 lakh kg at the dust auction, and 1.65 lakh kg at the leaf auction. Prices opened lower as the trade began, and fell further as the auction progressed. However, a few of the good liquoring grades sold at last week's levels. Vimal Tea was active on good liquoring and powdery dust grades. AVT, Tata Global, Kerala State Civil Supplies Corporation and loose tea traders lent fair amount of support. Upcountry buyers and exporters were subdued. High grown quoted higher at the orthodox dust auction while other grades were irregular and quoted lower. Bulk of the orthodox dust grades was absorbed by exporters and interstate buyers.

Leaf Auction

Mixed trends were evident at the leaf auction. Nilgiri whole leaf and bolder broken grades were irregular, and quoted lower at the orthodox leaf auction. Fannings were a strong feature of the market. Medium and plain grades appreciated in value. Exporters to Russia and other destinations were active. Export demand from Tunisia was fair. Harrisons Malayalam was active in Nilgiri leaf and fannings grades. There was fair demand at the CTC leaf auction. Good liquoring teas remained firm to dearer. Other grades were irregular, and witnessed some withdrawals. Bulk of the offerings at the CTC leaf auction was absorbed by internal and upcountry buyers. Tata Tea and Hindustan Unilever were absent. AVT was selective at the CTC leaf auction, while exporters remained subdued.

Top Prices

Corsley BOPD fetched the top price at the dust auction at Rs 172, followed by Chinnar SFD at Rs 125, Pasuparai SFD at Rs 120, and Chinnar FD at Rs 116. At the leaf acution, Pascoe's Woodlands green fetched the top price at Rs 311, followed by Chamraj OP at Rs 224, Chamraj FBOP at Rs 207, and Pascoe's Woodlands green superfine tea also at Rs 207.

Coonoor tea prices drop on low demand

P.S. Sundar

Coonoor, Oct.3

Prices dropped Rs 3 a kg at Sale No: 39 of the auctions of Coonoor Tea Trade Association on Friday as the demand was inadequate to absorb at high prices the offer of 12.51 lakh kg.

In all, 69 marks of CTC teas fetched Rs 100 and more. In the leaf market, Darmona Tea Industry topped.

In the dust market, Vigneshwar Estate topped with Rs 129/kg. Among others, Homedale Estate got Rs 130, Hittakkal Estate (Rs 124), Kannavarai Estate (Rs 123) and Shanthi Supreme (Rs 122),

Among orthodox teas from corporate sector, Chamraj got Rs 222, Curzon (Rs 180), Corsley (Rs 172), Havukal (Rs 170), Glendale (Rs 168), Kairbetta (Rs 167), Tiger Hill clonal (Rs 165) and Highfield Estate (Rs 162). In all, 39 marks got Rs 100 and more.

“Whole leaf orthodox teas lost significantly Rs 5-10 a kg and others, Rs 1-3. High-priced CTC leaf lost sharply by Rs 5-10, better mediums Rs 2-3 but plainers were irregular. Blacker plainer sorts suffered withdrawal for want of buyers.

Primary orthodox dusts eased Rs 5-7. High-priced CTC dusts lost up to Rs 10 better mediums Rs 1-2 and plainers Rs 3-4,” an auctioneer said.

Quotations held by brokers indicated bids ranging Rs 37-42 a kg for plain leaf grades and Rs 80-125 for brighter liquoring sorts. They ranged Rs 42-50 for plain dusts and Rs 90-120 for brighter liquoring dusts.

On the export front, Pakistan bought selectively for Rs 43-68 a kg and the CIS, Rs 35-47.

Coffee exports up 52% on higher output, better prices

Anil Urs

Hubli, Sept 30

Coffee exports surged 52.24 per cent this coffee crop year that ended on Thursday and touched 2.71 lakh tonnes, compared with last year's (2008-09) exports of 1.78 lakh tonnes.

The industry attributes the surge to increased coffee production.

Growers also got remunerative prices in the last three months.

According to Mr M. P. Devaiah, General Manager, Allanasons Ltd: “Exports have been reasonably good during the year. Exports were slow for the first five months of the crop year, but volumes picked up sharply in the last three months.”

“Coffee prices are better this year. For reasons unknown, robusta parchment prices were low. But arabica prices were reasonably good,” he said. Coffee exports in rupee terms were also up 42.61 per cent at Rs 2,787.23 crore in 2009-2010, as against Rs 1,954.37 crore in 2008-09.

In dollar terms, exports are up 44.37 per cent at $584.98 million as against $405.19 million.

However, in terms of unit value realisation, Indian coffee fetched Rs 1,02,524 a tonne, as against last year's realisation of Rs 1,09,224 a tonne.

Among the exporters of Indian coffee, NKG Jayanti Coffee tops the list at 31,238.7 tonnes, as on September 30.

According to Coffee Board statistics, the following are the top 10 exporters: NKG Jayanti Coffee total exports 31,238.7 tonnes (arabica 9161.3 tonnes, robusta 22,077.4 tonnes); CCL Products-India only robusta 20,177.1 tonnes; Amalgamated Bean Coffee 20,006.6 tonnes (arabica 5,449.5 tonnes, robusta 14,557.1 tonnes); Allanasons Ltd 19,481.4 tonnes (arabica 7,427.4 tonnes, robusta 12,054.0 tonnes); Nestle India only robusta 17,219.3 tonnes; Ned Commodities India 14,312.9 tonnes (arabica 704.4 tonnes, robusta 13,608.5 tonnes); Olam Agro India 14,252.9 tonnes (arabica 5,149.7 tonnes, robusta 9,103.2 tonnes); Tata Coffee 13,899.8 tonnes (arabica 943.3 tonnes, robusta 12,956.5 tonnes); SLN Coffee 12,315.2 tonnes (arabica 840.1 tonnes, robusta 11,475.1 tonnes) and ITC Ltd 9,401.5 tonnes (arabica 1,363.1 tonnes, robusta 8,038.4 tonnes).

Costlier pulses, onions drive food inflation to 16.44%

Good harvest may ease pressure, say analysts.

Our Bureau

New Delhi, Sept. 30

Food inflation, based on the annual Wholesale Price Index, continued its upward trend.

Data released on Thursday showed the food price index during the week ended September 18 increased 16.44 per cent, higher than the 15.46 per cent annual increase recorded in the previous week, on higher prices of pulses, onions and vegetables.

Fuel rises, slowly

It was the second straight surge under a new data series — with a different base year of 2004-05, new components and weightings — that was introduced in the week to September 4. Analysts widely expect food inflation to ease on the back of good harvests. The fuel index gained 10.73 per cent, slower than the previous week's annual rise of 11.48 per cent.

On an annual basis, the Primary Articles index was up 18.31 per cent, compared with 16.80 per cent in the previous week.

According to the data, on a sequential basis, the Primary Articles group index rose by 1.2 per cent as the index for ‘Food Articles' group increased 0.8 per cent due to higher prices of arhar, fruits and vegetables and pork (3 per cent each), barley, jowar, gram and maize (2 per cent each) and fish-marine, masur and milk (1 per cent each).

However, the prices of fish-inland, rice and condiments and spices (1 per cent each) declined.

The index for 'Non-Food Articles' group gained 3.6 per cent due to higher prices of raw cotton (20 per cent), castor seed (8 per cent), raw silk and coir fibre (4 per cent each), mesta (3 per cent), copra (2 per cent) and gingelly seed (sesamum) and tobacco (1 per cent each).

However, the prices of sunflower (8 per cent) dropped.

Cotton gains as AP witnesses record sowing

K. V. Kurmanath

Hyderabad, Oct. 1

Notwithstanding unexpected rain and inundation in several parts, Andhra Pradesh farmers have almost completed kharif sowings in an extent of 83.27 lakh hectares, five lakh ha more than the average area, with cotton emerging as the biggest gainer.

Cotton crop went up to 17.27 lakh ha as against the season average of 12 lakh ha, an increase of 144 per cent.

The State, which witnessed a severe drought last year, received 30 per cent more than this year.

Pulses gain

Sowings in pulses saw a huge jump as farmers covered 10.498 lakh ha as against season normal of 7.89 lakh ha, showing a growth of 133 per cent.

Major gains were in red gram 6.40 lakh ha (4.46 lakh ha) and green gram 2.96 lakh ha (2.41 lakh ha). Paddy too gained by registering 26.63 lakh ha (25.22 lakh ha), showing a growth of 106 per cent.

"The incessant, untimely and unwanted rains in some areas were a cause of concern. We thought they could play spoilsport. But it seems the worst is over," a senior Agriculture Ministry official told Business Line.

Cane loses

There were losers too. Notable among them are chillies with 1.10 lakh ha (1.57 lakh ha), covering only 70 per cent of the normal area. The other losers with average area in brackets were: Sugarcane – 1.95 lakh ha (2.19 lakh ha); sunflower – 0.39 lakh ha (1.11 lakh ha); and maize 4.38 lakh ha (5.31 lakh ha).

The others which managed their normal areas were turmeric, onion and groundnut.

Saurashtra farmers protest against curb on cotton exports

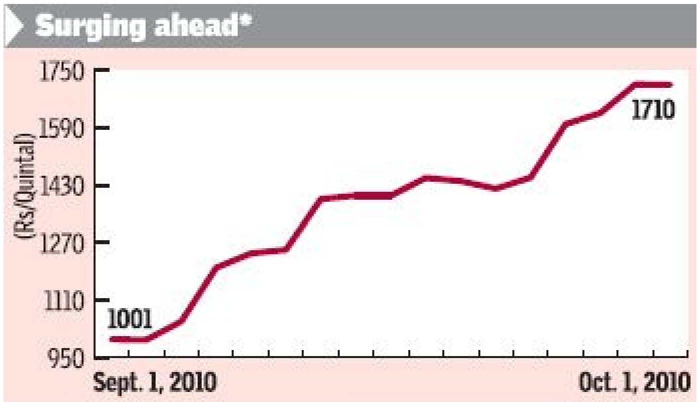
Our Correspondent

Rajkot, Oct 1

The cotton firm by Saurashtra growers, Maha Gujarat Agricotton Producer Company Ltd (MGAPCL), on Friday protested against the Centre's decision to curb cotton exports. The company organised a Kisan Sammelan in Rajkot where over 3,000 farmers participated. "Cotton export policy is not good for farmers. Limited export of cotton will damage the farmers financially. We are demanding that the Government give permission to export of 100 lakh bales cotton as this year's production is record," said Mr Praful Senjaliya, Chairman of MGAPCL. MGAPCL wants registration of cotton exports to be done by the Commerce Ministry, and not the Textile Commissioner's office. Dr Kuvarji Jadav, Vice-President, said: "Minimum support price of cotton is very less compared with cost of production. We will demand increase in MSP from the current Rs 570 to Rs 800 a 20 kg." New arrival of cotton crop has started in the Saurashtra region, but according to market sources, the quality of new cotton is not good.

The price of Gujarat Sankar-6 in forward trade was Rs 37,000-37,500 for a candy of 356 kg.

Onion at 10-month high as inflow peters out



*Modal Price at Lasalgaon

M.R. Subramani
Chennai, Oct. 1

Onion prices hit a 10-month high this week on strong domestic demand and lower arrivals.

The modal price or the rates at which most of the trade took place crossed Rs 1,700 a quintal this week and closed at Rs 1,710 on Friday. This was Re 1 lower than Thursday's price. Onion saw such a rise on November 17 last year when the prices surged to Rs 1,927.
"Domestic demand is good in view of the approaching Durga pooja. It is higher than export demand," said Mr Madan Prakash, Director of the Chennai-based Rajathi Group of companies.
"The supply is unable to keep up with demand. Growers don't seem to have enough stocks with them," said Mr Rupesh Jaju, a trader in Nashik.
He said demand for overseas was good from Malaysia and Dubai. "We are getting enquiries from Singapore, the Philippines and even Pakistan," he said.
Mr Prakash sees the current trend extending next week, while Mr Jaju said the firmness in price could extent another one and a half months. "We have to make up with the old stocks for the next few weeks," Mr Jaju said.
That stocks are inadequate seems to be evident from the arrivals in Lasalgaon this week.
On Monday, over 1,300 tonnes of onions arrived in the market. But on Tuesday, arrivals dropped to 900 tonnes and to 700 tonnes on Wednesday. On Friday, a meagre 600 tonnes arrived in the market.
Even if the new crop arrives, prices could rule firm, said Mr Jaju. This is since the new arrivals would be of immature crop and only limited quantity would hit the markets.s

Groundnut oil gains on festival demand

Our Correspondent

Mumbai, Oct. 1

Edible oil spot prices continued to decline on lukewarm demand and resale selling.

Only groundnut oil rose by Rs 10 on reports of heavy demand from Saurashtra. In Gujarat, fresh seasonal demand for Navaratri pushed up groundnut oil price by Rs 60/10 kg.

Imported edible oil was under resale pressure and projections of higher soyabean production. New arrivals are expected to pick up sharply from this month.

In the international market, crude palm oil futures were up marginally by 9 ringgits (MYR) on better export data, fresh buying interest and firm soyabean oil. At Indore, NBOT soya oil futures showed a weak trend on higher production and arrivals.

Soyabean output this year is likely to rise 4.2 per cent to 101.3 lakh tonnes as good rains are expected to increase the yield, the Soyabean Processors Association of India said on Thursday. Soyabean yield is likely to rise to 1,089 kg/hectare in 2010, the trade body said.

In the Mumbai market, palmolein, soya refined, cottonseed oil and rapeseed oil fell by Rs 2-3 for 10 kg. Refineries quoted higher rates. Trade volume was at about 250-300 tonnes in palmolein.

BMD, NBOT futures

On Malaysia's BMD, crude palm oil futures for October closed higher by 9 MYR at 2,746 MYR, November up by 6 MYR at 2,729 MYR.

Indore NBOT soya oil future October at Rs 483.60 (Rs 485.50) and November at Rs 492 (Rs 493.50).

Mumbai commodity exchange spot rate were (Rs/ 10 kg): Groundnut oil 850 (840), soya refined oil 472 (473), sunflower expeller refined 550 (550), sunflower refined 595 (595), rapeseed refined oil 568 (565), rapeseed expeller refined 538 (535), cotton refined oil 493 (495) and palmolein was 452 (455).