

Vocational training on mushroom cultivation

Special Correspondent

TIRUVARUR: A vocational training on “mushroom production and value added products from mushroom” was conducted at Krishi Vigyan Kendra (KVK) at Needamangalam for farmers, unemployed rural youth and entrepreneurs from various parts of the district and adjacent districts for four days recently.

The training, which was attended by both men and women, drove home the point that anybody can take up mushroom cultivation as a productive venture.

T.Senguttuvan, Professor and head, KVK, Needamangalam, in his special address emphasized the scope and importance of mushroom cultivation in enhancing the socio –economic status of rural people especially women entrepreneurs. G.Sudhagar, K.Kumanan, M.Senthil Kumar and S.Anantha Krishnaveni offered felicitations.

P.Geetha, Assistant Professor (home science) in her technical lecture explained about the history of mushrooms, varieties, its nutraceutical properties, commercial value, identification of poisonous mushroom, spawn production, bed preparation particularly for oyster and milky mushrooms, followed by a demonstration. During the demonstration, paddy straw soaking, steaming, drying and bed preparation was explained by D.Rekha, programme assistant (technical).

On the second day, a lecture on processing and preservation of mushroom and value added products from mushroom were given by Dr.Geetha. Low temperature storage, freezing, bottling, canning, drying, pickling, preserving the mushroom by using chemicals and blanching

techniques were explained in detail to the trainees . Participants tried their hands in making value added products such as pickle and soup from mushroom.

M.Senthil Kumar, assistant professor delivered a lecture on problems in mushroom cultivation and its remedies. He explained about pest and diseases affecting mushroom, physical, chemical and biological contaminants and how to address these problems. On the fourth day, the trainees were taken on an exposure visit to a unit at Velgudi near Mannargudi that was owned by Mr.Elango. They witnessed the spawn production unit, spawn running unit and machineries required for mushroom production. The trainees could see the practical difficulties and clarified their doubts with Mr. Elango.

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SRI method renamed as “Rajarajan 1000”

Special Correspondent

THANJAVUR: Closely on the heels of announcement made by Chief Minister M. Karunanidhi at the Millennium celebrations of Big Temple here recently, the State Government issued orders on September 29 naming the System of Rice Intensification (SRI) method of cultivation as “Rajarajan 1000.”

Joint Directors of Agriculture of Thanjavur and Tiruvarur districts have received the orders stating that SRI method of cultivation will hereafter be called as “Rajarajan 1000” and asked the officials to popularise the new name by putting up boards in fields where SRI method of cultivation has been taken up as “Rajarajan 1000.”

In Thanjavur

P. Loganathan, Joint Director of Agriculture, Thanjavur, said that name boards have been fixed in fields where paddy has been cultivated under SRI method as “Rajarajan 1000.”

In Thanjavur district, it has been planned to raise paddy under “Rajarajan 1000” i.e. SRI method during samba season on 85,000 hectares out of the total area of 1,25,000 hectares planned to

be covered. So far 5,096 hectares of paddy has been raised under the "Rajarajan 1000" method in samba. With respect to Kuruvai 11,468 hectares have been raised under this method.

In Tiruvarur

Anbazhagan, Joint Director of Agriculture, Tiruvarur, said that in Kuruvai, out of 11,957 hectares cultivated in the district paddy on 7,652 have been raised under "Rajarajan 1000" method of cultivation.

Out of 7,652 hectares raised under this method, harvest has been completed on 5,574 hectares. With respect to samba it has been planned to raise the crop on 1,32,860 hectares out of which "Rajarajan 1000" method will be tried on 50 per cent of the area.

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Rs. 50-crore crop loan to be given, says Minister

Special Correspondent

TIRUVARUR: It has been planned to disburse Rs. 50 crore as co-operative crop loan in the district this year, said U. Mathivanan, Dairy Development Minister at Adiyakkamangalam near here on Tuesday.

Speaking at a function to distribute crop loan to farmers held at Adiyakkamangalam Primary Agriculture Co-operative Credit Society here, Mr.Mathivanan said that of this, Rs. 38 crore had already been distributed . Registration for crop insurance could be done till December 31, 2010.

The Minister disbursed Rs. 10 lakh as crop loan to 48 farmers belonging to nearby villages.

R.Brinda, Special Officer of Kumbakonam Central Co-operative Bank, was present.

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Plea to postpone cotton exports

Staff Reporter

Tirupur: A meeting of various textiles associations here on Monday has resolved to apprise the Chief Minister of the current crisis faced by the industry owing to abnormal increase in the prices of raw materials.

A release said that the meeting attended by associations like Computer Embroidery Association, South India Hosiery Manufacturers Association, Knit Compactors Association, Tirupur Exporters Association, Tirupur Raising Association, among others, had also requested the Central Government to postpone the cotton exports till January 1,2011.

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Hi-tech force to help tackle northeast monsoon emergency

Special Correspondent

One battalion of National Disaster Response Force stationed at Arakkonam

— Photo: R. Ravindran



Start of season:Chennai is likely to receive more rain on Wednesday. A scene on Anna Salai on Tuesday.

CHENNAI: One battalion of the National Disaster Response Force (NDRF), stationed at Arakkonam, will be available for the State to tackle any emergency during the northeast monsoon.

The battalion, with its strength of 1,400, is a multi-disciplinary, multi-skilled and high-tech force for all types of disaster. It provides 18 self-contained specialist search and rescue teams of 45 personnel each, including engineers, dog squads and medical/paramedical staff.

The readiness of the NDRF was conveyed by the local authorities of the Force to the State government at a meeting chaired by Chief Secretary S. Malathi on Tuesday to review preparedness of the entire government machinery.

Giving an account of the deliberations of the meeting, K. Dhanavel, Revenue Secretary, said the Chief Secretary had given her approval to the request of Fire and Rescue Services Department for the purchase of various equipment and machinery to the tune of Rs. 5.5 crore.

A State-level Emergency Operation Centre has been established at Ezhilagam here and a toll free telephone number 1077 has become operational from October 1 for receiving information on disaster. Similarly, control rooms have been set up in all the districts with the toll free number operational round-the-clock. Officers of the Regional Meteorological Department told the meeting that the monsoon this time would be normal.

Its advent might be earlier than the usual date of October 20, the Revenue Secretary said, quoting the meteorological officers.

The meeting, which lasted nearly 40 minutes, was attended by Secretaries of a host of departments, apart from Defence officers.

Meanwhile, a low pressure area formed over the west central bay and the adjoining east central Bay of Bengal resulted in several localities of Chennai and its suburbs receiving showers on Tuesday.

The low pressure area is likely to become more marked on Wednesday and bring more rain to the city, according to officials of the Regional Meteorological department.

The department, an official said, was yet to declare the withdrawal of southwest monsoon as one more system is expected in about ten days.

Usually, the southwest monsoon continues till October second week. Only if the wind direction changes from the present westerlies to easterlies, could the onset of the northeast monsoon,

which brings the major share of annual rainfall to the city, be expected, said Y.E.A.Raj, Deputy Director General of Meteorology, Regional Meteorological Centre.

“There have been instances when the northeast monsoon had set in as early as October 4 as in 1999. But, we are not anticipating its onset for another week. We are able to predict the weather one week in advance due to the dynamic weather model,” he said.

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Replacement of pump sets: TNEB seeks farmers' cooperation

Staff Reporter

DHARMAPURI: Tamil Nadu Electricity Board (TNEB) has sought the cooperation of farmers' during the course of replacing the existing pump sets with the energy efficient.

A press release issued by the Superintending Engineer, DEDC, Dharmapuri said, the TNEB is on the job of replacing the pump sets as announced by the State Government.

The scheme is being implemented through the Energy Saving Company (ESCO). Hence, the farmers who had availed of agricultural power connections have been asked to cooperate in erection of the energy efficient motor by the ESCO and hand over the existing pump sets to the agency. The farmers have also been requested to allow the ESCO to fix the meters in the service as it was for the purpose of calculating the energy saved. “This is for the sole purpose of accounting for the energy savings only and not for billing, payment etc,” the official said.

Farmers were also asked to keep the new and energy efficient pump sets with them for a period of five years or till the completion of the study period.

The official also appealed to the farmers to extend their cooperation.

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Seed drill device comes in handy

C. Jaishankar

Paddy sowing on an acre is done in two hours

— Photo: L. Balachandar.



BOON:Collector T.N. Hariharan inspecting the functioning of the seed drill machine at Uthirakosamangai near Ramanathapuram on Tuesday.

RAMANATHAPURAM: For K. Sethuraja, a progressive farmer in Uthirakosamangai, seed drill device, a sowing instrument that precisely drops seeds in the soil and then covers them, is a big boost for starting the paddy season this year. Unlike the previous years when he followed common practice of broadcasting seeds by hand, which would take at least a day to sow paddy seeds on an acre, he completed the paddy sowing on an acre within two hours.

Thanks to the intensive campaign to follow the “Rajarajan 1000” technique of paddy cultivation, formerly known as System Rice Intensification (SRI) under the Irrigated Agriculture Moderzisation and Water Bodies Restoration and Management (IAMWARM), the farmers of Ramanathapuram district have been showing curiousness to use seed drill, which was designed by the Tamil Nadu Agricultural University, for paddy sowing.

“It has received good support from the farmers across the district. It has been decided to popularise the seed drill method among the farmers. A total of 603 hectares will be sown by seed drill method this year,” T.N. Hariharan, Collector, told The Hindu on Tuesday after inspecting the functioning of the instrument in a field at Uthirakosamangai.

N. Sathiamoorthy, Joint Director of Agriculture, said that under the old method of sowing, the broadcasting was very imprecise that led to a poor distribution of seeds leading to low productivity. The use of a seed drill could improve the ratio of crop yield to a great extent. It could provide enough spacing so as to give aeration for crops to grow healthier.

A typical seed drill consists of a hopper of seeds arranged above a series of tubes that can be set at selected distances from each other to allow optimum growth of the resulting plants.

The seed drill fitted above the ploughing blades of the tractor, which is dragged forward to allow the blades to cut open the soil, drops the seeds into the tubes and through them into the freshly cut soil.

Z. Kamaludeen, Assistant Director of Agriculture, Thiruppullani block, said an instrument could complete sowing on at least 8 acres in a day. As against 100 kg of paddy seeds required for sowing under the traditional method, the seed drill could save nearly 50 percent of the seeds. As many as 60 demonstration plots were established in Thiruppullani block.

S.S. Shaik Abdullah, and P.G. Nagaraj, Agricultural Officers, said inputs such as hybrid seeds, bio fertilizers, micro nutrients and bio pesticides were distributed to the selected farmers under the Irrigated Agriculture Modernisation and Water Bodies Restoration and Management.

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'Write off agricultural loans'

Special Correspondent

TIRUCHI: The Bharathiya Kisan Sangam (BKS) has urged the government to write off all agricultural loans and stop the distraint proceedings initiated by commercial banks against defaulting farmers.

In a resolution adopted at a meeting of its Musiri and Thottiyam union branches of the association held recently, the association demanded that the government sanction agriculture loans liberally every year until remunerative prices were ensured for farm produces.

The association threatened to launch an agitation if its demands were not conceded. It also urged the Agriculture Department to take steps to check the mealy bug attack in crops in the district. P.Ayyakkannu, State general secretary, BKS, delivered special address.

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Farmers feel the heat of global warming

Mohammed Iqbal

JAI PUR: Small and marginal farmers from across Rajasthan giving their testimonies at a public hearing on climate change here on Tuesday feared that they would be the “worst sufferers” of global warming manifesting itself through unusual trends such as erratic rainfall, shrinking forest cover, rising temperature and increasing food insecurity.

The State-level public hearing for farmers, livestock owners and small producers from different agro-climatic zones witnessed serious concern expressed by stakeholders about the dwindling scope for earning livelihood in agriculture and animal husbandry, which have traditionally been the mainstay of rural economy.

The day-long public hearing was organised by the Centre for Community Economics and Development Consultants' Society in the run-up to the Climate Summit to be held at Cancun in Mexico. Centre's secretary Sharad Joshi said the event had drawn the policymakers' attention to the plight of farmers and peasants at the grassroots affected by global warming.

More than 150 representatives from different parts of the State took part in the public hearing conducted in the regular court style. Researchers, experts, officers of the State Government's agriculture, water and animal husbandry departments, and representatives of NABARD and the State Livelihood Mission were among those who attended it.

Climate protection

The Centre for Community Economics – one of the few non-government organisations accredited to the U.N. Framework Convention on Climate Change (UNFCCC) – had attended the Climate Summit in Copenhagen last year and plans to take part in this year's global mega-

event in Cancun. The participants called for evolving a climate protection strategy in Cancun on the basis of experiences at the grassroots.

A five-member jury comprising experts from different fields heard the testimonies of representatives and delivered a “verdict” after the public hearing.

The jury consisted of former Rajasthan High Court judge Panachand Jain, water expert M. S. Rathore, former civil servant L. C. Gupta, Sunny Sebastian of The Hindu and Anita Brandon of the Indira Gandhi Panchayati Raj Sansthan.

The jury was unanimous in its finding that the changes in weather, lengthening of summer season and the decreasing livestock were some of the most dangerous consequences of climate change.

“Several studies and practical experiences have proved that the primary reasons for drastic changes in weather are the harmful human activities in industrial and economic domains,” it observed.

Sixty-two-year-old farmer Hanuman Sahay Sharma from Naila, situated 20 km from Jaipur, said the animal husbandry activities had practically come to nought in his village due to scarcity of water and fodder. The farming of jamun and tomato has stopped in the village following a sharp decline in the ground water level.

Member of Rajasthan Assembly Devi Singh Bhati also narrated his experiences vis-à-vis climate change as a subject expert. Centre's co-director Alka Awasthi and unit head Alok Vyas said the jury's findings and farmers' testimonies would be referred to the policymakers to help them devise their action plans in the field.

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Virus attack eats into soybean crop in Madhya Pradesh



AP A soybean pod seen at a farm. File photo

The yield of the soybean crop is likely to get affected in a major way due to the attack of Yellow Mosaic Virus, farmers claimed here today.

In Indore region only, the soybean crop was affected in 1.5 to 1.6 lakh hectare area resulting in drastic fall in the total production, a farmer leader said.

“Due to the various diseases, the size of the oilseeds produced in the region is very small resulting in less payment to the farmers. We have demanded from the administration to compensate the loss adequately,” Bhartiya Kisan Sangh office bearer, Jagdish Rawalia told PTI.

Mr. Rawalia said the soybean crop was also affected in other parts of the state due to the diseases but it was not yet officially confirmed.

Agriculture Department’s Joint Director, R. C. Raghuwanshi admitted that attack of Yellow Mosaic Virus has affected the soybean crops.

“It is feared that virus attack will reduce fifty per cent production of the soybean crop,” he said, adding a survey is being undertaken to find out how much soybean area was affected due to the virus attack.

Soybean Processors apex body, SOPA had predicted bumper production (61 lakh tonne) of the crop as it was sown in 55.19 lakh hectare area.

SOPA Coordinator, Rajesh Agrawal said that they have commissioned a study to find out exact damage the crop has suffered and are collecting figures afresh to ascertain actual production of the crop.

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Food: FM spells out what must be done

Oct 05 2010

Finance minister Pranab Mukherjee's concerns on inflation, particularly regarding food items, will be shared by much of this country. Ordinary citizens, particularly the millions in the unorganised sector, have been reeling under the high prices they have to pay for items of daily consumption. Moong, a vital source of protein for the poor, is still in the vicinity of rs 100 per kg, not to mention other pulses and dals. Mr Mukherjee has said overall inflationary pressures have decreased, and that one must now see the rate of growth of the increase. That is fair as prices are bound to rise when supply does not keep up with demand, but it is important to curb the runaway growth in prices.

The agriculture minister's role in this is critical: for unless food production can be increased on a war footing, the situation is not likely to come under control. Unfortunately, though, his role has been found wanting, leaving a lot of unease and frustration in the minds of the people, who feel very little is being done about this matter given the magnitude of the problem. Mr Sharad Pawar

has an agricultural background and he has done much to change the face of Baramati in Maharashtra's Pune district, and also in the horticultural sector across the state, and it was expected he would have worked tirelessly to bring about a revolution in the nation's food production. The government knows well in advance when the country's foodgrain production is going to be plentiful, leading to excess procurement, so it should have created matching storage capacity. In fact, though, this was not done, and thus thousands of tonnes of foodgrain, worth around `50,000 crore, were left to rot in the open, with the government also preferring to let it rot rather than distributing it free of cost to the poor. We live in strange times indeed! In an interview published in this newspaper on Monday, Mr Mukherjee quite rightly spoke of the need to increase production in view of the proposed National Food Security Bill. One only hopes that he can goad the agriculture ministry into action, otherwise the entire food security matter will be a failure even before the bill becomes law. If the production falls short of the country's requirements, the government will once again have to go in for food imports, draining our resources and also inviting imported inflation. This in turn would increase the government's subsidy burden. It would be far easier and much more practical to insist that the agriculture ministry take responsibility for providing the groundwork for the success of the Food Security Bill. As Mr Mukherjee put it, "the very basic foundation of food security is production." Even good rains would be meaningless unless sowing takes place and there is a plan to increase food production. Since last year we have seen the Planning Commission deputy chairman and others say that food prices would fall when the rabi crop comes in; subsequently this goalpost was shifted to "if the rains are good", and now till the kharif crop, and so on...

Source URL:

<http://www.deccanchronicle.com/dc-comment/food-fm-spells-out-what-must-be-done-863>

THE ECONOMIC TIMES

Wed, Oct 06, 2010 | Updated 10.31AM IST

6 Oct, 2010, 10.18AM IST, AGENCIES

Oil prices slip in Asian trade on spike in US stockpiles

SINGAPORE: Oil prices were down in Asian trade today as forecasts of a massive increase in US crude stockpiles tempered market sentiment following recent rallies, analysts said.

New York's main contract, light sweet crude for delivery in November fell 15 cents to USD 82.67 a barrel.

Brent North Sea crude for November delivery shed seven cents to USD 84.77.

Data released by the American Petroleum Institute (API) yesterday showing a spike in US crude reserves was checking oil prices, said Victor Shum, senior principal of Purvin and Gertz international energy consultants in Singapore.

"What's causing this adjustment this morning... is the inventory report from the API," he said.

"The API report indicated crude stockpiles climbing by 4.4 million barrels in the last week. That's a huge gain," added Shum.

The crude slump comes on the heels of recent rallies in the oil market, but Shum said prices would continue to be supported by a disruption in oil supply in the US Gulf Coast and a rolling strike in a key French oil terminal.

The closure of a shipping channel in Houston, US, after a barge accident on Sunday caused a crude shortage in four refineries around the area as supplies to them were disrupted, according to US media reports.

A major oil terminal in France has been hit by ongoing strikes, triggered by union opposition to government plans to reform the country's ports.

The general secretary of the port's CGT union, Pascal Galeote, told Dow Jones Newswires the strike at Fos-Lavera oil terminal would continue into its 10th day today.

6 Oct, 2010, 12.51AM IST, Madhvi Sally & S Sujatha,ET Bureau

Organic cotton loses premium on demand-supply mismatch

CHANDIGARH | COIMBATORE: A drop in demand for organic cotton in the West amidst an increase in output has forced large retailers to cut consumption. With the eco- friendly natural fibre unable to make a qualitative difference, apparel makers are reverting to conventional varieties.

“Everyone is looking at organic cotton as a good prospect but the premium it was enjoying five years ago has come down substantially,” said Coimbatore-based cotton analyst A Ramani.

“Today, organic cotton commands a price of 5-7 cents per pound over conventional cotton. Five years ago, it was selling 20-25 cents per pound more than regular cotton,” he added.

Organic cotton prices are usually based on conventional cotton pricing. Today, ex-Indian port price of Shankar-6, the widely-used Indian cotton variety, is priced at 110 cents per pound while organic cotton prices rule at around 115-120 cents per pound. “The growth of organic cotton is phenomenal but the prices have come down a little due to a rise in production,” said Narendra Lodaya, a Mumbai-based producer of organic cotton. “The production of organic cotton has increased in India from 2 lakh bales in 2006 to over 7 lakh bales today,” he added.

Ludhiana-based Venus Garments (India), exporter of knitwear to international retailers like Wal-Mart, Old Navy and Tom Tailor, has seen a fall in new orders for organic garments this year.

“We had a considerable good order for organic garments from Wal-Mart last year which it has not continued for this year. The demand is for conventional cotton garments with high organic

cotton prices as a major reason," said Venus Garments managing director Anil Jain. Industry sources said the company supplied over 5-6 million pieces of organic garments to Wal-Mart in 2009-10. The company, which sells organic garments in domestic retail chains UV&W and in over 500 MBOs across the country, has not seen a fall in demand.

For Arvind Mills, one of the biggest consumers of organic cotton in India, export demand has been good for its organic denim and shirtings. "Things are fine with organic cotton and demand has been pretty good on export front," said Arvind Mills cotton purchase head RR Vinod.

Punjab-headquartered Vardhman group, which annually exports 6,000 tonne organic yarn to China and Korea is worried about the prices in international and domestic markets. "There is going to be a drop in demand owing to high organic yarn prices. With organic cotton arrivals yet to begin and new contracts to start from November, we cannot say what price they are going to rule in the year ahead," said Vardhman group chairman SP Oswal.

5 Oct, 2010, 02.36PM IST,REUTERS

India spices rally; jeera rebounds from contract low

MUMBAI: India's jeera futures rebounded from a contract low on Tuesday as lower stocks and weakening arrivals prompted buying, but hopes of good sowing in the up-coming season weighed, analysts said.

"Despite competitive prices in the international market, export demand is weak. Domestic buyers are also staying away on apprehension of further fall in the prices," said Sikha Mittal, analyst at Karvy Comtrade.

At 2:02 p.m., October jeera was up 0.31 percent at 13,332 rupees per 100 kg after hitting a contract low of 13,162 rupees earlier in the session.

Jeera October contract is expected to trade in the range of 13,080-13,340 rupees per 100 kg, said the analyst from Karvy Comtrade.

At Unjha, a major trading hub in Gujarat, jeera fell 78.5 rupees to 13,314 rupees per 100 kg.

The Spices Board chairman has projected 40,000 tonnes cumin seed exports by the end of 2010-11 as the prices are competitive and India's rivals have not been able to have good crop.

In India, jeera is cultivated during winter from October to December, and harvested during February-April.

Jeera exports in April-August 2010 fell 23 percent to 15,500 tonnes from a year ago.

PEPPER: Indian pepper futures snapped a two-day losing streak on restricted physical supplies and lower stocks with major producing countries though poor export demand limited the upside, analysts said.

"It's up on short-covering. If October contract sustains above 18,800 levels then it may touch 18,920 rupees in short-term," said an analyst from Karvy Comtrade. At 2:00 p.m., October pepper was up 0.89 percent higher at 18,800 rupees per 100 kg.

In the Kochi market, a trading hub in Kerala, pepper gained 89 rupees to 19,068 rupees per 100 kg.

Business Standard

Wednesday, Oct 06, 2010

Maharashtra govt to discuss help to sugar mills

Sanjay Jog / Mumbai Oct 06, 2010, 00:55

Even as Maharashtra is expecting a bumper sugar production of 9.5 million tonnes in the current crushing season, surpassing its own record of 9.1 mt in 2006-07, the cooperative sugar industry expects a Rs 2,375-crore cash loss. The reason: A mismatch between the cost of

production and realisation, the difference being around Rs 250 a quintal. The realisation is estimated at Rs 2,450 a qtl, as against the production cost of Rs 2,700 a qtl.



The industry said it incurred a cash loss of Rs 2,000 crore in the previous crushing season. Prakash Naiknavare, managing director of the Federation of Cooperative Sugar Factories in Maharashtra, told Business Standard: “The difference between the production cost and realisation is a major problem. On top of it, the farmers’ associations, especially the Shetkari Sanghatana, are forcefully demanding an exorbitantly high cane price.

This is going to severely hit the finances of the sugar mills.” Industry sources believe the state cabinet may tomorrow consider various incentives to help the mills. “The mills may consider storing raw sugar in 2010-11 and 2011-12, even bearing the interest burden of Rs 300 a qtl. However, they can make a fortune by refining this stock during the sugar deficit years of 2012-13 and 2013-14. The mills can also look at the possibility of ethanol production at a time oil marketing companies will procure it at Rs 27 a litre,” said a source. Naiknavare said the crushing season would be delayed by about a fortnight, till mid-October, due to heavy rain in August, September and October.

About 35 of the 150-odd cooperatives ignited their boilers on October 1. However, says Naiknavare, harvesting labourers will enter the fields only after October 15; they will first harvest the kharif bajra and then leave for cutting. The labourers come from the Beed and Osmanabad districts of the Marathwada region. A state government official said the government would give a transport subsidy of Rs 3 per tonne per km for encouraging transport of cane from far off places. “The idea is to ensure that cane does not remain uncrushed at the end of the season.

The state cabinet is expected to give its approval at the Wednesday’s meeting,” the official added. Traders have made a strong demand for re-start of sugar exports. Yogesh Pande, founding president of the Maharashtra Sugar Brokers Association, said: “The Centre must take steps to allow exports, which will provide stability to domestic sugar prices. The recent floods in

Pakistan and other neighbouring nations have raised hopes of Indian millers since there will be a shortage of sugar in these countries.” He said India would be a major exporter due to the high prices in the global market (\$600-650 a tonne).

Barley futures surge on brisk buying

Press Trust of India / New Delhi Oct 05, 2010, 15:15

Barley prices looked up by Rs 15 to Rs 1,303 per quintal in future trade today, on fresh buying by traders in line with firm spot market cues.

Analysts said less arrivals against brisk buying by beer making units in physical markets, led the

rise in barley future prices here. At the National Commodity and Derivatives Exchange, barley

prices for the delivery of near November month jumped up by Rs 15, or 1.16 per cent to Rs

1,303 per quintal, witnessing an open interest of 3440 lots.

Likewise, current October month delivery rose by Rs 12.60, or 0.99 per cent to Rs 1,284 per

quintal, having an open interest of 12,680 lots.

THE HINDU Business Line

Business Daily from THE HINDU group of publications

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<http://www.thehindubusinessline.com/2010/10/06/stories/2010100650810800.htm>

[Back](#) Farm output and poverty

SHASHANKA BHIDE

Low agriculture productivity and high incidence of rural poverty are highly correlated. Therefore, agriculture growth, particularly in rainfed regions, can do better than job generation schemes in alleviating poverty.



If agriculture is to be the solution for poverty reduction, farm development should take place where poverty is concentrated.

The strong link between agricultural development and poverty reduction is a longstanding proposition. Although it is unrealistic to hold that this link is universal across regions and types of agriculture, the fact that the rural economy is driven by the fortunes of agriculture is obviously the key to this link.

That the bulk of the rural poor are agricultural workers and marginal farmers clearly strengthens the case for looking at agricultural development as an antidote to rural

poverty. Low productivity of the farm sector and high incidence of rural poverty are highly correlated with each other.

The well-known ways in which better agricultural performance impacts poverty reduction are through productive employment, higher income for marginal farmers and availability of cheaper food.

Farm CENTRALITY

What is important for the poor is not a good harvest once in a few years but a steady improvement in agricultural output.

The push for high agricultural growth alone perhaps activates only one of the channels, that of modest prices, unless price itself is an instrument to achieve higher growth. The dilemma in the choice of instruments is, therefore, quite real when it comes to poverty reduction.

The recent review and renewed commitment of nations to achieve the Millennium Development Goals (MDGs) is at least a reminder of the goals that are not met. Besides highlighting healthcare issues, the renewed commitment has meant that there has also been the assurance of increased flow of global resources to strengthen agriculture in the developing countries.

The link between agriculture and the incomes of a large proportion of population in the rural areas is important for delivering at least one of the major MDGs — poverty reduction. The prevalence of poverty is also a reminder of the unequal opportunities thrown up by economic growth.

We had high rates of economic growth before the global crisis struck, but the decline in poverty even before the crisis was not at a rate required to meet the MDGs. The MDGs had aimed to bring down the poverty rates to about 15 per cent by 2015. The current rates are nearly double the target, and the task ahead is daunting.

What would have to change in agriculture to make poverty reduction targets feasible? Agriculture would have to play a significant role in, if not become the sole instrument for,

poverty reduction.

Most important, it should not be the problem. Agricultural growth is important for achieving goals of balanced development, food security and higher rural income. But if agriculture is to be the solution for poverty reduction, farm development should take place in areas where poverty is rampant.

DEVELOPING DRYLANDS

There should be efforts to improve productivity, where productivity is low. It is possible that the efforts at supporting dryland production, watershed management or supplementary enterprises such as dairying or poultry may yet pay dividends to the poor.

While these efforts remain promising as instruments of sustained improvements in the productivity of farm labour, the results so far have not been impressive. The rate of incidence of poverty remains high. We have not been able to bring about agricultural growth where poverty is deep and widespread.

Will the building of community assets and so on under the employment guarantee programmes in such areas lead to sustained improvement in the productivity of rural enterprises, including agriculture? If it does not, there will probably be a larger number of poor over time as productivity stagnates.

As with everything else, agriculture also has two dimensions: there is the commercially viable and expanding face of agriculture, where new technologies and new markets emerge.

Then there is the commercially unviable dimension: Holdings that are too small, no access to irrigation and lack of savings for investment. Commercially viable agriculture can provide more productive employment to rural labour if there is sizeable growth. But the unviable pockets of the sector will have to become viable to be part of any real solution. For this, agricultural growth will have to be accelerated in regions where poverty is concentrated. Only then can it help achieve poverty reduction.

Date:06/10/2010 URL:

Back Speculation, tight supplies drive up cotton prices

Correction likely once India begins exports.

G. Chandrashekhara

The global cotton market is on a bull run. World cotton prices, which began to rise from August, surged to the highest level of the last 15 years, with Cotlook A-Index touching 115.60 cents a pound on September 29.

The price was 80 per cent higher than at the same time last year and the highest value reached since May 23, 1995.

SLEW OF FACTORS

Experts have attributed the phenomenal price rise to a combination of factors, including strong Asian demand (mainly Chinese), low stocks and tight supplies.

While the China Cotton Association has cut its 2010-11 cotton output estimate to 6.7 million tonnes citing lower yields,

India has delayed cotton exports until November 1, despite prospect of record crop.

Pakistan has sustained crop losses due to floods.

Without doubt, there is supply uncertainty in the world cotton market, which is having an impact on market prices. But a closer look at estimated world production, consumption and stocks for 2010-11 unmistakably indicates that the world cotton market is not exactly in a state of deficit. The latest estimates of the International Cotton Advisory Committee for 2010-11 indicate that world production and consumption, at 25.1-25.2 million tonnes, are tightly balanced.

BIG JUMP

While production has shown a big jump from last year, consumption is projected to grow at a slower rate (0.5 million tonnes). Cotton exports are going to surge for the second year in

a row.

Importantly, although opening stocks for the year are sharply down to 9.0 ml.t. (from last year's 11.9 ml.t.), there is likely to be no further drawdown of stocks. If anything, the projected number suggests the year's ending stock would marginally rise to 9.1 ml.t. If such is the tightly balanced market fundamental picture, make no mistake, there is enough cotton in the world and certainly no shortage, and global growth concerns are far from dissipated — there is absolutely no justification for cotton prices to have gone to elevated levels representing 15-year highs.

speculator-driven

One must allow for currency factor (dollar is weak) and influence of other agricultural markets (wheat and corn prices are rather high). Yet, even after taking all these factors into account, cotton prices look suspiciously speculator-driven, and much less by demand-supply mismatch. The basic numbers do not justify breach of 100 cents a pound. The market should know that the current uncertainty relating to supplies (mainly exports from India) is temporary, if anything, and that fundamentals will catch up sooner rather than later.

MARKET FUNDAMENTALS

It is for these reasons that one is unable to accept the defensive approach of the ICAC when it says “the recent firm increase in cotton prices is mainly the result of strong market fundamentals rather than speculation.” It is well known that in the last couple of months, tactical investors have viewed agricultural markets most positively. By mid-September, net fund length in ICE cotton market, at 55,900 lots, remained at its highest level since March 2008.

The CFTC report on speculative positions in commodity markets clearly shows that non-commercial (speculative) long positions are still twice that of short positions. Of course, non-commercial net fund length declined last two weeks. Triggered by tightness in supplies, the role of speculative capital in propelling world cotton prices disproportionately higher (tenuously related or unrelated to market fundamentals) cannot be wished away or

ignored.

As and when supply tightness eases — primarily when India begins to export, which is only weeks away — world cotton market could see a big price correction as fundamentals would again reassert themselves. India's confused policy stand on cotton export is to blame for the current bull run in the global market, which is benefiting rival suppliers who may be laughing all the way to the bank. At the same time, Indian cotton growers are being denied the benefit of rising international prices. When the government succumbs to lobby pressure, this is what happens.

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Back Food prices: Driven by expectations

TANUSHREE MAZUMDAR



Supply-side factors, such as faulty food procurement and distribution, have played a part in the recent food price inflation.

There is near-unanimity in the view that the recent food price inflation in India is cause for concern, but there is no consensus on its causes.

In 2009, most of the food price inflation was explained away by the poor monsoons and the subsequent deficient rainfall, which did affect the production of crops and their supply.

There is another school of thought which says that more than supply, it is the rise in aggregate demand (for food), especially in rural areas, thanks to rising incomes contributed by the Mahatma Gandhi National Rural Employment Guarantee Scheme (MNREGS), that has contributed to inflation in 2009.

There might be a third factor in operation — expectations. By serving as self-fulfilling prophecies, expectations can create inflationary pressures. The undercurrent of expectations cannot be denied in the recent period.

PRICES AND THE MONSOON

In 2009 we can delineate two periods of sharp rise in food inflation. One was between May and July 2009 when food inflation climbed from 8.45 per cent to 14.16 per cent. The other was between August and November, when inflation rose from 14.08 per cent to 18.66 per cent per annum. In both these periods the rise in inflation rate was real, and not an effect of a high index in the base period.

Between May and July 2009 the rise in inflation was caused by a rise in the prices of pulses, fruits and vegetables and eggs, meat and fish groups. Between August and November 2009, food price inflation was caused mainly because of inflation in pulses, milk and fruits and vegetables.

While the rise in food inflation between August and November can be attributed to the failure of the monsoon in 2009, the rise in inflation between May and July 2009 is difficult to understand, as it was before the effect of the monsoon failure could be completely felt.

That expectations were behind the rising inflation in this period can be inferred from the inflationary build-up in 2009. The build-up of inflationary pressures is characterised by a period of continuous rise in inflation rate (with reference to a common point/period).

ROLE OF EXPECTATIONS

In 2009, for example, by the end of June, the Indian Meteorological Department (IMD) had already predicted a 60 per cent deficiency in rains in the last season.

The role of expectations can be clearly seen in the build-up of inflationary pressures from

July, after which inflation continued to rise. After the end of the monsoon season, by October 2009, though the food inflation rate was around 13 per cent, the build up was close to 20 per cent.

Therefore, it is no surprise that the inflation rate in December 2009 was close to around 20 per cent. Expectations were moving the inflation rate to those levels. By way of supporting evidence for the role of expectation, we see that the yield curve (which reflects inflationary expectations) showed signs of hardening in the shorter end of the curve since July 2009 as well.

The role of inflationary expectations in pushing up inflation rate is seen in 2008 as well. Between April and November 2008, food price inflation increased from 5.54 per cent to 10.31 per cent. The build-up in food inflation grew from 1.63 per cent in April to 8.51 per cent in November.

LOW BUILD-UP THIS TIME

The role of expectations can be seen in the low build-up of inflationary pressures in the months of June and July 2010. The IMD had forecast normal rain by the end of May. By the first fortnight of June it was clear that the monsoon was going to be normal and the deficit till then was only 5 per cent, compared with 46 per cent deficit in the same period last year.

This seems to have been factored in and reflected in the low build-up. Low expectations combined with a good kharif crop should bring down food inflation by the end of this year. That should be no cause for surprise.

NOT JUST SUPPLY, DEMAND

What about supply and demand factors? What role did they play in pushing up the inflation rate in 2009? As mentioned, even if supply side factors did cause inflation to rise, they would have nudged the inflation rate upwards only after the harvest, not before.

However, Mr Kaushik Basu, Chief Economic Advisor, Government of India, has alluded to supply-side factors, in the form of faulty food procurement and distribution policy, that have

played their part in the recent food price inflation.

As for pressures from demand-side factors, studies have shown that food output grew by 5.39 per cent in 2007-08, much higher than the domestic absorptive capacity (reflected in high exports during the recent period when the share of food exports increased from 6.2 per cent during 2003-04 to more than 10 per cent during 2006-07 to 2008-09).

The low food absorptive capacity of the economy has been highlighted by Prof A. Vaidyanathan as well. If aggregate food demand had increased (especially because of rural prosperity) we would not have seen food prices coming down, as they have been in the last few months.

If indeed expectations have played a role in pushing up the inflation rates in the recent times, what is the best way to reign in such expectations from playing havoc with inflation?

Better food supply management, most certainly. At the very least this will ensure that expectations that germinate in uncertainty don't take deeper roots because of heightened uncertainty.

(The author is Senior Economist, National Commodity & Derivatives Exchange, Mumbai. The views are personal.)

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Back Paddy procurement in full flow; wheat gains

Our Correspondent

Karnal, Oct. 5

In one of the biggest grain market of Asia here, paddy procurement is on full swing on Tuesday. Government agencies and rice millers came to the market to procure the stocks.

Following farmer's protest in the last four days, the Deputy Commissioner of Karnal, Mrs Neelam Pradeep Kasni, visited the market and asked the officers of Government agencies

to increase the procurement of paddy.

Arrivals

According to the reports, around 16,440 tonnes of paddy had arrived in the different grain markets of Karnal district till Tuesday, and the stocks were procured by the rice millers, traders and the agencies.

The arrival of normal paddy was 341 tonnes, Grade-A 13,716 tonnes, Sharbati paddy 2,243 tonnes and the Mucchal variety was 140 tonnes.

The Sharbati variety ruled at Rs 1,300-1,550 a quintal, Sugandha-999 at Rs 1,400-1,550, RS10 at Rs 1,250 while the DB Mucchal was quoted at Rs 1,550-1,850.

The Food Corporation of India lifted 6,031 tonnes, Haffed 2,455 tonnes, Agro 1,045 tonnes and the Haryana Warehousing Corporation 770 tonnes. Rice millers and traders lifted 6,052 tonnes paddy.

Wheat market

Wheat prices on the Karnal grain market terminal continued to witness a mixed trend.

Due to lack of arrivals from Uttar Pradesh, market of desi wheat varieties witnessed a firm trend. Prices of dara wheat variety rose marginally by Rs 5 a quintal and ruled around Rs 1,190-1,195. The fine quality ruled between Rs 1,210 and Rs 1,215 a quintal. About 500 quintals of dara wheat arrived from Uttar Pradesh on Tuesday.

On the other hand, in the absence of fresh arrival of desi wheat varieties, prices rose Rs 30-50 a quintal. Desi wheat varieties witnessing a good rally, price rose around Rs 60-100 a quintal in last one week.

Tohfa variety ruled at Rs 2,250-2,300 a quintal; Lok-1 at Rs 1,870; Kitchen queen new marka at Rs 2,080; Parley-G variety around Rs 2,175 and Nano at Rs 2,120 a quintal.

Mr Subhash Chander, a wheat trader, said because of low quality of desi wheat varieties all orders were stopped by the wheat traders. This is the reason behind the no fresh

arrival, he said.

Flour prices dropped by Rs 10 for a 90-kg bag. Flour was quoted at Rs 1,200 (90 kg bag). While the Chokar prices continued their rally and prices rose by Rs 20 (49-kg bag) to the season's highest around Rs 570 (49-kg bag).

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Back Rs 85-cr vegetable market for Madurai

Madurai, Oct. 5

The Union Minister for Chemicals and Fertilisers, Mr M,K,Alagiri, said in a statement on Monday that a vegetable market with amenities to preserve the produce under one roof has been planned at a cost Rs 85 crore on a 27-acre land situated between the Mattuthavani Bus Stand and the Wholesale flower market in the adjacent area. It will enable buyers and sellers of various commodities to trade directly without middlemen. He further said that the proposal would be implemented through the Tamil Nadu Agricultural Marketing Committee. In the first phase, Rs 30 crore would be spent on the preliminary works to begin soon. The balance of Rs 55 crore would be released at appropriate stages. The project would be completed by 2012. It should benefit the farmers from southern districts. It would also generate more employment, both direct and indirect. Skilled persons would be in demand for various operations, he added

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Back Bengal asked to release potatoes from cold storage

Our Bureau

Kolkata, Oct 5

The West Bengal Cold Storage Association has urged the State Government to take

immediate measures to release the potatoes from the cold storages across the State to arrest the present rising trend in prices. "We have urged upon the authorities of the West Bengal Government to take necessary measures for immediate phase-wise and planned release of potato stored in the cold storages throughout the State," said Mr Swapan Kumar Mondal, President, West Bengal Cold Storage Association.

Close to 58 lakh tonnes of potato have been stored in about 400 cold storages across the State in the current fiscal. The State government is holding 18 to 20 per cent of the total quantity of potato in the cold storages. "The release of the stock of potato of the agencies of the State Government has been very low. As a result of such slow release of potato, the escalation in price of potato is inevitable," Mr Mondal said addressing a press meet here on Tuesday.

Price rise

Owing to a demand-supply mismatch on the back of a delay in offloading of potatoes held by the West Bengal Government, potato prices have skyrocketed by about Rs 200-300 a quintal since last week.

West Bengal government had procured 9.75 lakh tonnes of potatoes through the consumer co-operatives under the West Bengal State Consumers Cooperative Federation (Confed) this year. The potatoes were procured from farmers at Rs 3.50 a kg. The State had produced a bumper crop of about 100 lakh tonnes this year, which caused the prices to fall; the Government therefore bought potatoes in order to prevent prices from crashing.

The Government had identified two processes of offloading the potatoes, one by way of public distribution system and another through trade channel by tendering process. Close to one lakh tonnes of potatoes were to be released through the PDS, while about four lakh tonnes would be offloaded through the tendering process, the Government had earlier notified. However, the delay in offloading the potatoes by way of tendering process was leading to the abnormal increase in price of the tuber, Mr Mondal said.

Key problem areas

Highlighting the key problems confronting the cold storage industry, Mr Mondal said, the

recent increase in tariff of West Bengal State Electricity Distribution Company Ltd has resulted in serious financial constraints for the cold storage industry.

Cold storage was a highly power intensive industry and the demand for power was seasonal depending on storage and release of potato, he observed.

“The increase in electricity tariff with retrospective effect from April is not at all feasible as the cold storage owners are unable to recover the increased cost from those who have already paid the rent and have got their stocks released.

Accordingly, it is essential that the increased tariff be made effective prospectively from the date of fixation of the rent at the new rate. Otherwise, the cold storage industry will suffer heavy financial losses from which it will be almost impossible for them to recover,” he pointed out.

Further, the Expert Committee set up by the State Government to consider fair rental should immediately review the situation and make a fresh recommendation for increase in rent for the current season based on the prevailing situation, he said and added, “The rent for the cold storage should be revised to a minimum of Rs 125 a quintal immediately in tune with the prevailing rent in other potato producing States.”

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Back Poultry firms bet on processed chicken

Issue of waste, ease of purchase cited as reasons

M. R. Subramani

Chennai, Oct 5

In today's poultry world, 95-97 chicken out of 100 are sold live. This means, they are butchered in front of the customer at retail outlets in cities, towns and villages. However, all

this could change in a few years as various factors could lead to increased consumption of processed chicken.

"The live birds' sale sector makes up 97 per cent. Only institutional buyers opt for processed chicken either in chilled or frozen form," says Mr B. Soundararajan, Managing Director of the Coimbatore- based Suguna Poultry Farm Ltd.

"Things are heading towards a situation where consumers will have to opt for the purchase of processed chicken only. The Chennai Corporation has stopped giving licences to new outlets where chicken will be sold alive. In Delhi, slaughtering has been banned though its implementation is yet to be speeded up," said Mr Shivakumar, Managing Director of VKS Farms Pvt Ltd, also based in Coimbatore. According to Mr Soundararajan, sales of processed chicken have been rising by 30-40 per cent annually. His company's sale of processed chicken could double from the 422 tonnes sold during 2008- 09. Last fiscal, the company sold 775 tonnes of processed chicken and this year in the first quarter, the sales clocked 210 tonnes.

CONTINUOUS GROWTH The encouraging point for processed chicken manufacturers is that this sector has been witnessing continuous growth even when the poultry sector in general witnessed a downtrend in 2008 and dormancy in 2009.

"People have begun to buy chilled chicken and institutional buyers are taking frozen chicken," Mr Shivakumar said.

The body temperature of a chicken is usually 25-27 degrees C. In the chilling process, it is brought down to 8-10 degrees C after the feathers are removed. This has a shelf life of three days if kept in the refrigerator. Frozen chicken is where the temperature is reduced to 4 degrees C and kept in a blast freezer before being sent to the retail outlets. The frozen chicken can last a year.

Mr Shivakumar said that people in the cities could soon take to processed chicken on grounds of waste disposal. "In a live chicken, the yield is only 65 per cent and the rest is waste. If 15 lakh birds are slaughtered every day, the waste generated is nearly 30 lakh tonnes. This will soon make people turn away from the live birds," he said.

Again, the turnover time in sales between live bird and processed chicken could set the agenda for the future. "If buying a live chicken takes 8- 10 minutes for a customer, purchase of chilled chicken takes hardly two minutes," Mr Shivakumar said.

Asked about acceptability, he said it was there. "Presence of processed chicken in retail outlets has to increase," said Mr Soundararajan.

SAMPLE SALES In order to improve awareness among consumers on processed chicken, VKS Farms has begun giving samples from its retail outlet "Dola". Suguna Poultry, on the other hand, has come up with a variety of chicken products to promote consumption of processed bird.

The increased consumption of processed chicken could mean better bottom line for the poultry firms. Since the chicken is processed at their outlets, they could make better use of the wastes.

"We grind the wastes into powder that is used in pet feed," said Mr Shivakumar. In fact, he says, it could also be a gain for the consumers since they have to pay only for what they consume, and not for the waste.

"At our retail outlets, a live bird costs Rs 110, whereas a chilled one costs only Rs 90," says Mr Shivakumar.

With cold chain development, the problem of power cuts is not a problem since people have begun using generators. "People have begun investing heavily in cold chains," Mr Shivakumar said

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[Back](#) Higher oilseed arrivals drag edible oil

Our Correspondent

Mumbai, Oct. 5

Edible oil spot prices continued to decline on higher arrivals of oilseeds in producing areas.

The new crop of soyabean in Madhya Pradesh and groundnut in Gujarat along with other producing States are said to be far higher than last year. This will dominate the market sentiment in coming days more, said market sources. The volumes in palmolein picked up on increased retail demand.

On Tuesday in Mumbai spot market, except palmolein, most of the edible oils declined by Rs 5-10 a 10 kg despite sharp increase in Malaysian markets. Bursa Malaysia Derivatives crude palm oil November futures were up 50 ringgits (MYR) and December futures 39 MYR.

In line with foreign markets, Indore soya oil futures also increased sharply. Speculators booked profits.

A wholesaler said that in Mumbai market about 250-300 tonnes of palmolein were traded in the range of Rs 443-445 in resale. Ruchi traded good volume of palmolein in the range of Rs 440-442 and 200 tonnes of sunflower refined oil at Rs 580.

In other oils such as groundnut, cotton and soya, there was no demand. On Tuesday, total arrivals of soyabean at in Madhya Pradesh were 2.25-2.50 lakh bags. Groundnut seed arrivals at Gujarat/Saurashtra region were nearly 1 lakh bags.

Crude palm oil futures in Malaysia for November delivery increased to 2,702 MYR and December futures closed at 2,705 MYR. Indore NBOT soya oil futures October contracts were higher at Rs 483 (Rs 475.50) and November were at Rs 490 (Rs 483.80).

Mumbai commodity exchange spot rate (Rs /10kg): Groundnut oil 840 (850), soya refined oil 465 (467), sunflower expeller refined 540 (545), sunflower refined 590 (590), rapeseed refined oil 560 (570), rapeseed expeller refined 530 (540), cotton refined oil 485 (488) and palmolein was 446 (446).

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Back Pepper futures hit upper limit on higher demand

G.K. Nair

Kochi, Oct. 5

Pepper futures hit the upper ceiling on Tuesday as demand outweighed supply following withdrawal by investors from selling of validity expired stocks and farm grade pepper held by them.

The investors, especially the national level cooperatives which had sold good quantities yesterday, withdrew today looking at the increased number of buyers at the discounted price of Rs 3 to Rs 3.50 a kg below October delivery price. In fact, the bears, having realised that there is a squeeze in availability, appeared to have become bullish today, trade sources said. Short position holders were buying back and getting out, they said.

As the material was not available in the primary market, dealers from there and leading exporters turned towards October delivery for coverage, market sources told Business Line.

Domestic demand also had shown signs of picking up as enquiries from upcountry markets, mainly from Maharashtra, Madhya Pradesh, Rajasthan, Bihar and Jharkhand have started pouring in. Meanwhile, the Kerala Government has allegedly started collecting 2 per cent tax at the check-posts at its borders and that in turn had slowed down buying by inter-state dealers, especially from Tamil Nadu where no tax is levied. They were moving the material to Tamil Nadu and there from to north Indian markets, trade sources said

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Back Cardamom steady on Diwali demand

GK Nair

Kochi, Oct 5

Diwali demand in keeping cardamom prices nearly steady, despite increased arrivals at the auctions held last week, traders said.

North Indian buyers are buying good quantities of cardamom for the “basic Diwali demand”, they said.

Exporters' support

Exporters are also buying. A total of estimated 20 tonnes were bought by exporters last week, they said.

As the second round of picking, which used to produce the highest output of the season, is to end by mid- October, the arrivals have shown an upsurge. The season's highest arrival was there at the Sunday auction conducted by the KCPMC with 69 tonnes. The entire quantity was sold out. The maximum price was at Rs 1,230 a kg while the minimum Rs 644 a kg. Auction average was at Rs 1,016 a kg.

Contrary to expectations that the prices might fall sharply on increased arrivals, prices were almost steady at all the auctions and as a result the individual auction average did not fall to below Rs 1,000 a kg and oscillated between Rs 1,000 and Rs1,025 a kg, Mr P.C. Punnoose, General Manager, CPMC, told Business Line.

The domestic demand has been good so far. Exporters are also having orders in hand. There could be buying support till the arrival of Guatemala cardamom in the market by November/December. The supply this year also said to be less from there, trade sources claimed. Total arrivals during the current season from August 1 to October 1, stood at 1,796 tonnes. Of this, 1,786 tonnes of cardamom were sold.

Arrivals and sales in the same period of the previous season were 1,695 tonnes and 1,678 tonnes, respectively.

Weighted average price as on October 1, 2010 was Rs 1,186.50 a kg, up from Rs 706.50 same day last year.

Prices for graded varieties in rupees per kg on Monday were: AGEB 1,340 – 1,350 ; AGB - 1,195 1,205; AGS -1,140– 1,150; AGS1- 1,115– 1,125.

Prices in the open market at Bodinayakannur were: AGEB- 1,330-1,340; AGB -1,165- 1,175; AGS -1,125-1,135; AGS 1 - 1,090- 1,105.

The weather conditions in Idukki have been quiet ideal for cardamom and hence the late crop could be good provided the current trend prevailed during rest of the season, growers said.

The total output might remain at the last year's level due to the protracted dry spell without any summer rains early this year. It has also delayed the harvesting of the current season, they said.

Good farm management practices followed by growers because of the good prices they have been enjoying consecutively for the third season, are reflected on the output this season so far despite the unfavourable weather conditions prevailed during the summer months, official sources said.

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Back Bullish sentiment eases in coconut oil



C. J. Punnathara

Kochi, Oct. 5

Coconut oil prices have eased both in the Kerala and Tamil Nadu markets. Prices in Tamil Nadu which were quoting above Kerala prices fell to Rs 6,800 a quintal, while Kerala prices ruled firm at Rs 7,000. With the setback in Tamil Nadu prices, the bullish sentiment seems to have eased for the moment.

The lean season has set in the world's biggest coconut producing country, Mr M. M. Kurian, President of the Cochin Oil Merchants Association (COMA), said. He said that copra arrivals in Kerala and Tamil Nadu, the largest producing States, had trickled down and the prices were expected to remain firm. Kerala is the largest producer, followed by Tamil Nadu.

There is hardly any copra arrival from Tamil Nadu into Kerala, the biggest consumer of coconut oil. Tamil Nadu which has production in excess of demand used to be the price maker and the prices always are lower than in Kerala where demand exceeds the supply. The trend was reversed during last month when Tamil Nadu prices quoted higher and overall prices moved up. The old demand-supply balance between the two States seems to have been restored.

The festival demand from upcountry buyers during Dussera-Diwali season is also expected to keep the prices firm, Mr Prakash B Rao, Director of COMA, said.

The price of copra sold by NAFED has surged to Rs 5,100 a quintal. Sources said that copra was still available at Rs 5,000 from other sources. Palm oil prices have also eased to Rs 4,400 a quintal while palm kernel oil prices quoted Rs 6,950. Unless there are large scale shipments of palm oil and palm kernel oil into the country in the coming weeks, firm trend in coconut oil is expected to persist.

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Back Retail, upcountry demand boosts sugar

Our Correspondent

Mumbai, Oct. 5

Fresh demand from retailers and an increase in upcountry buying for Navaratri festival at the mill level on the Vashi wholesale market pushed up spot sugar prices by Rs 25-30 for a quintal on Tuesday. There was all-round buying at the national level. Demand from West Bengal, Orissa, Gujarat and Madhya Pradesh is expected to increase sharply in coming weeks, said market sources.

In Maharashtra, new season's crushing is yet to start. Due to the heavy rain in September, crushing in most of the mills has been delayed by 10-15 days.

Mr Tokershi Dedhia of Surya traders told Business line, "Festival demand for Navaratri along with the usual rise in the fresh demand in the beginning of the new month will last up to the first half of October and will continue for Dasara and Diwali. The whole month will see a good demand for sugar. On Monday evening, mills sold about 2.25/2.50 lakh bags of sugar to the local stockist in the range of Rs 2,590-2,610 for the S-grade and Rs 2,630-2,660 for M-grade. Maharashtra's mills have also sold about 3-4 rakes of sugar in the price range of Rs 2,625-2,630 a quintal to West Bengal and Orissa side buyers. Some buying from Madhya Pradesh and Gujarat supported the bullish sentiment.

On Tuesday, the total approximate arrivals at Vashi market was at 55-58 truckloads (10 tonnes each) and lifting was at 52-55 truckloads.

According to the Sugar Merchants Association, spot rate was Rs 2,665-2,711 for S-grade (Rs 2,645-2,686) and Rs 2,701-2,791 (Rs 2,680-2,771) for M-grade. Naka delivery rates were Rs 2,625-2,660 (Rs 2,620-2,640) for S-grade and Rs 2,680-2,720 (Rs 2,660-2,690) for the M-grade.

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Back Groundnut oil stable on higher inflow

Our Correspondent

Rajkot, Oct. 5

The price of groundnut oil has been ruling stable for the last 2-3 days after the sharp fall of Rs 100 a tin in 10 days before that as the new crop began flooding the market, especially in the Saurashtra region.

Groundnut oil price is currently ruling at Rs 1,465-1,470 for 15 kg new tin while the 15-litre new tin price is Rs 1,365-1,370. Loose groundnut oil price is Rs 830-835 for 10 kg. Every day 7-8 tankers of 10 tonnes are traded.

About 25,000-30,000 bags of 50 kg new crop groundnut arrive in various mandis of Gujarat every day. The price is Rs 650-700 for 20 kg for new crop.

Rajkot-based traders said: "New crop has started to arrive in the market. It is putting pressure on the price. Moreover, demand is not heavy at present. Festival demand will come after Navaratri. People also want to buy but they are waiting for some dip."

The Saurashtra Oil Millers Association (SOMA), an apex body of oil millers, will meet to discuss groundnut crop and oil year on Sunday.

Last year, SOMA estimated 10-12 lakh tonnes groundnut production in the Gujarat and this year, according to millers, groundnut production in Gujarat is expected to cross 14-15 lakh tonnes.

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Back Stockists perk up interest in pulses

Our Correspondent

Indore, Oct.5

The pulses market rebounded after a long time with both traders and stockists showing up in the mandi for purchases ahead of the festive season. In the local mandi, pulses witnessed a mixed trend.

Chana dal gained Rs 20 with increase in demand at mill level. Similarly, tur dal gained Rs 100 at Rs 5,700-5,750 a quintal, tur dal (sawa no.) quoted Rs 5,000-5,050 a quintal. In spot trading, tur dal quoted Rs 5,700- 5,750 a quintal, tur dal (sawa No.) quoted Rs 5,000-5,050 a quintal, while tur dal (markewali) quoted Rs 6,250- 6,300 a quintal.

Moong dal (bold) also gained by Rs 200 at Rs 4,700 a quintal as arrival in the local mandi declined to 1,500-2,000 bags. On the other hand, downtrend continued in urad dal with its prices further declining by Rs 50 at Rs 4,500 to Rs 5,400 a quintal. In spot trading, urad dal quoted Rs 4,500-4,700 a quintal, urad dal (bold) quoted Rs 5,400 a quintal, while dal monger quoted Rs 6,800-7,500 a quintal. Among the pulse seeds, chana gained by Rs 10-15 following rise in futures and increased demand at mill level. Urad remained firm at Rs 3,200-4,200 a quintal, while moong remained steady at Rs 3,200-3,800 a quintal. Tur gained Rs 100 at Rs 3,500-3,900 a quintal.

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Back Profit in pigs

— Ritu Raj Konwar



Scientific rearing:A pig farmer taking his pigs for grazing on the outskirts of Guwahati. The Assam Government is giving emphasis on scientific rearing of pigs as pig farming is emerging a profitable business in the North-East. Pork has high protein and nutrient value. Among the various livestock species, pigs are the most potential source of meat production, and more efficient feed converters after the broiler. Besides, they are also a source of bristles and manure. Pig farming provides jobs to seasonally employed rural farmers.

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Back New Tea Board scheme for small growers

P. S. Sundar

Coonoor, Oct 5

The Tea Board has announced a new multi-dimensional beneficiary scheme for small growers, simultaneously providing income generating avenues for unemployed youth.

This scheme helps mechanisation by granting 50 per cent subsidy to unemployed youth to procure sprayers and pruning and harvesting machines which they have to use for undertaking relevant tasks in small grower fields on contract basis. "It will help small growers overcome their present complaint of labour shortage, besides improving the

quality of harvested green leaf. Banks can help youth by extending loans,” Mr R. Ambalavanan, Executive Director, Tea Board, said. Tea Board is encouraging farmers to form self help groups (SHGs) to avail subsidy up to Rs 5 lakh including one-time revolving corpus grant of Rs 10,000 a hectare. “SHGs with not less than 50 members holding 20 hectares of land with individual holding not more than 10.12 hectares and registered with State Government and Tea Board can get 50 per cent subsidy to buy 'leaf carrying vehicles' and 100 per cent subsidy to construct go-downs and leaf collection shed, besides procuring leaf weighing scale, plastic crates and pruning machines, subject to specified ceilings,” he said. Tea Board will conduct 'Grievance Day' every second Monday to help small growers, he disclosed. The Krishi Vigyan Kendra (KVK) of the United Planters' Association of Southern India has assured support to ensure maximum number of small growers benefit from Tea Board schemes.

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