THE HINDU
Online edition of India's National Newspaper
Saturday, October 09, 2010

Date:09/10/2010 URL:
http://www.thehindu.com/2010/10/09/stories/2010100963360700.htm

---

Farmers demand procurement of paddy with high moisture

Special Correspondent

THANJAVUR: With Kuruvai harvest being affected by the rain that lashed Thanjavur and Tiruvarur districts last week, farmers have been demanding that the Tamil Nadu Civil Supplies Corporation (TNCSC) procure paddy with more moisture content.

At present, the corporation is purchasing paddy with 17 per cent moisture content. But due to rain, moisture content in the harvested paddy has gone up to 20-21 per cent at many places. With harvest picking up at many places, paddy bags have started arriving in large numbers at the Direct Purchase Centres (DPCs) .

Despite farmers drying the paddy by spreading them on roads, the moisture content remains higher than the permissible 17 per cent.

Meanwhile, a committee from the Central government has arrived in the districts of Thanjavur, Tiruvarur and Nagapattinam and is assessing the moisture content of the paddy.

In the current system of procurement, the TNCSC acts as the agent for the Food Corporation of India . Hence, a decision on relaxing the norm for moisture content can be taken only by the Central government. The committee visited Tiruvarur and Nagapattinam districts on Thursday and Thanjavur district on Friday .

Based on the committee's recommendation, the Centre will announce relaxation in the norm for moisture content.

However, State government officials said the announcement would come in a couple of days and that paddy with moisture content up to 20 to 21 per cent may be purchased in DPCs.

S.Ranganathan, Secretary, Cauvery Delta Farmers Welfare Association, said Kuruvai harvest quality is often prone to inclement weather conditions.

Hence, the TNCSC should be permitted to relax moisture content norms on its own and purchase paddy from farmers as they cannot afford to wait for the announcement following the Central assessment .

A total of 122 DPCs are now functioning in Thanjavur district. So far, they have procured 4896 tonnes of Kuruvai paddy.

In Tiruvarur district, there are 101 DPCs. Kuruvai was raised on nearly 20,000 hectares each in Thanjavur and Tiruvarur districts this year.

The Central committee is headed by U.K.Mishra, Assistant Regional Director, Quality Control Cell, Union Ministry of Food, Hyderabad. Members of the committee are B.Prasad Rao, Technical Director, Quality Control, Hyderabad, V.Moorthy, quality control manager, FCI, Chennai and B.Rangunathan, quality control manager, TNCSC,Chennai.

Date:09/10/2010 URL:

http://www.thehindu.com/2010/10/09/stories/2010100953840600.htm

---

Expert moots integrated farming

Staff Reporter

Research on to evaluate Bt cotton variety suitable for dryland

Photo: N.Rajesh

Prof. D.Jawahar. —

Tuticorin: Farmers were advised to take up integrated farming for better income by D. Jawahar, Professor and Head, Agriculture and Research Station, Kovilpatti.

According to him, allied activities of agriculture such as goat rearing, poultry farming and nursing the milch animals were also recommended in addition to cropping for assured income at times of failure of monsoon.

As Bt varieties were commonly adopted by farmers, selection of suitable variety was the need of the hour, he said on Friday. Research activities have been initiated this year to evaluate Bt cotton variety which could be suitable for dryland cultivation.

For crop improvement in drylands, the Agriculture Research Station has released 55 varieties including karunganni cotton, Cambodia cotton, sorghum, cumbu, maize, ragi, tenai, kuthiravali, paniviragu, varagu, samai, blackgram, greengram, sunflower and chilli, he added. Besides, research activities were also being carried out to identify uniform boll bursting types in cotton so as to use machinery for harvesting. Intercropping was also profitable, he noted.

Citing examples, Dr. Jawahar said cotton and vegetables like onion, radish, beans and cluster beans could be cultivated in dryland. Senna, coriander and chickpea were also considered good for intercropping system and it could be recommended for the late monsoon.

Stating the growth of these crops for yield, he said “senna is a six month crop, coriander, a sixty day crop and chickpea yields in 70–80 days. These crops require less rainfall and give returns partly in the resource poor dry lands”.

In the recent past, the rise of mealy bug was a big menace in the irrigated and rainfed tracts. Integrated pest management could be the fitting methodology for addressing the challenges in plant protection. He added that the farmers should be more cautious to tackle pest and disease infestation .

Food inflation softens to 16.24 p.c. as supplies improve

The Hindu DECISION MAKERS: The rising food prices make it difficult for the home makers to decide. A file photo: C. Venkatachalapathy

With marginal improvement in supplies following withdrawal of the monsoon, food inflation eased a tad to 16.24 per cent for the week ended September 25 from 16.44 per cent in the previous week.

Torrential rains in most of the northern states till the first fortnight of September disrupted supply of essentials and the consequent demand-supply gap in edibles had pushed up prices of most items.

However, despite a marginal fall in the prices of certain vegetables such as potatoes, other essential commodities like cereals, fruits and milk were costlier. Besides, no early respite by way of a sharp decline in prices is likely in the weeks ahead as the supply bottlenecks will take some more time to get sorted out.

The wholesale price index (WPI) data released here on Thursday revealed that on a year-on-year basis, food inflation has been mainly on account of higher prices of pulses, rice and wheat. While pulses turned dearer by 4.44 per cent on a yearly basis, wheat and rice prices were also higher by 6.49 per cent and 3.86 per cent, respectively.

Adding to food inflation were items like milk, fruits and vegetables. While milk prices surged by 24.88 per cent as compared to the same week last year, fruits also turned costlier by 15.65 per cent. Vegetable prices went up by 7.65 per cent on a yearly basis.

THE HINDU Business Line

Business Daily from THE HINDU group of publications

Saturday, October 09, 2010

Date:09/10/2010 URL:

http://www.thehindubusinessline.com/2010/10/09/stories/2010100951801600.htm

---

Back **Seafood exports surge 23% in April-July**

Swelling revenues:Frozen shrimp continues to be the major item in the export basket accounting for 45.73 per cent of the export earnings in the first quarter of the current fiscal.

C. J. Punnathara

Kochi, Oct. 8

Marine exports increased 23 per cent in the first four months of the current fiscal. Going by the early trends, export target of $2.5 billion set for 2010-11 seems eminently within reach, sources in seafood export industry said. The country had topped $2 billion in seafood exports last year. The export realisation in rupee terms during April-July was Rs 790.55 crore.

Seafood exports from India surged 22 per cent in July to $170 million. According to the Marine Products Export Development Authority (MPEDA), increasing demand for black tiger shrimp from the Japanese markets was a principal trigger for the export surge in July. Exports in July last year stood at $139 million.

There has been an increase in demand for black tiger shrimps from Japan, besides growing orders from the US market, MPEDA sources pointed out. Black tiger, freshwater shrimp, frozen squid and cuttlefish, fresh sail fish, frozen versatile fish and frozen skip jack were some of the prominent items in seafood export basket.

Europe remains the biggest destination, accounting for 26 per cent of the seafood exports, followed by Japan and other South-East Asian countries.

Frozen shrimp continued to be the major item in the export basket accounting for 45.73 per cent of the export earnings in the first quarter of the current fiscal.

Shrimp exports during the quarter were up by 1.5 per cent in quantity, 6.47 per cent in rupee earnings and 20 per cent in dollar realisations during the quarter. The growth was also accompanied with unit value realisation which grew by 18 per cent, partly on account of the decreased fishing in the Gulf of Mexico on account of the oil spill and better demand from Japan.

Frozen fish was the next biggest item of export accounting for 25 per cent of the quantity and 12 per cent of the value realisation.

Frozen cuttlefish exports showed an increase in dollar earnings by four per cent although it declined in volume by 16 per cent and rupee earnings by three per cent. A sharp 24 per cent growth in unit value realisation buttressed the fall in quantity.

The EU continued to dominate Indian seafood exports accounting for 26 per cent of the foreign exchange earnings followed by Japan which regained the second slot accounting for 16 per cent.

South-East Asia increased its presence and occupied the third place with 14 per cent followed by the US with 13 per cent and China with 11 per cent.

The dominance of China in India's seafood export market seems to be increasingly lost to South-East Asian countries.

Date:09/10/2010 URL:

http://www.thehindubusinessline.com/2010/10/09/stories/2010100952721500.htm

---

Back **Heavy arrivals pound PR paddy varieties; others steady**

Our Correspondent

Karnal, Oct 8

Heavy arrivals of the PR paddy varieties pulled the prices down. More than 2.1 lakh bags of different paddy varieties arrived ay the Karnal grain market on Friday. The fresh paddy of aromatic rice also entered the market in little quantity, for the first time in this season.

Around 3,000 bags of PR-13 arrived and ruled between Rs 900 and Rs 950 a quintal. More than 1.5 lakh bags of Grade-A arrived and the stock ruled between Rs 1,000 and Rs 1,030, that is also the minimum support prices of this quality. Around 20,000 bags of PR-14 was quoted at Rs1,020-1,060 a quintal.

Low arrival of Sharbati, Sugandha-999 and the RS-10 varieties lifted the prices of these varieties by Rs 100-250 a quintal. About 3,000 bags of Sharbati ruled between Rs 1,550 and Rs 1,600 a quintal. Sugandha-999, with a stock of around 2,000 bags, was quoted at Rs 1,550-1,600 while around 1,000 bags of RS-10 variety were quoted at Rs 1,350-1,400 a quintal. There were 500 bags of Pussa (duplicate basmati) and was around Rs 1,800-1,850.

Around 100 bags of Pussa-1121 were quoted at Rs.1,800-1,900 a quintal.

The stock of 100 bags was the first arrival of the basmati paddy variety of the season.

The entire stock was lifted by the agencies and the millers.

Mr Tara Chand Sharma, a rice trader, told Business Line that because of heavy arrivals of PR variety and also not so fine quality, the prices ruled on the lower side.

On the other hand, rice market continued to witness a steady trend. Prices of aromatic and non-basmati varieties ruled firm on Friday.

Pusa-1121 (steam) ruled between Rs 5,250 and Rs 5,350 a quintal, Pusa-1121 (sela) at Rs 4,200; Pusa-1121 (raw) at Rs 5,300.

Prices of basmati sela ruled around Rs 6,200 a quintal, while basmati raw was quoted at Rs 7,200-7,250.

The Sugandha-999 sela (new) was quoted at Rs 2,800 and PR14 (old) Rs 2,250 while the PR14 (new) was at Rs 2,050-2,150; Sharbati sela at Rs 2,700 and Sharbati steam (new) at Rs 2,800-2,850. PR (new) ruled between Rs 1,800 and Rs 1,825 a quintal.

Date:09/10/2010 URL:

http://www.thehindubusinessline.com/2010/10/09/stories/2010100951921700.htm

---

Back **Coffee growers brew domestic retail push**

Anil Urs

Hubli, Oct. 8

The Arehally Coffee Co-operative Society is brewing a domestic retail push. The society so far has achieved two tonnes of domestic coffee sales up to September end this year.

Arehally is an area in Belur taluk of Hassan district in Karnataka and has about 1,500 coffee growers, of which nearly 90 per cent are small and marginal growers. Of these, 300 have come forward to float a society.

The society annually sells coffee between three and five tonnes in the domestic market mainly through door delivery or through its single retail outlet on Kempe Gowda Road in Bangalore.

The Society President, Mr K. M. Rajegowda, told Business Line “we sell 100-150 kg a month and daily average is around 5-7 kgs.”

As a domestic sale strategy, the society has floated ‘Copsy Coffee' brand and sells it mainly in units of 100 gm, 200 gm, 500 gm and one kg. In addition to coffee, the society on behalf of its members also takes up sales of cardamom, pepper and ginger grown in organic conditions at the outlet. For domestic sales push, the society has its own retail space in Bangalore and for Mysore and Hassan, it has developed a dedicated distribution network where door delivery of coffee powder is taken up.

“We have been successful in selling our coffee directly to consumers through our brand in Bangalore, Mysore and Hassan. Annually, we sell about five tonnes,” said Mr Rajegowda.

“The balance (after setting aside for domestic sales), we pool our coffees and export them through export houses. Through this dual coffee sales strategy, we have been generating sustained income for our members,” he added.

Date:09/10/2010 URL:

http://www.thehindubusinessline.com/2010/10/09/stories/2010100952771500.htm

---

Back Onion drops Rs 350/quintal this week

What's happening in Lasalgaon

Date	Arrival*	Modal price**
Oct 1	623.5	1,721
Oct 4	726.5	1,511
Oct 5	713	1,461
Oct 6	860	1,451
Oct 8	1,200	1,350

*arrivals in tonnes; price in Rs/quintal
Source:NHRDF

M.R. Subramani

Chennai, Oct. 8

Onion prices that had surged last month dropped this week by over Rs 350 a quintal as demand from exporters and the domestic market slowed. Increased arrivals also played a part in the declining trend.

In Lasalgaon market in Maharashtra, the modal price or the rate at which most trades take place was Rs 210 lower compared with last week's Rs 1,721 a quintal. Subsequently, it fell Rs 50 on Tuesday and on Friday, it dropped by a similar margin to close at Rs 1,350.

Arrivals, on the other hand, were higher than last week-end.

“There was not much of local demand this week,” said Mr Madan Prakash, Director of the Chennai-based Rajathi Group of companies. “Even export demand was lukewarm,” he said. In the last fortnight or so, there was a huge movement of onion to Hong Kong. “That demand has petered out now,” Mr Prakash said.

However, the market could witness some activity this week with pick-up in demand. “Things could improve in view of the approaching Durga Puja,” he said.

Export demand could also emerge, particularly to the Gulf.

The other reason for the price drop was clear weather throughout the country. This enabled growers to bring more onions to the market. Moreover, the clear weather also shot down speculation over any damage that rain could have wreaked on the crop or stocks.

A trader said things could have become a little hot had the tricky weather persisted.

Meanwhile, exports in September dropped over 35 per cent to 94, 800 tonnes against 1.41 lakh tonnes during the same period last year.

Shipments during the first half declined over 25 per cent to 8.64 lakh tonnes (11.21 lt). The value slipped to Rs 941 crore from Rs 1,265.2 crore during the same period a year ago.

Date:09/10/2010 URL:

http://www.thehindubusinessline.com/2010/10/09/stories/2010100952711500.htm

---

Back **Edible oils oscillate on global cues**

Our Correspondent

Mumbai, Oct. 8

Spot prices of imported edible oils such as palmolein and soya oil along with sunflower and cotton oil increased by Rs 5-7 for 10 kg on Friday.

The market trend was initially firm on higher foreign (Malaysian) market, but it could not sustain the rally and cooled down later on, in line with the international market.

Taking cue from foreign markets, Indore NBOT soya futures came down sharply before reaching a high in the beginning.

Higher new crop arrivals at producing centres kept groundnut and rapeseed oil steady.

In Mumbai spot market, lack of fresh demand kept volumes at a low level. Late on Thursday evening, in tandem with the foreign market, refineries (Ruchi and Liberty) sold 2,000-2,200 tonnes at higher rates and about 200-250 tonnes of resale was done, taking cue from firm foreign markets.

Due to this heavy trade volume, on Friday, there were very few buyers in the market. In palmolein, about 100-120 tonnes were sale-traded in the range of Rs 454-456.

Malaysia, NBOT futures

Bursa Malaysia Derivatives crude palm oil futures closed higher with November at

2,784 ringgit (MYR) against 2,800,
December ended at 2,760 (2,786) MYR. Indore NBOT soya oil October contracts ended at Rs 483.50 (Rs 488.50) and November at Rs 493.40 (Rs 497.30).
Mumbai rates
Spot rates of groundnut oil, measured in Rs/10 kg: 850 (850), soya refined oil 475 (470), sunflower expeller refined 555 (550), sunflower refined oil 600 (595), rapeseed refined oil 560 (560), rapeseed expeller refined 530 (530), cotton refined oil 494 (487) and palmolein 454 (451).
Date:09/10/2010 URL:
http://www.thehindubusinessline.com/2010/10/09/stories/2010100952761500.htm

---

Back **Stronger futures fail to perk up spot turmeric**

Our Correspondent
Erode, Oct. 8
Prices of all varieties of turmeric decreased Rs 300 a quintal. Futures, nevertheless, were quoted higher.
In the morning, turmeric futures were quoted at Rs 14,522 a quintal, the spot price fetched a maximum of Rs 14,488 a quintal.
Despite heavy arrival of over 12,000 bags in the market, demand remained poor: only 40-45 per cent of arrivals was sold.
There was no upcountry demand for the spice. A drastic fall in demand was seen in the pattern of sales.
In the Erode Turmeric Merchants Association sales yard, the finger variety was sold at Rs 9,065-14,329 a quintal, root variety Rs 8,989-14,291 a quintal. Out of the arrival of 2,205 bags, only 459 bags were sold.In the Erode Cooperative Marketing Society, the finger variety was sold at Rs 13,669-14,488 a quintal, root variety Rs 13,769-Rs 14,319 a quintal. In the regulated market, the finger variety fetched Rs 13,995-14,320 a quintal, root variety Rs 14,165-14,322 a quintal.

“Due to Durga Pooja in West Bengal, Orissa and Bihar, thedemand is slack. So the prices may fall again in the spot market. But, it would increase after one week”, said Mr R.K. Viswanathan, a senior turmeric merchant.

Date:09/10/2010 URL:

http://www.thehindubusinessline.com/2010/10/09/stories/2010100952781500.htm

---

Back **Millers' offtake drives chana dal prices up**

Our Correspondent

Indore, Oct. 8

Notwithstanding the decline in chana futures onthe National Commodities and Derivative Exchange, chana dal in private trading quoted about Rs 50 higher at Rs 2,675-2,700 a quintal. The gain in chana dal was mainly because of increased demand from the millers. Chana dal medium quoted Rs 2,775-2,800, while chana dal (bold) quoted Rs 2,850-2,875. Local mandis were closed on Friday for the second consecutive day on account of Agrasen Jayanti.

With closure of mandi, private trading here on Friday remained subdued with prices of majority of pulses by and large remained steady or quoted a little higher depending upon its demand.

Masoor dal also gained Rs 50 at Rs 3,750-4,050 a quintal. Masoor dal (medium) was quoted at Rs 3,825-3,850, and masoor dal (bold) at Rs 3,975-4,050

On the other hand, urad dal quoted about Rs 100 lower at Rs 4,600-5,400 a quintal while urad (monger) quoted Rs 6,500-7,300.With subdued demand, moong dal also declined by Rs 100 at Rs 4,300-Rs 4,600 a quintal. Tur dal remained steady at Rs 5,650-5,700 a quintal, while tur dal (sawa No.) quoted Rs 5,150 and tur dal (markewali) was at Rs 6,250.

Poor demand, profit-booking weigh on jeera

Rajkot, Oct. 8

In the absence of export demand and profit booking by the participants' pool, jeera prices have come under pressure.

On the National Commodity and Derivatives Exchange (NCDEX), October futures dropped Rs 265 or 2.03 per cent to Rs 12,802 a quintal with an open interest of 7,614 lots. November futures were down Rs 258 to Rs 12,950 with an open interest of 12,519 lots.

Jeera prices at the Unja mandi was quoted at Rs 1,940-Rs 2,650 per 20 kg, a decrease of Rs 30-Rs 35 for 20 kg.

According to the Kedia Commodity report, jeera prices have been weighed down by tepid overseas enquiries, slack spot demand and hopes of good sowing in the upcoming season due to sufficient soil moisture.

An Angel Commodity report said: “A fall at the futures has kept buyers in the wait-and-watch mode in the past few days.”

The export demand for Indian jeera is weak currently. Domestic stocks are low and prices in Syria and Turkey are quoted higher.

Pepper futures slide on bearish reports

G.K. Nair

Kochi, Oct. 8

Pepper futures fell sharply on Friday on bearish propaganda and consequent liquidation with all contracts declining by over 2 per cent from the previous close.

Bearish reports were being spread saying that validity of 1,537 tonnes of pepper would expire on November 5 and it will come up for delivery and there won't be any buyers for it. No exporters and investors would venture to buy and as a result those holding sales would liquidate. On this propaganda, long position holders were liquidating, market sources told Business Line.

October contract on the NCDEX fell by Rs 424 to close at Rs 18,390 a quintal. November and December fell by Rs 402 and Rs 389, respectively, to close at Rs 18,580 and Rs 18,793 a quintal.

Total turnover increased by 3,133 tonnes to close at 11,065 tonnes. Total open interest dropped by 375 tonnes to 15,080 tonnes.