Date : 01.10.2013

THE HINDU

Government implementing schemes to encourage oilseeds, oil palm cultivation

PERAMBALUR

The Agriculture Department has been implementing special schemes for stepping up oilseeds and oil palm cultivation in the district.

A comprehensive programme is being implemented under the National Agriculture Development Programme and oil palm area development programme. “The Agriculture Department has sanctioned farm implements worth Rs. 73.31 lakh to 275 oil palm growers in the district,” said Darez Ahamed, District Collector. He said efforts were made to develop coconut cultivation.

The Coconut Development Board had sanctioned Rs. 10.67 lakh and distributed the same to 61 coconut growers. “Seed village programme” had been introduced in select areas to produce quality coconut saplings.

About Rs. 86.39 lakh had been spent so far benefiting 11,519 farmers.

Cotton cultivation

In a release here on Saturday, the Collector said that under the NADP and “Cotton Mission” programme, demonstration plots had been set up to explain the quality cultivation practices in cotton.

About 8,975 cotton cultivators underwent training on quality-based cultivation.

Earlier, the Collector inspected the demo-plots at Ezhumur, Andi Kurumbalur, and Perumathur villages where maize and cotton cultivation had been taken up under the “one hectare one lakh” scheme.

He said that 16 agricultural officers were imparting training to farmers on quality-based cultivation techniques in maize and cotton.

The Collector said the Agriculture Department had been sanctioned Rs. 3.51 crore this year for implementation of various schemes this financial year.

- ***‘Seed village programme’ introduced in select areas***
- ***8,975 cotton farmers given training in quality cultivation***

GI registration sought for Salem mango, Hosur rose

THANJAVUR

Geographical Indication (GI) registration has been sought for Salem mango, Hosur rose, Srivilliputhur palkova, Kodali karuppur sari, Kandangi cotton sari, and 10 other products of Tamil Nadu, said P. Sanjai Gandhi, president, Intellectual Property Rights Attorney Association and Additional Government Pleader, High Court, Madras, here on Sunday. Mr. Gandhi told presspersons at an event got up to mark the 10{+t}{+h}anniversary of implementation of Geographical Indication of Goods (Regulation and Protection) Rules, 2002, that applications had been filed with the GI registry for getting GI registration for the above products. Salem mangoes are unique because of their distinct sweet taste. They have got an impeccable aroma. There are six varieties of mangoes grown in Salem for which GI registration is sought and every variety is different from each other.

Hosur, best known for cut roses, is evolving as the floriculture hub of India. Hosur region in Krishnagiri district is home for more than 40 varieties of roses such as “Taj Mahal”, “Kohinoor”, “Avalanche”, "Grand gala”, and “Bordeaux”. Hosur roses are one of the best quality roses owing to the climatic condition of the region. Srivilliputhur Palkova, with its fine grained texture, shows rich quality from other palkovas.

Kodalikaruppur sari derives its name from Kodali Karuppur village from where it originates near Kumbakonam. It is fine cotton muslin in which discontinuous supplementary “zari” patterns are woven in “zamdani” technique.

A typical Kandangi sari is thick coarse cotton which can endure the roughest washes. These saris are hand woven by artisans of Karaikudi. “These goods will soon get the GI registration,” said Mr. Gandhi. That would give protection to their originality.

Geographical Indications Registry has registered 193 Geographical Indication goods in India between September 2003 and September 2013 out of 453 GI goods.

Water level

MADURAI

The water level in Periyar dam was 124.60 feet with an inflow of 912 cusecs and a discharge of 1,372 cusecs. The water level in Vaigai dam was 57.84 feet with an inflow of 854 cusecs and a discharge of 1,860 cusecs. The combined storage in Periyar credit was 6,525 mcft. Thekkadi recorded 4 mm rainfall in the last 24 hours ending 8.30 a.m. Monday, PWD officials said.

Egg rate

NAMAKKAL

The National Egg Coordination Committee has fixed the price of egg at Rs. 3.30.

Mettur level

TIRUCHI

The water-level in the Mettur dam stood at 100.65 feet on Monday against its full reservoir level of 120 feet. The inflow was 4,017 cusecs and the discharge 23,024 cusecs.

Water level

TIRUNELVELI

Water level in the Papanasam dam on Monday stood at 107.60 feet (maximum level is 143 feet). The dam had an inflow of 500.85 cusecs and 1,503.50 cusecs of water was discharged from the dam.

The water level in Manimuthar dam stood at 57.42 feet (118 feet). The dam had an inflow of 61 cusecs and 325 cusecs was discharged.

Kanyakumari

The water level in Pechipparai dam stood at 23.70 feet, 61.95 feet in Perunchani, 9.38 feet in Chittar I, 9.48 feet in Chittar II and 33.87 feet in Mambazathuraiyaru dam.

Samba crop shows signs of withering

TIRUVARUR

Tiruvarur farmers blame poor water management by the PWD; demand release of water

Farmers say only if the water is released immediately skipping the turn system, the samba crop can be savedFILE PHOTO

Farmers of tail-end areas in Tiruvarur district, who have gone in for direct sowing of paddy on a major scale, are keeping their fingers crossed.

Although water was released from the Mettur dam well ahead of the samba crop this year and the storage is comfortable, lack of water management by the Public Works Department (PWD) is giving them worries.

Tail-end areas of Korayar such as Thiruthuraipoondi, Muthupettai and Kottur are the worst hit and the 30-day old crop has started withering for want of water.

P.V. Nadimuthu of Mangudi village said that water had not been released into Korayar-Vengathankudi canal because of which crops in Kurichimoolai, Nallanayagipuram and Mangudi villages are withering. Affected villages include Marudavanam,Vadasnkenthi, Edayur, Veerapandi, Kallikudi, and Ekkal. Farmers of Tiruvarur district have taken up samba cultivation under direct sowing on 70,000 hectares of land. Under direct sowing, the seeds are allowed to sprout rainwater and canal water without transplantation.

V. Veerasenan, Tiruvarur district Secretary of CPI, appealed to the Chief Minister Jayalalithaa to intervene immediately and make PWD to release water without turn system in Korayar to save crops. In a letter sent to Chief Minister, Mr. Veerasenan said farmers lost both Kuruvai and samba last year.

Comfortable position

This year too, Kuruvai was raised only in pumpset-irrigated areas. For samba, the government opened the Mettur dam in time and there was comfortable storage in the dam. Poor water management by the PWD has caused water scarcity in the tail-end areas in Tiruvarur district, farmers said.

Directly sown crop was withering in many places. Releasing water into the canals was the only way to save the crop, Mr. Veerasenan said.

Mr. Veerasenan said that farmers had gone for direct sowing in Thiruthuraipoondi, Muthupettai, Kottur, Tiruvarur, and Nannilam blocks in Tiruvarur district. These areas are irrigated by branches of Vennar such as Vettar, Koraiyar, Baminiyar, Harischandranathi, Mulliyar, Adappar, Pandavayar, Mudikondan, Thirumalairajan and so on.

Proper water management was needed in all these rivers to save the crop.

Mr. Veerasenan appealed to the Chief Minister to take action against the PWD engineers who were responsible for the water scarcity.

ONLY IN DRIPS

Direct sowing of paddy taken up on 70,000 hectares

CPI has sought Chief Minister's intervention on the issue

Farmers water release in Korayar without turn system

Action has been demanded against PWD engineers

Growers seek Rs. 3,200 a tonne for sugarcane

DAVANGERE

The sugarcane growers' association (Davangere Sugar company-Kukkuwada area) has demanded the management of Davangere Sugar Company to give a minimum price of Rs. 3,200 a tonne of sugarcane keeping in mind the steep price hike of seed, fertilizer and growing cost of sugarcane. The decision was taken at a special meeting of sugarcane growers at Kukkuwada village, near Davangere. Addressing the meeting , Tejasvi V. Patel, president of the association, said the government had constituted the sugarcane control board for regulating purchase and advising on fixing the price.

Thus, the board had a right to fix the sugarcane price based on various factors like cost of cultivation, transportation and cane recovery.

Fixing price

Mr. Tejasvi said the board had convened a meeting on September 28 in Bangalore and decided to send a team to neighbouring States to study how the sugar factories were able to give a minimum price of Rs. 3,200 a tonne for sugarcane there. Based on the team's report, the board would fix the price for sugarcane, taking into consideration the recovery rate and probable profits factories may get through by-products such as molasses, he said. If the management fixes a fair price, farmers would start harvesting the sugarcane crop and supplying it to the factory for crushing, he added.

Mr. Tejasvi insisted that the government permit farmers to sell sugarcane to the factory of their option and only then would the farmers get better price for the cane. Mahadevappa, general secretary of the association, Hanumegowda, secretary, Basappa, vice-president were among others who spoke on the occasion.

Lack of infrastructure blamed for huge post-harvest loss

GULBARGA

Basudev Acharya, chairman of the Parliamentary Standing Committee on Agriculture, has said that on an average, the post-harvest loss of agricultural produce due to lack of infrastructure like cold storage and warehousing in the country is Rs. 50,000 crore a year.

Addressing the members of Hyderabad Karnataka Chamber of Commerce and Industry (HKCCI) here on Monday, Mr. Acharya said that the government had done very little to bring down these losses. The promise that the foreign direct investment (FDI) in retail trade would provide the infrastructure, including improved warehousing facilities, were only a ruse to cheat the farming community, he said.

The experience of multi-national retail outlets in countries like the U.S., was that these infrastructure facilities were established for their own utilisation and not the farming community.

The government had gone back on its promise that FDI in retail trade would be allowed only after arriving at a consensus with all stakeholders, including political parties, farmers and trade organisations, as no such consensus was arrived at before the passage of the Bill on FDI, he said.

- ***'Country incurring over Rs. 50,000 cr. loss a year on this account'***
- ***'FDI in retail trade unlikely to help farming community'***

Farmers should benefit from research: Gowda

SHIMOGA

Experts serving at agriculture universities should not confine themselves to classrooms and laboratories. Fruits of study and research that take place at agriculture universities should reach farmers, Minister of State for Agriculture Krishna Byre Gowda has said. Agriculture experts should maintain an intimate rapport with farmers. Agriculture universities should undertake research work on problems related to pest management and enhancing soil fertility, he said after inaugurating a symposium organised by Tirthahalli Taluk Areca Growers' Association in Tirthahalli town on Monday.

Climate and topographical features of Karnataka differ from one region to other. The arecanut yield in Malnad region has depleted in recent times owing to the fruit rot disease also known as koleroga. The University of Agriculture and Horticulture Sciences, Shimoga, was established with the objective to explore solutions for the problems faced by the farmers in Malnad region. The government would soon appoint a vice-chancellor for the university, he said.

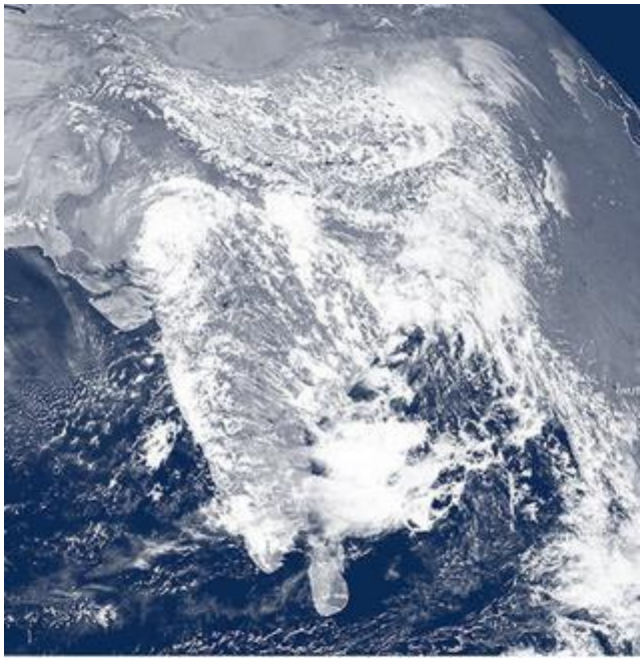
Workshop on cashewnut cultivation

SHIMOGA

Directorate of Cashewnut and Cocoa Development, Sri Kshetra Dharmasthala Rural Development Project, Agriculture and Horticulture departments have organised a workshop on cashewnut cultivation in Anavatti village in Sorab taluk on October 1. The programme will commence at 10 a.m. P.M. Salimath, Special Officer of University of Agriculture and Horticulture Sciences, Shimoga, will inaugurate the workshop. Experts will deliver lectures and present demonstrations related to cashewnut cultivation as part of the workshop.

Mainly dry weather

NEW DELHI



INSAT PICTURE AT 14.00 hrs. Observations recorded at 8.30 a.m. on September 30th.

	Max	Min	R	TR
New Delhi (Plm)	31	25	0	583
New Delhi (Sfd)	31	23	29	876
Chandigarh	34	25	2	842
Hissar	33	22	3	608
Bhuntar	33	17	0	428
Shimla	24	14	4	900
Jammu	33	23	0	1369
Srinagar	26	12	0	250
Amritsar	34	23	0	761
Patiala	34	23	0	738
Jaipur	27	21	17	712
Udaipur	27	23	2	761
Allahabad	33	25	15	1011
Lucknow	34	23	0	742
Varanasi	31	25	1	811
Dehradun	33	22	13	2865
Agartala	30	24	30	918
Ahmedabad	33	26	0	942
Bangalore	29	19	0	693
Bhubaneshwar	29	25	6	990
Bhopal	32	22	0	1155
Chennai	33	25	0	647

Guwahati	28	22	2	819
Hyderabad	32	23	0	680
Kolkata	30	24	34	1666
Mumbai	31	26	tr	2365
Nagpur	33	23	0	1443
Patna	30	25	tr	612
Pune	27	20	3	757
Thiruvananthapuram	32	24	4	1070
Imphal	26	19	tr	1053
Shillong	19	14	8	1003

The columns show maximum and minimum temperature in Celsius, rainfall during last 24 hours (tr-trace) and total rainfall in mm since 1st June.

The southwest-monsoon has been active over Uttarakhand. The withdrawal line of South-west monsoon continues to pass through Kalpa, Hissar, Jodhpur and Nalia.

Rainfall: Rain/thundershowers have occurred at many places over east Rajasthan and Uttarakhand, at a few places over west Rajasthan and Uttar Pradesh and at isolated places over Haryana, Himachal Pradesh and Jammu and Kashmir. Weather was mainly dry over rest of the region. The chief amounts of rainfall in cm. are: (5 cm. and above) HARYANA: Jhajjar 8 and New Delhi Lodi Road 6, EAST RAJASTHAN: Kesarpura and Shergarh 15 each and Srinagar 14, Kisangarh 13, Danpur 12, Ajmer Tehsil 11, Bagidora and Banswara 9 each, Gegal 8, Arthuna 7, Jawaja and Bhim 6 each and Nasirabad, Lalsot, Aspur and Chikli 5 each, WEST RAJASTHAN: Degana 11, Parbatsar 9, Jaitaran 8, Raipur 6 and Bhopalgarh, Jayal and Makrana 5 each, EAST-UTTAR PRADESH: Chhatnag 8, Kaisarganj, Bara Banki and Safipur 5 each, WEST UTTAR PRADESH: Bisauli 7 and UTTARAKHAND: Pantnagar 5.

FORECAST FOR REGION VALID UNTIL THE MORNING OF 2nd OCTOBER 2013 : Rain/thundershowers may occur at many places over east-Rajasthan during next 24 hours and decrease thereafter. Rain/thundershowers may occur at a few places over east-Uttar Pradesh during next 48 hours and increase thereafter. Rain/thundershowers may occur at one or two places over Uttarakhand, Haryana and west-Uttar Pradesh. Rain/thundershowers may occur at one or two places over Jammu and Kashmir, Himachal Pradesh, Punjab and west-Rajasthan during next 48 hrs and mainly dry weather thereafter.

FORECAST FOR DELHI AND NEIGHBOURHOOD VALID UNTIL THE MORNING OF 2nd OCTOBER 2013: Partly cloudy sky. Very light rain/thundershowers could occur in some areas.

hindustantimes

Weather

Chennai

Chennai - INDIA

Today's Weather

Cloudy

Tuesday, Oct 1

Max	Min
34°	26°

Rain: 0
Humidity: 84
Wind: normal

Sunrise: 05:58
Sunset: 05:59
Barometer: 1005

Tomorrow's Forecast

Sunny

Wednesday, Oct 2

Max	Min
34°	26°

Extended Forecast for a week

Thursday **Oct 3**	Friday **Oct 4**	Saturday **Oct 5**	Sunday **Oct 6**	Monday **Oct 7**
33° | 25°	33° | 25°	33° | 25°	33° | 23°	33° | 22°
Cloudy	Cloudy	Overcast	Overcast	Overcast

Airport Weather

Chennai   Chennai

Rain: 0   Sunrise: 05:58
Humidity: 84   Sunset: 05:59
Wind: normal   Barometer: 1004

THE ECONOMIC TIMES

Why onion prices will singe consumers again & again

Report warns of why, unless systemic change is not effected, the spike in onion prices will keep happening in the years to come, especially at this time of the year.

This January, the competition regulator sent an independent report to the ministry of agriculture on why onion prices spiked abruptly in 2010, a pattern that is playing out again today, with prices ruling at Rs 60-80 a kg for the last two months.

This 86-page report, one of the clearest descriptions of how India's agricultural markets function, made some stinging observations: traders colluding and acting like a cartel, the unequal relationship between traders and farmers and exports not being calibrated to domestic demand, all being perpetuated by loopholes in the rules.

While this report, titled 'Competitive Assessment of Onion Markets in India', studies a crisis that happeend three years ago, it warns of why, unless systemic change is not effected, the spike in onion prices will keep happening in the years to come, especially at this time of the year.

This report—commissioned by Geeta Gouri, member, Competition Commission of India, and prepared by researchers at Bangalore's Institute for Social and Economic Change (ISEC)—has remained in the ministry's cold storage. "There has been no response from the ministry at all," rues Gouri.

When asked about this, Sanjeev Chopra, the mission director for the National Horticulture Mission, the division of the ministry tasked with boosting vegetable production, says the CCI report is a "very routine" one. He, instead, puts the onus on state governments, saying they need to amend the laws governing the flow of agricultural produce from farmers to consumers.

Farmer-Trader Equation

Onions are the second-most consumed vegetable in India, after potatoes. Further, unlike most vegetables, onions can be stored for long without much expense, making it conducive to hoarding. But that is not the only factor at work.

Just two states account for half the onion market. In 2011-12, India's farmers harvested 15.8 million tons of onion—32.7% came from Maharashtra (the home state of agriculture ministerSharad Pawar) and 17.6% from Karnataka. Even within these states, there are specific areas where onions are grown. For instance, in Maharashtra, most onions come from the Pune-Nashik belt.

In the context of setting prices, these two states become even more critical. According to Himanshu, an assistant professor of economics at Delhi's Jawaharlal Nehru University, Maharashtra and Karnataka meet 70-80% of the country's demand for onions that is not locally met.

Hence, what happens to onion in these two states—be it production, procurement or movement—affects the rest of India. Both states harvest onions in the winter. Mandis in Bangalore get onions between September and January.

Those in Maharashtra, between December and February. Most of this production is by small farmers, who come second in the balance of power with traders.

For three reasons. One, given their lack of, says the report, "trading expertise, market knowledge and risk-bearing capacity", small farmers sell their produce almost immediately after the harvest at the local mandis, at the local rate, whatever that is. Thus, traders are able to buy low. And since their market is India, and beyond, they can sell high.

Two, traders have credit links with farmers. In Karnataka, for instance, 65.6% of the farmers surveyed had personal relations with commission agents and traders, which ensured farmers timely advance credit, but, says the report, also "created a space for their exploitation".

Three, the trading business has monopolistic tendencies. There is concentration of storage facilities. Says the report: "For historical and financial reasons, large storage capacities for onion have remained with private traders and that too in the Nashik belt."

Monopolistic Traders

Some traders have integrated forwards and backwards in the value chain—becoming, in the process, very dominant. The report says: "Many onion traders are commission agent-cum-wholesalers order suppliers, forwarders-cum-store owners, and some are even transport or railway agent too... Such multiple roles by select few big traders have brought inequality between traders. So, big have become very big, which has created monopolistic conditions."

For instance, an internal CCI note states that just one trader accounted for 7.2% to 20.4% of the onion trade in a Maharashtra mandi during December 2010. Such concentration, and there are more examples, results in an imperfect market—very few buyers and many sellers, and a market structure where a few traders dominate.

Take two mandis in Karnataka, Belgaum and Hubli. "From January to August (off-season), the number comes down to 10 traders in both markets," says the report.

NABARD launches scheme to fiance warehousing projects

Nabard launches scheme to fiance warehousing projects public and private sector

PUNE: National Bank for Agricultural and Rural Development (NABARD) has launched a dedicated scheme for providing assistance for creation of storage infrastructure with a corpus of Rs 5000 crore.

The " NABARD Warehousing Scheme" 2013-14 (NWS), envisages direct loans to public and private sector for construction of warehouses, silos, cold storages and cold chain infrastructure.

Funds under this scheme would be utilized for meeting the growing demand for storage capacity for agricultural commodities in the entire country and also in the wake of enactment of National Food Security Act 2013. ""Priority will be given for the projects proposed in Eastern and North Eastern states and all other deficit states from the food grain production point of view,"" stated a Nabard release.

Storage Infrastructure projects of state governments, state government undertakings, SPVs set up under PPP mode, cooperatives, federations, cooperative federations, APMCs, State level boards, apex marketing boards/bodies, Panchayats, private companies and private entrepreneurs etc., will be provided loans from this scheme. The warehouses and cold storages created from this scheme will be compliant to Warehousing Development and Regulatory Authority (WDRA) norms.

In the State of Maharashtra, as per the present ground level position, a storage gap of 28.16

Lakh MT for warehouses and 15.89 Lakh MT for Cold storages has been estimated. The gap exists in almost all the districts of the state in varying quantities for warehousing and cold storage.

""It is expected that about 100 Lakh MT of additional modern storage would be created out of funding from NWS 2013-14 on all India basis, which would greatly benefit implementation of National Food Security Act, 2013-14 as well as help farmers in terms of better price realisation and post harvest loans,"" the release stated.

Maharashtra to implement pilot weather based crop insurance scheme for rabi crops

Maharashtra to implement pilot weather based crop insurance scheme for rabi crops

PUNE: Maharashtra government will for the first time implement a pilot project on weather-based crop insurance scheme for the rabi crops of wheat, gram and jowar.

The insurance will cover damage caused by changes in temperature, humidity and untimely rainfall. Under this scheme, wheat and jowar would be covered in Ahmedngar district, jowar and gram in Osmanabad, wheat and gram in Amaravati and Nagpur. The farmers will be eligible to get compensation upto Rs 25,000/hectare for wheat, jowar and gram.

All the farmers cultivating the notified crops in the notified area of the selected districts will be eligible to take benefit of the weather based crop insurance scheme in 2013-14. The scheme will be mandatory for farmers who have availed crop loan. It will be optional for other farmers.

Bejo Sheetal sets up cold storage for boosting hybrid onion seed production

Bejo Sheetal sets up cold storage for boosting hybrid onion seed production

PUNE: Jalna-based Bejo Sheetal, themarket leader for hybrid onion seeds has recently invested in setting up an unique cold storage to boost the production of hybrid onion seeds.

The adoption of hybrid onion seeds is one of the least among all the vegetable crops in the country. Not many private seed companies have invested in developing onion hybrids while the public sector also has not achieved much success. The price of hybrid onion seeds is much higher as compared to the seeds produced by farmers themselves. Yet, as more farmers are shifting to onion cultivation, the use of hybrid onion seeds is growing slowly and steadily.

""In this cold store, we will maintain 0oC temperature RH (Relative Humidity) below 60% and most important is good ventilation. The technology is being provided by Tolsma from Holland,"" said Sameer Agarwal, managing director, Bejo Sheetal. Presently, Bejo Sheetal is growing onion bulbs in Kharif and immediately using it for planting for seed purpose in rabi.

""Now, we will produce bulbs in rabi, which is a more stable season for onion bulb production and store it for entire kharif in cold store and use the bulbs for seed production in next rabi,"" said Agarwal.

""With this new technology, we will be able to produce sufficient quantity of F1 onion seeds and thus fulfil the farmers' demand for our hybrid seeds,"" said Agarwal.

Business Standard

Coffee exports fall 5.3% on low demand from US, EU

Continued global economic slowdown, drop in demand from major consuming countries in the European Union impacted export

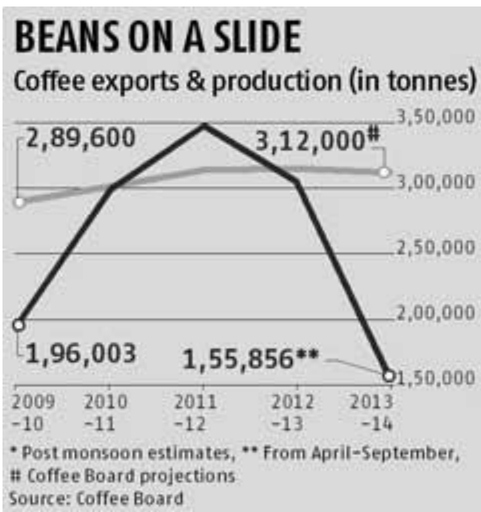
India's coffee exports fell 5.34 per cent to 2,99,266 tonnes in the year ended September 30, as demand from the US and the European Union (EU) remained subdued. In the previous coffee year (October 2011 to September 2012), India had exported 3,16,164 tonnes.

“The decline in exports was mainly due to weak demand from European nations such as Italy, Spain, Greece and Portugal, as buyers were looking for cheaper coffees,” exporters said. Realisation from exports declined 1.3 per cent to Rs 1,51,379 a tonne between October 2012 and September 26, 2013, against Rs 1,49,459 a tonne in the previous coffee year. In value terms, total coffee exports fell 4.1 per cent to Rs 3,530 crore, against Rs 4,725 crore in the previous year, according to the Coffee Board.

A sharp drop in the prices of the arabica variety last financial year contributed to the decline in exports, as a large number of farmers withdrew sales, exporters said. Arabica prices declined 20-25 per cent.

“Arabica coffee prices ended within a cent of a more than a four-year low on Thursday, as big supplies of the beans and tepid demand encouraged selling. Prices were down about 20 per cent for the year; roasters appear to be waiting for even lower prices due to large supplies, particularly from Brazil. LIFFE robusta coffee futures hit an almost three-year low last Thursday, as expectations of a large crop from top grower Vietnam weigh on prices. LIFFE robusta coffee futures for November delivery settled $43 lower at $1,663 a tonne," the Coffee Board said. India primarily exports coffee to Italy, Germany, Russia, Belgium and Spain.

The outlook for exports in 2013-14 isn't very promising. The Coffee Board has said in 2013-14, production would be at least 10 per cent lower than post-blossom estimates. In its post-blossom estimates earlier this year, it said production would stand at 3,47,000 tonnes. In 2012-13, production stood at 3,18,200 tonnes.



"Based on the conditions in February and March, when the growing regions received good blossom showers, we had estimated we would record 3,47,000 tonnes. However, due to a drought in the two subsequent months and the heavy rains in June, July and August, we anticipate a drop of about 10 per cent against the post-blossom estimates," Coffee Board Chairman Jawaid Akhtar had told Business Standard earlier this month.

This means for 2013-14, India's bean production could be about 3,12,000 tonnes. However, growers estimate it at 70,000-2,90,000 tonnes. Exporters said low production would hit exports in the next crop year, too.

Health concerns a precursor to restrictions on sugar use?

WHO is set to deliver a strict recommendation on sugar intake, based on evidence of its links with obesity

At a time when Credit Suisse has warned of an impending global backlash against sugar on health grounds, the Indian sugar industry is arguably facing its worst crisis. The bank is waving the red flag based on researchers' recommendations that unless tightly regimented, sugar would prove to be a lot more harmful than believed earlier.

The World Health Organisation (WHO), which in 2003 said sugar shouldn't account for more than 10 per cent calories in our diet, is set to deliver a stricter recommendation on sugar intake, based on evidences of its links with obesity. Investigations in more than one country confirm 10 per cent sugar-based calories in diets are too high, especially at a time when overweight is no longer a health issue in developed countries alone.

India, too, has fallen victim to the obesity menace. A revealing article in British Medical Journal says, "When considering the rapid weight gain that occurs after increased intake of sugar, it seems reasonable to conclude advice relating to sugar intake is a relevant component of a strategy to reduce the high risk of overweight and obesity in most countries."

BITTER-SWEET
WHO is set to deliver a strict recommendation on sugar intake, based on evidence of its links with obesity Investigations confirm 10 per cent sugar-based calories in diets are too high In India, sugar consumption has risen from 16.2 mt in 2000-01 to 22 mt in 2012-13 At the end of May, cane price payment arrears of factories across the country stood at Rs 8,225.53 crore, including Rs 5,490.63 crore in UP alone In Bihar, sugar recovery rate from cane is 8.8%, against 9.1% in UP; cost of sugar production is Rs 36/kg, against Rs 35 in UP

About a decade ago, WHO came under pressure from the global sugar industry, particularly in South America and the US, not to recommend sugar use-restrictive measures. Now, WHO would have to contend with more resistance from various groups, including sugar producers, soft drink makers and the food sector, as it sets about prescribing cuts in sugar content in overall diets. In the emerging environment, Credit Suisse does not rule out the possibility of governments making regulations on a cap on sugar levels in soft drinks and food items. The bank wouldn't be surprised if sugar use is also sought to be curbed by way of taxation. Not unlikely, sugar sales would take a knock in developed countries in the medium term. The bank does not, however, see a threat to sugar use in emerging markets, in which growing middle classes and changes in diet patterns would be a hedge against a fall in demand. In India, sugar consumption has risen from 16.2 million tonnes (mt) in 2000-01 to 22 mt in 2012-13.

Distressingly, while sugar use in developed countries may contract, the Indian sugar sector is harmed primarily by skewed policies at regional levels. Some states, primarily Uttar Pradesh and Bihar, are pursuing a cane pricing policy that has brought sugar factories to their knees. It is not anybody's case that 50 million Indian cane growers should not be left with a decent surplus after paying for the cost of growing the crop. But if factories are not able to recover production costs, inflated by annual rises in cane prices more due to political than economic reasons, from sugar sales, it would lead to a creeping sickness in the industry. At the end of the 2012-13 season, the sector was again left with heavy losses; expectedly, banks are reluctant to extend any further credit to factories. Growers are also taking a hit, with mills not being able to clear cane bills. The Centre's sugar directorate said at the end of May, cane price payment arrears of factories across the country stood at a disturbingly high Rs 8,226 crore, including Rs 5,491 crore in Uttar Pradesh alone. The arrears have now fallen to about Rs 4,800 crore, as factories continue to make valiant attempts to douse the anger of farmers. Mills in Uttar Pradesh owe farmers Rs 2,500 crore.

The sector's paying capacity was compromised to such an extent that C B Patodia, president of UP Sugar Mills Association, had to plead with the local government to skip revising the state advised price for cane for the 2013-14 season. He told the Uttar Pradesh government, "Since we have a paying capacity of only Rs 240 a quintal, the government should bail us out by announcing a cane subsidy of Rs 40 a quintal to be paid directly to farmers." Balrampur Chini Managing Director Vivek Saraogi says sugar mills in Uttar Pradesh, drained of funds, would find it a challenge to go through the annual repair and maintenance work. Factories in the state are grovelling to a degree that the state is left with no alternative but to do a rescue act. That alone could lead to a condition for the industry to accept all the cane farmers bring to the mill gate in 2013-14.

Industry official Om Prakash Dhanuka says, "The scene in Bihar is more disturbing; sugar recovery rate from cane, at 8.8 per cent, is less than Uttar Pradesh's 9.1 per cent and the cost of sugar production is Rs 36 a kg, against Rs 35 in Uttar Pradesh. As it did in 1970, New Delhi should once again extend loans to factories equivalent to the notional central excise duty payable on their total sugar production, with interest subvention for four years, including a two-year moratorium." Crisis of grave proportions would be an industry feature till the current system of cane price-fixing, which leaves room for arbitrariness at the state level, is replaced by the Rangarajan committee's value sharing in a ratio of 70:30 between farmers and factories. The value would include that of sugar and its by-products.

Interministerial meeting on Tuesday for onion price review

May discuss complete ban on export

The ministry of food and consumer affairs proposes to call for inter-ministrial meeting next week to decide on exports of onion following consistent rise in prices.

The ministry is of the view that part of the reason for steep rise in prices is hoarding by bulk traders. The state government of Maharastra has been alerted about the problem and even been advised to impose stock limits , said consumers.

Sources are of the view that the ministry in consultation with commerce ministry will seek a inter ministrial view on the issue. According to officials, even if total ban is not advisable given the country's export earnings, the commerce ministry can always impose a minimum export price(MEP) for exports. The MEP was abolished some time back to augment export of onion.

The retail prices of onion are hovering around Rs 35-40 per kg .

While the ministry of agriculture is against any action on export of onion, the state government of Maharastra has specifically asked the ministry of commerce to seek their comments and consider them before taking any action on export of onions. The ministry of agriculture is of the view that the rise in onion prices is a "temporary situation" as heavy rains in major producing states like Maharashtra have affected supplies.

Onion prices are likely to be under pressure till October when the new crop is expected to hit the market. Reportedly, India has exported 5,11,616 tonnes of onion amounting Rs 776.47 crore in first quarter of this fiscal against 5,17,274 tonnes in the year-ago period. The production of onion is expected to be normal at around 15-16 million tonnes this year.

India exports 10% of its total onion outputto countries like Bangladesh, Malaysia and Singapore. According to officials from National Horitultural Research and Development Foundation (NHRDF), the way out seems to be cut down on the consumption of onion by domestic consumers as supply of northern variety of onion has been exhausted and demand is being met through old stocks. The current rise in onion prices was primarily due to the slow release of stored onions by farmers, especially in Maharashtra, in anticipation of better prices in the coming days. Besides, the new crop from Maharashtra, Andhra Pradesh Karnataka and Rajasthan is expected to hit market from October onwards.

Chana up 0.1% as demand picks up

Chana for delivery in November edged up by 0.07%

Chana prices traded marginally higher by 0.14% to Rs 2,896 per quintal in futures trading today as speculators created fresh positions, supported by pick up in demand in the spot market.

At the National Commodity Derivatives Exchange, chana for delivery in October traded higher by Rs 4, or 0.14% to Rs 2,896 per quintal with an open interest of 1,21,180 lots.

Similarly, the commodity for delivery in November edged up by Rs 2, or 0.07% to Rs 3,001 per quintal in 74,470 lots.

Market analysts attributed the rise in chana futures to fresh positions created by speculators after pick up in demand in the spot market.

Crude palm oil down 0.2% on weak demand, global cues

Oil for delivery in September shed 0.04%

Crude palm oil prices softened by Rs 1.10 to Rs 525.20 per 10 kg in futures trading today owing to weak demand in the spot market against adequate supplies.

Sentiment also weakened as palm oil declined in overseas markets on speculation that rising supplies from Indonesia and Malaysia will boost global stockpiles, while a slump in soybean oil to a three-year low will cut demand for the commodity used in food and fuel.

At the Multi Commodity Exchange, crude palm oil for delivery in October declined by Rs 1.10, or 0.21% to Rs 525.20 per 10 kg in business turnover of 186 lots.

Likewise, the oil for delivery in September shed 20 paise, or 0.04% to Rs 532.70 per 10 kg in 22 lots.

Analysts said besides weak demand in the spot market amid thin global trend helped crude palm oil prices to trade marginally lower at futures trade.

Meanwhile, palm oil fell 0.6% to $704 a tonne on the Malaysia Derivatives.

Potato up 0.6% on spot demand

Potato for delivery in March traded higher by 0.66%

Potato futures gained 0.69% to Rs 790 per quintal in futures trade today as speculators created fresh positions on hopes of a rise in demand in the spot market in "Navratras".

At the Multi Commodity Exchange, potato for delivery in far-month April gained Rs 5.40, or 0.69% to Rs 790 per quintal in business turnover of 4 lots.

Likewise, the potato for delivery in March traded higher by Rs 5.40, or 0.66% to Rs 822 per quintal in 40 lots.

Analysts said speculators created fresh positions on expectations of a rise in demand in the spot market in coming "Navratras" mainly pushed up potato prices at futures trade.

Refined soya oil up 0.6% on good spot demand

Analysts said good spot market demand amid restricted supplies from producing regions mainly led to rise in refined soya oil prices at futures trade

Supported by higher domestic demand and restricted supplies from producing regions, refined soya oil prices gained 0.68% to Rs 677.40 per 10 kg in futures trade today.

At the National Commodity and Derivatives Exchange, refined soya oil for delivery in October moved up by Rs 4.55, or 0.68% to Rs 677.40 per 10 kg with an open interest of 58430 lots.

Similarly, the oil for delivery in November gained Rs 4.25, or 0.63% to Rs 674.60 per 10 kg in 56520 lots.

Analysts said good spot market demand amid restricted supplies from producing regions mainly led to rise in refined soya oil prices at futures trade.

Sugar down 0.2% on ample supply

Sugar for delivery in November traded lower by 0.03%

Sugar prices slid 0.28% to Rs 2,870 per quintal in futures trade today as speculators reduced their positions, driven by sluggish demand in the spot market against ample supplies from producing regions.

At the National Commodity and Derivatives Exchange, sugar for delivery in October fell by Rs 8, or 0.28% to Rs 2870 per quintal, with an open interest of 7,330 lots.

Similarly, sugar for delivery in November traded lower by rupee 1, or 0.03% to Rs 2890 per quintal in 24,160 lots.

Market analysts said speculators reduced their positions on the back of sluggish demand in the spot market, against ample supplies from producing regions, mainly led to fall in sugar prices at futures trade.

The Onion Conundrum

There is no switch factor in onion which makes its demand absolutely inelastic, says chairman of CACP Ashok Gulati

Picture this -- the monthly average price of onions ranged between Rs 11.50 and Rs 25 a kg in retail markets of Delhi in 2010. In 2011, prices of the the same commodity moved between Rs 11and Rs 50 a kg, the very next year it touched a year high of Rs 23 and low of Rs 12.50 per kg. Average monthly retail prices have oscillated between Rs 15.50 and Rs 61 a kg till September 25 in 2013.

In other words, the current spike in retail prices of onions which were preceded by a decline in rates is nothing new. Rather, onionhas been among the most volatile commodities for some time. However, what has changed has been the extent of price fluctuation since 2009.

Data sourced from the department of consumer affairs shows that in some cities like Delhi and Lucknow, onion prices have moved up and down by almost Rs 20-30 per kg in the retail markets in a span of just few weeks.
ALSO READ: Onion prices to soften with arrival of new crop: Sharma

So what makes prices of the onion fluctuate so widely, unmatched by other vegetables like cauliflowers, brinjals etc.

For one, onion perhaps has one of the most inelastic demands. In other words, unlike cabbage, brinjal or even potato to some extent, onion as a vegetable does not have a substitute and has a fixed demand which does not change much. Therefore, even a small change or disruption in supplies leads to sharp spike in onion prices of at the retail level.

“There is no switch factor in onion, either you have onion or do not have, which makes its demand absolutely inelastic,” eminent agriculture economist and chairman of Commission for Agriculture Costs and Prices (CACP) Ashok Gulati told Business Standard. Citing an example, Gulati said price of cauliflower is also ruling at around Rs 80-100 per kg in the retail markets currently, but there is no hue and cry as it can be supplemented, while onions cannot be.Onion is also one of the most globally aligned commodities among all vegetables produced in India as almost 10% of the country’s annual produce is exported.

Ramesh Chand, director of National Centre for Agriculture Economics and Policy Research (NCAP) says, onion is perhaps the only crop which is produced four times in year and therefore there are no extended periods of glut or shortage.

“Onion prices do not rise for long, neither do they fall sharply for long time as there is no single bulk producing season, which makes it volatile, unlike other crops except perhaps potato,” Chand said.

In Maharashtra and some parts of Gujarat, onion is harvested four-times in a year-- in August-September, then in October-December, thereafter again in January-March and finally around April-May. In Karnataka and Andhra Pradesh, the crop is harvested around July-September and then again in October-November and finally around March-April.

So practically, the crop is grown in early kharif, kharif, late kharif and rabi seasons..

This peculiar characteristic of onion is exploited to the hilt by all the players in entire value chain of onion, be it farmers, wholesalers and even the neighborhood hawker.

The situation becomes all the more acute whenever there is ‘expectation of scarcity’. This happened earlier this month, when a sudden disruption in supplies to Lasalgaon in Maharashtra (India’s biggest and probably the only wholesale market for onion) encouraged all the actors in the value chain to exploit the market conditions.

IMPERFECT MARKETS

More than 80% of the country’s entire onion price is determined by 10-15 big traders who control the 15-20 major markets situated in the Nasik, Lasalgaon belt of Maharashtra. It is they who determine when to stop supplies and when to release stocks. As R.P. Gupta, Director of Nasik-based National Horticulture Research and Development said since 2004, when onion was removed from the list of essential commodities, there has been virtually no control on the onion trade.

He said this year, too, there is no shortage of onions in the country and it is the slight disruption in supplies which has been exploited to the hilt by the small group of traders, which pushed prices in some retail markets like Delhi to around Rs 70 per kg on September 20 from Rs 53 per kg on September 5.

“In 2012-13, India’s onion production was around 16.3 million tonnes, while the demand is expected to be around 12 million tonnes, which means around 4.3 million tonnes were surplus. Assuming that India exports around 2 million tonnes of onion this year, there should still be 2.3 million tonnes of onions in surplus in the country.

“The question is where has this onion gone,” asks Gupta.

Explaining, the nature of cartelization in onion trade, another senior officer said that because of good rains in main onion growing belt of Maharashtra and Karnataka, all the stakeholders in the onion value-chain expected prices to soften from middle of September.

To cash on the limited window of opportunity as the last crop came in late , traders started squeezing onion supplies from June onwards, which finally escalated in a massive price spiral first around middle of August and then again in middle of September.

“Otherwise, how would someone explain an almost Rs 13 per kg fall in wholesale price of onion in Lasalgaon in just one day between September 19-20. This surely is not production driven,” the official said. He said the entire value-chain in onions is driven by a few traders and wholesalers.

Also, onions perhaps are the only commodity which does not lose market value after storing. In other words, even if the crop is stored for 7-10 days, it does not lose its value and does not get damaged, therefore there is greater tendency to hoard.

THE WAY FORWARD

Onions as a commodity will continue to remain a pain unless and until either proper stocking or import policies framed. As Gulati said," in the short and medium term we must have a buffer stocking policy for onion."

In other words, some amount of onions could be kept in major consuming centres as stocks every year, so whenever there is short supply it can be immediately augmented.

The other option is trade policy, by importing onions in big quantities in short time so that demand is met.

“But, both these methods require funds as in the first case government will have to bear the cost of storing and in case of imports it will have to reimburse as international prices will move up as soon as India starts importing," Gulati said. The big question is who will bell the cat.

In the long-term, India should have a strong vegetable processing sector, which will enable fresh vegetables get converted into processed items for use during shortage. "Just like in tomatoes in some countries, the same should be done for onion in India as well," Gulati said. Chand of NCAP advocates building good storage facilities across the country to store onions.

Till that happens, onion prices will continue to haunt all, be it farmers when they crash and consumers when they spike. As Gulati summed it up--this is not the first time we have experienced a price spiral in onions and surely this is not the last.

THE HINDU Business Line

Cotton may rule firm until arrivals pick up

Rajkot, Sept. 30:

Cotton prices ruled firm on the back of short supply due to heavy rains in Gujarat last week. According to traders, prices may remain firm as arrivals of the new crop are likely to be delayed by 15-20 days.

Gujarat Sankar-6 cotton rose by Rs 200 to Rs 48,000-48,500 for a candy of 356 kg in Rajkot.*Kapas* or raw cotton decreased Rs 5-7 to Rs 1,200-1,265 for a *maund* of 20 kg. New kapas quoted at Rs 1,050-1,150 .

About 1,000-1,100 bales of cotton arrived in Gujarat and 8,000-9,000 bales arrived across the rest of India. New *kapas* arrival was low due to heavy rainfall in the Saurashtra region. About 10,000-12,000 *maund* of new *kapas* arrived on Monday.

A Rajkot-based cotton broker said demand is not high but the price of cotton is firm because the supply scenario is not clear.

According to ginners, delay in arrivals of new cotton may affect the market and keep prices at a higher level. Experts said quality cotton arrival will start arriving from October-end only.

Dow Jones reports: Cotton futures edged higher Monday morning as traders continued to worry about the size and quality of the crop in the U.S. and other top growers.

Cotton for December delivery on the ICE Futures U.S. exchange was recently 0.7% higher at 87.24 cents a pound, a fresh high since Aug. 21.

Mixed trend in edible oils

Mumbai, Sept. 30:

Groundnut, rapeseed and palmolein declined by Rs 10, Rs 2 and Rs 12, respectively. Sunflower and cotton oil ruled steady. soya oil futures rose sharply on speculative bets. Concerns over heavy rainfall in Sources said Ruchi Oil on sold about 450-500 tonnes of palmolein at Rs 563 and 400-500 tonnes of refined soya oil at Rs 655-657 on Monday. It sold 80-100 tonnes of refined sunflower oil at Rs 690. Liberty sold 450-500 tonnes of palmolein at Rs 564. Resellers also offloaded some quantity of palmolein in isolated trade.

At the end of the day, Liberty quoted palmolein at Rs 564, super palmolein at Rs 594, super deluxe at Rs 614, refined soya oil at Rs 665 and refined sunflower oil at Rs 815.Ruchi quoted palmolein at Rs 563, refined soya oil at Rs 660 and refined sunflower oil at Rs 790. Allana quoted palmolein at Rs 565-Rs 568, super palmolein at Rs 610, refined soya oil at Rs 660 and refined sunflower oil at Rs 820.

In Rajkot, increased arrivals pulled down groundnut oil. While *Telia* tin fell Rs 25 to Rs 1,325 (Rs 1,350), loose (10 kg) fell Rs 25 to Rs 850 (Rs 875). New soyabean arrivals were 1.25 lakh bags in Madhya Pradesh and its prices were Rs 3,300-3,450 ex- mandi and Rs 3,475-3,550 for plant delivery. Mustard arrivals were 50,000 bags and prices were Rs 3,140- 3,725. Malaysia BMD crude palm oil's October contracts settled higher at MYR 2,355 (MYR 2,350), November at MYR 2,317 (MYR 2,316) and December at MYR 2,320 (MYR 2,310). The Bombay Commodity Exchange spot rates (Rs/10 kg) were groundnut oil: 870 (880), refined soya oil: 660 (651), sunflower exp. refined: 740 (740), sunflower refine: 790 (790), refined rapeseed oil: 710 (712), rapeseed expeller refined: 680 (682) refined cottonseed oil: 663 (663) and palmolein: 564 (565). Vikram Global Commodities (P) Ltd quoted Rs 617 per 10 kg for Malaysia super palmolein for delivery in October.

Bihar, Jharkhand traders turn to Malabar for pepper

Kochi, Sept. 30:

Pepper futures ruled mixed on Monday with contracts for October delivery dropping sharply.

The decline in October contracts was attributed to liquidation. Activities were limited on the National Multi Commodity Exchange.

Some activities were reported on the spot market.

A total of 18 tonnes of farm-grade pepper arrived. Of this, 15 tonnes were traded, market sources told *Business Line.*

Of late, dealers from Bihar and Jharkhand are turning towards Kerala's Malabar region comprising Kannur, Kasargode and Malappuram, among others. They are actively buying from the region.

They were reportedly buying low bulk density pepper — looking bolder like Karnataka pepper — directly from the primary markets at Rs 401-405 a kg.

On the NMCE, October contracts fell by Rs 361 to Rs 43,179 a quintal, while November contracts increased by Rs 113 a kg to Rs 43,463 a quintal.

On the IPSTA platform, all active contracts dropped. While October contracts closed at Rs 43,195 a quintal, November closed at Rs 43,296. Spot prices remained unchanged at Rs 40,100 (ungarbled) and Rs 42,100 (garbled) a quintal on limited activity.

Indian parity in the international market was at around $7,200 a tonne (c&f) Europe and $7,450 a tonne (c&f) for the US. Indonesia quoted Lampong Asta at $7,450 a tonne (c&f) US. A price rise is likely in the international market.

Ample rice stocks keep bulk buyers away

Karnal, Sept. 30:

Amit Chandna, proprietor of Hanuman Rice Trading Company, told *Business Line*that ample availability of stocks coupled with tepid domestic demand pulled prices down. There was no bulk buying, while retail traders bought only limited quantities, as prices are likely to decline further, he added.

Traders expect prices to fall further; but the decline could be limited.

In the physical market, Pusa-1121 (Steam) dropped by Rs 200 to Rs 7,800-7,900 a quintal, while Pusa-1121 (Sela) quoted at Rs 7,200-7,300 a quintal, Rs 400 down from the previous level. Pure Basmati (Raw) quoted at Rs 11,000 a quintal. Duplicate Basmati (Steam) eased by Rs 500 to Rs 6,300-6,400 a quintal.

For the brokens of Pusa-1121, Dubar quoted at Rs 3,700. Tibar sold at Rs 4,400 while Mongra was at Rs 3,100 a quintal.

In the non-basmati section, Sharbati (Steam) moved down by Rs 300 to Rs 4,500 while Sharbati (Sela) quoted at Rs 4,200-4,250 a quintal, down Rs 200. Permal (Raw) sold at Rs 2,350-2,400 a quintal, Permal (Sela) at Rs 2,300, PR-11 (Sela) at Rs 2,900 and PR-11 (Raw) at Rs 2,700-2,750. PR14 (Steam) sold at Rs 3,000-3,050 a quintal.

Paddy arrivals

Paddy arrivals increased to around 36,000 bags of different varieties at the Karnal grain market terminal on Monday. About 30,000 bags of PR paddy arrived and quoted at Rs 1,350-1400 a quintal, around 1,000 bags of Pusa-1509 arrived and sold at Rs 3,650 a quintal, and 5,000 bags of Sharbati arrived and sold at Rs 2,350 a quintal.

To ensure smooth procurement of paddy for the Kharif season of 2013-14, the Haryana government has made various arrangements. It has arranged a sum of Rs 5,108.80 crore from RBI for making payments to farmers. As many as 187 mandis have been set up for the procurement of paddy.

Sugar trade pins hope on festival demand

Mumbai, Sept. 30:

Sugar prices ruled steady on the Vashi wholesale market on Monday after declining continuously last week. Prices dropped by Rs 30-40 in the spot market and Rs 65-70 in the futures market last week.

Domestic futures prices have dropped by more than Rs 140 a quintal this month.

Expectations of higher demand in October kept the sentiment positive, said traders. Prices in the Vashi spot market were lower by Rs 10 for S-grade.

Naka and mill tender rates remained unchanged at the lower level.

Sources said the mood was positive ahead of festivals such as *Navaratri, Dasara and Diwali*during October, November. Traders are optimistic about higher demand.

Prices declined last week due to slack local demand and ample supply.

The Vashi market is continuously carrying 120-125 truckloads of inventory, so bulk buyers are keeping off . With neighbouring States also not buying, exporters and millers are bound to concentrate on the local market.

Meanwhile, the Income Tax department has begun issuing fresh demand notices to cooperative sugar mills in Maharashtra for paying cane

price over and above the fair and remunerative price fixed by the Government.

Arrivals in the Vashi market were 61-62 truckloads (each of 100 bags) while local dispatches were 60-61 loads.

On Saturday, seven or eight mills offered tenders and sold 33,000- 35,000 bags at Rs 2,810-2,880 (Rs 2,800-Rs 2,880) for S-grade and Rs 2,930-Rs 3,010 (Rs 2,930- 3,000) for M-grade.

The Bombay Sugar Merchants Association's spot rates were (Rs/quintal):

S-grade: Rs 2,961-Rs 3,121 (Rs 2,971-Rs 3,121) and M-grade: Rs 3,112-3,272 (Rs 3,092-3,272).

Naka delivery rates were: S-grade: Rs 2,900-2,960 (Rs 2,900-2,960) and M-grade: Rs 3,010-3,100 (Rs 3,010-Rs 3,100).

Rates in Uttar Pradesh were: Lakhimpur Rs 3,300/

Little scope for turmeric prices to rise in near-term

Erode, Sept 30:

Turmeric prices continued to decline in Erode market on lack of orders from North India. Poor quality of the arrivals also aided the downtrend.

“We had expected good order this week, but negligible orders have been received. We are still hopeful of getting more upcountry orders,” said R.K.V. Ravishankar, President of Erode Turmeric Merchants Association.

He said that growers brought only 2,100 bags of turmeric. Traders bought 60 per cent of the stocks to fulfil local orders and also for upcountry orders; but they quoted a lower price.

Traders said that they wanted to buy quality turmeric to the orders received from Delhi and two other places, but the arrival of only medium variety for sale disappointed them.

Prices of the yellow spice decreased by Rs 300 a quintal compared with last week.

Ravishankar said that there is little scope for turmeric prices to improve in the near future.

At Erode Turmeric Merchants Association sales yard, the finger variety ruled at Rs 3,216-4,919 a quintal and the root variety at Rs 3,099-4,511.

Salem hybrid crop: The finger variety fetched Rs 4,395-5,525, the root variety Rs 4,094-5,050. Of the 512 bags that arrived, only 63 were sold.

At the Regulated Market Committee, the finger variety sold at Rs 4,295-5,104, the root variety Rs 3,814-4,640. Of the 252 bags on offer, 223 bags were picked up.

At the Erode Cooperative Marketing society, the finger variety ruled at Rs 4,258-5,348; the root variety was sold at Rs 4,249-4,769. All the 273 bags put for sale were traded.

At the Gobichettipalayam Agricultural Cooperative Marketing society, the finger variety fetched Rs 4,268-5,339 and the root variety Rs 3,769-4,916. All 128 bags that arrived were sold.

Copra, coconut oil prices may rise further

Erode, Sept. 30:

Prices of copra and coconut oil increased sharply in markets around main producing centres in Tamil Nadu's Erode district on Monday.

Coconut oil

Coconut oil was sold at Rs 1,375 for 15 kg loose pack (Rs 91/kg). Kangeyam, the main coconut oil producing centre in Tamil Nadu, is having limited stock of coconut oil.

"Though crushers are getting good price, they are expecting further increase in coconut oil price," said R.M. Palanisamy, a trader.

He said copra was sold at Rs 75 for a kg.

He said usually during this season, the production of coconut will be low as a result, the conversion of coconut into copra will be affected.

In Avalpoondurai Regulated Market Committee, copra arrivals were low at 12.5 tonnes and the best quality was sold at Rs 6,465-6,560; the second best variety at Rs 4,495-6,275.

Last week, 68 tonnes of copra arrived.

Sales took place at Rs 6,025-6,365 for the best grade and Rs 4,560-5,900 for second best grade.

Meanwhile, Kerala crushers have started buying copra at the marketing centres here, besides the open market.

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3 youngistanis fetch top price for CTC teas

Coonoor, Sept. 30:

The Sale No: 39 of Coonoor Tea Trade Association (CTTA) auctions held this week gained significance because all the teas catalogued for the auction were offered for tasting at a special session of CTTA Golden Jubilee convention five days before the sale.

This was the first-ever tea tasting session of this kind held by CTTA.

Buyers showered admiration for three top grades of CTC teas manufactured by young quality-conscious experts.

This got reflected at the auction with Homedale (Prasant Menon), Vigneshwar (Ramesh Bhojarajan) and Crosshill (Dinesh Raju) each fetching Rs 180 a kg to top the CTC market.

These three young manufacturers have scripted history in CTTA auctions over the years by fetching the country’s highest prices for specific grades at different sales.

Shanthi Supreme got Rs 178, Deepika Supreme Rs 176 and Hittakkal Estate Rs 174. In all, 76 marks got Rs 125 and more for a kg.

Corsley topped the orthodox market at Rs 250 a kg. Chamraj got Rs 220, Kodanad Rs 205 and Highfield Estate Rs 202. In all, 55 marks got Rs 125 and more.

Exporters to Pakistan paid a wide range of Rs 70-94 a kg, the CIS, Rs 72-97 and some European ports, Rs 72-102.

Quotations by brokers indicated bids ranging Rs 62-68 a kg for plain leaf grades and Rs 115-150 for brighter liquoring sorts.

They ranged Rs 70-76 for plain dusts and Rs 120-175 for brighter liquoring dusts.

Cardamom loses flavour as supply exceeds demand

Kochi, Sept 30:

Cardamom lost its flavour as supply outstripped demand at auctions held last week.

Harvesting has reached its peak during the week and this coupled with comparatively good crop this season, resulted in the arrivals soaring, according to market sources.

Hopes that prices would drop further in view of increased in the arrivals slowed buying.

Exporters were also slow, anticipating further fall in prices, they said.

They estimated to have bought around 25 tonnes of cardamom last week.

Upcountry dealers were covering only to meet their immediate requirements.

Unlike in the past, the growers were believed not to be holding back their produce on the fear that the prices might not move up given the reasonably good crop this year, they said.

“That is also a reason for the upsurge in arrivals and that also aided the price decline,” they said.

There has been a decline in the prices of graded varieties.

The growers claimed anything below Rs 750 a kg is not remunerative because of the high input costs.

According to traders, prices are likely to continue their downtrend till stocks held by dealers are sold out for Diwali.

Thereafter, prices could increase on interest for other festivals and the wedding season in North India, they said.

Total arrivals at the Sunday auction by KCPMC was the highest the season at 116 tonnes against 89 tonnes the previous week. Almost the entire quantity was sold out, P.C. Punnoose, General Manager, CPMC, told *Business Line*.

The maximum price rose to Rs 875 and the minimum was Rs 285.

The auction average price dropped to Rs 603 from Rs 624.50 at the previous Sunday's auction.

In the current season that began on August 1, arrivals stood at 3,903 tonnes up to September 29 against 2,723 tonnes during the same period last season.

Sales were 3,813 tonnes and 2,553 tonnes, respectively.

The weighted average price as on September 29 stood at Rs 619.58 against Rs 742.61 as on the same date last year.

Prices of all the graded varieties dropped last week on over supply. **Prices in Rs/kg were:** AGEB: 730-740; AGB: 590-600; AGS: 550-560; and AGS-1: 530-540. Bulk was being sold at Rs 450-950.

Soya arrivals begin, but with high moisture

Indore, Sept. 30:

Soyabean prices ruled flat in Indore *mandis* on subdued demand, mainly on account of high moisture content of the arrivals.

It rose to 2 lakh-2.25 lakh tonnes in Madhya Pradesh.

On Monday, new soyabean ruled at Rs 3,250-3,450 a quintal.

Soyabean with moisture content above 11 per cent was seen fetching average prices of Rs 2,000-3,000.

Soyabean with moisture content of 25 per cent was quoted at Rs 1,500-1,800, Vinod Choudhary, a local soyabean broker, told *Business Line*.

Demand in inferior quality soyabean with high moisture content continues to be on the lower side. Soyabean is ruling at Rs 100-150 lower compared with .

As arrivals pick up in the coming days, soyabean prices could come under pressure.

Arrivals last week had declined to 80,000 bags on account of a fresh spell of rains in Madhya Pradesh.

In futures, however, soyabean traded higher on strong global cues and buying support, while October and November contracts on the NCDEX were quoted at Rs 3,527 (up Rs 82.50) and Rs 3,450 (up Rs 86.50).

plant deliveries

Amid lower arrival of best quality soyabean, plant deliveries have also risen marginally from last week to Rs 3,475-3,500.

Kerala tea production up 8.29% in H1; rubber output increases 3%

Kochi, Sept. 30:

Tea production in Kerala has increased 8.29 per cent in the first half of the current calendar year.

The State produced 24.8 million kg (mkg) from January to May. Last year, drought and failure of monsoon affected production, the Association of Planters of Kerala, said in its annual 2012-13 report.

Failure of the South-West and North-East monsoons in Kerala resulted in production declining by 8.3 per cent to 63.1 mkg compared with 2011.

The prolonged drought in all the planting districts also led to the drop, the report said.

The industry also focused on replanting and new clearing in 2012 in a big way.

The central Travancore plantation districts have taken up replanting on 198 hectares.

Of this, Kanan Devan Hills carried out replanting on 112 hectares and six hectares in Wayanad during the year.

The area under cultivation in Kerala is stagnant at 37,137 hectares last year.

However, there was an encouraging increase in yield.

The per hectare productivity increased to 2,239 kg from 2,151 kg in the previous year.

Even though the prices remain buoyant, the industry witnessed shrinking of margins due to increase in cost of inputs such as fertilisers, fuel and labour wages.

Shortage of fertilisers may detrimentally affect the production, if immediate remedial measures are not taken, the APK report said.

Meanwhile, the rubber production continued to increase for the fourth consecutive year, touching 9,14,000 tonnes, a three per cent increase in the same period last year.

The area under rubber is 5.34 lakh hectares against a total area of 7.11 lakh hectares in the country. There has been a significant increase in area in non-traditional areas.

On coffee, the APK report said that the actual quantum of exports showed a decline of 10.7 per cent at 3.07 lakh tonnes even though the value of exports surged by 3.1 per cent at Rs 4,686.85 crore in 2012-13.

It put domestic coffee production at 3.15 lakh tonnes, more or less stagnant compared with last year.

Low productivity, limited mechanisation, pest and disease infestation and labour shortage continue to trouble the coffee cultivation in Kerala.

Due to the drought conditions and poor rainfall throughout the season last year, production in cardamom declined but was to some extent neutralised due to higher area, especially homestead gardens.