Date : 17.09.2013

THE HINDU

Training on dehydration of fruits and vegetables

TRAINING BY TNAU

Training in dehydration of fruits and vegetables will be held at the Tamil Nadu Agricultural University on September 18 and 19.

According to a TNAU release, the training will involve processing and packaging of dehydrated fruits and vegetable products such as bars, powders and flakes by and details about the procedures in obtaining license for establishing a fruit processing industry.

Those interested can undertake the training by paying Rs. 1,000 in the form of a Demand Draft drawn in favour of Head, Post Harvest Technology Centre, TNAU, payable at Coimbatore. For details call 0422-6611268 / 66113400.

Farmers told to stock onions

The farm gate price of small onion is expected to increase beyond Rs. 45 a kg during the harvest period of September-October. Hence, the Domestic and Export Market Intelligence Cell (DEMIC) of Tamil Nadu Agricultural University have asked the farmers here to store and sell them from mid-October.

This forecast has been made based on the price that has prevailed for the last 15 years in the Dindigul market, which stood at Rs.35 to Rs.43 a kg, and surveys conducted with producers and traders.

Poultry scheme for more beneficiaries

The State government's subsidy programme under Poultry Development Scheme has been extended to cover more beneficiaries in in the State.

The number of beneficiaries has been increased from 35 last year to 240 this year in each of the 17 districts where the scheme is under operation. The scheme envisages a 25 per cent front-end subsidy provided by the State government for initial establishment and 25 per cent back-end subsidy (33 per cent in the case of Adi Dravidar) by NABARD. About Rs.29, 250 will be provided as front-end subsidy for poultry shed, feed, and equipment. A beneficiary can avail the scheme only once, which seeks to provide beneficiaries with a total of 750 country chicks staggered in three phases (250 in each phase) across 14 weeks. Beneficiaries will be offered five-day-training-cum-certification from Tamil Nadu Veterinary and Animal Sciences University. Medicines and vaccination will be provided by the department of animal husbandry. Applicants may apply through the department of animal husbandry or nationalised banks or cooperative societies in their area. Applicants are expected to be credit-worthy to avail loan under the scheme. Last date for submission of applications is September 20.

Water level

Water level in Papanasam dam on Monday stood at 99.25 feet (maximum level is 143 feet). The dam had an inflow of 1,188.66 cusecs and 1,154.75 cusecs of water was discharged from the dam.

The water level in Manimuthar dam stood at 59.21 feet (118 feet). The dam had an inflow of 35 cusecs and 225 cusecs was discharged.

Water reaches Sathanur dam

Water from Krishnagiri reservoir, through the Then Pennai river, has reached Sathanur reservoir in Tiruvannamalai district.

At 2 p.m. on Monday, 2,700 cusecs of water was flowing into the dam. Water level stood at 71.65 feet against full level of 119 feet. Storage level stood at 939 million cubic feet (full capacity 7,321 mcft).

National Textile Corporation to invest Rs. 464 cr. in State

The National Textiles Corporation will invest Rs. 464 crore in processing a spinning and weaving project in the State. The Union Textile Ministry has agreed to sanction proposals for 40 new projects under group approach and 15 under cluster approach in areas not covered earlier. A mega cluster under comprehensive handloom development scheme at Dharmavaram, Anantapur, will be considered in the next budget, Union Textiles Minister K. Sambasiva Rao said.

Mr. Rao was participating in a meeting on textiles and handlooms convened by Chief Minister N. Kiran Kumar Reddy here on Monday. Senior officials and Handloom Minister G. Prasad Kumar attended the meeting. Mr. Rao said that the Central government was examining a proposal for bailing out the handloom park at Pochampally and an official committee would workout the details. He wanted officials to send proposals for upgradation of obsolete powerlooms at Sircilla in Karimnagar district and Nagari in Chittoor district. The Chief Minister, on his part, agreed to link skill upgradation in handloom sector with Rajiv Yuva Kiranalu programme.

Rains continue in Vellore district for third day

Intermittent rain continued in Vellore district for the third day on Monday.

Following are the amounts of rainfall recorded in different parts of the district during the 24 hours ending 8.30 a.m. on Monday: Arakkonam 43.60 mm, Vellore 37.30 mm, Arcot 31 mm, Walajapet 25 mm, Kaveripakkam 22.40 mm, Tirupattur 10.80 mm, Sholinghur 9 mm, Alangayam 8.10 mm, Vaniyambadi 7.40 mm, Ambur 7.20 mm, Gudiyatham 6.30 mm and Melalathur 3.80 mm.

‘Ensure benefits of agricultural research reach farmers’

Director (Rural Development) of JSS Mahavidyapeeth, Mysore, M. Mahadevappa has stressed the need to ensure that the outcomes of agricultural research reach farms at the earliest.

He was speaking at a seminar on “Processing of Agriculture and Horticulture Produce” organised as part of the industrial exhibition ‘Incomex-2013’ being held at Hubli-Dharwad Multipurpose Exhibition Centre at Amaragol in Hubli on Monday.

Mr. Mahadevappa said that in India the outcomes of agricultural research projects rarely reached farms whereas in China they reached farms within two years and were implemented effectively.

Chinese example

He said that while China, which took up cultivation in 103 million hectares, produced 500 million tonnes of food grains, India, where cultivation was done in 142 million hectares, produced only 259 million tonnes of food grains.

Food requirement

He said India, China and Brazil together had the capacity to meet the food requirement of the whole world. Despite India having diverse climatic conditions and soil qualities, the opposition to agricultural research had resulted in research not reaching farmers, he said.

Take up initiative

Mr. Mahadevappa said the cultivation of Bt cotton had brought down the usage of pesticides by 50 per cent. He added that there was a need for introducing genetically modified crop varieties and the Agriculture Department should take up the initiative in this regard.

Effective development

Inaugurating the seminar Leelavati of National Food Processing Mission said since the food processing industry had not witnessed effective development nearly 35 per cent of the vegetables perished before reaching the market.

Assistant General Manager of NABARD Y.N. Mahadevaiah and Former MLA Chandrakanth Bellad spoke. President of Karnatak Chamber of Commerce and Industry N.P. Javali welcomed the gathering while honorary secretary Vishwanath Ginimav proposed a vote of thanks.

- ***'China produces 500 million tonnes of grain, while we produces 259 million tonnes'***
- ***'35 per cent of vegetables perish before reaching the market'***

Dairy training

The Karnataka Farmers' Resource Centre Bagalkot has invited applications of people interested in undergoing training in dairy farming. Farmers, youths and members of self help groups can submit their applications. These applications have to reach the Centre by September 21. For details contact 08354-244028, 244048 or 9164446886.

Milk federations to transfer cash directly to farmers

The direct cash benefit transfer scheme will be implemented by milk federations in the State to transfer the amount directly to bank accounts of dairy farmers, according to Minister for Animal Husbandry and Law T.B. Jayachandra.

After inaugurating a packaging unit on the premises of the Tumkur Co-operative Milk Producers' Societies Union Limited at Maralur on Monday, Mr. Jayachandra said that the scheme will be implemented in milk federations to facilitate dairy farmers to receive amount for milk supply in the coming days.

He told the milk federations to help dairy farmers open zero balance accounts in banks. He said that it will be good to have women as shareholders in milk federations for effective functioning.

Flexi pack unit

He said that the State government will release Rs. 20 crore to establish a flexi pack unit on the premises of TUMUL at Maralur. He said that milk will remain fresh and will not get spoiled for a month if it is in a flexi pack. He said that as there is an increase in milk production, flexi pack has become necessary so that children can be given fresh milk under the Ksheera Bhagya scheme.

He said that the milk federations are buying milk at Rs. 21 and selling it at Rs. 29 per litre. The government gives Rs. 4 as incentive and hence, farmers are getting Rs. 25 per litre.

He said that it is not correct for milk federations to ask money from the government for providing basic amenities.

He said that the milk federations must not become “white elephants” and must try to cut down their expenses and provide basicamenities out of what they earned.

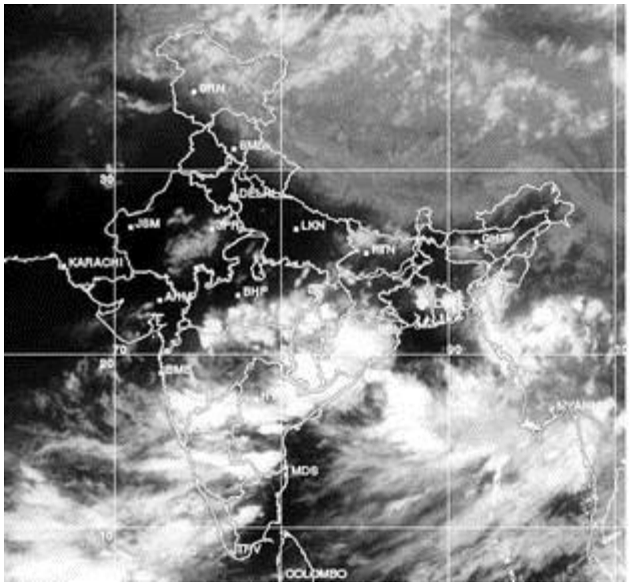
MP G.S. Basavaraju suggested that the State government increase the price of milk to Rs. 35 per litre. He said that this will help farmers of Kolar, Bangalore Rural and Tumkur districts who are earning a living through dairy farming.

Legislators Rafeeq Ahmed and K.M. Thimmarayappa and Managing Director of Karnataka Milk Federation Premnath were present.

Copra stock set on fire in Tiptur

Copra worth Rs. 1 lakh was burnt to ashes at Makanahalli in Tiptur taluk in Tumkur district on Monday. The police said that Kumar, a resident of Makanahalli, stored copra in front of his house. Some unidentified people set fire to copra stock around 2.30 a.m. on Monday. Kumar informed the police and the police sub-inspector rushed to the spot along with personnel from Fire and Emergency Services. The fire-fighting personnel doused the fire. The police quoted Kumar as saying in his complaint that copra worth Rs. 1 lakh was lost. The police are on the look-out for the accused. A case has been registered at the Nonavinakere police station.

Weather



INSAT PICTURE AT 14.00 hrs. Observations recorded at 8.30 a.m. on September 16th.

	Max	Min	R	TR
New Delhi (Plm)	38	26	0	518
New Delhi (Sfd)	37	25	0	787
Chandigarh	35	21	tr	825
Hissar	39	20	0	507
Bhuntar	33	13	2	407
Shimla	24	11	5	845
Jammu	33	19	1	1251
Srinagar	20	12	1	249
Amritsar	35	20	0	759
Patiala	35	21	3	725
Jaipur	38	21	4	665
Udaipur	36	23	0	656
Allahabad	35	24	9	962
Lucknow	33	23	0	731
Varanasi	35	25	0	741
Dehradun	33	19	7	2809
Agartala	33	25	10	830
Ahmedabad	37	26	0	772
Bangalore	28	20	0	683
Bhubaneshwar	34	25	56	808
Bhopal	35	25	0	1116
Chennai	35	25	0	622
Guwahati	35	25	0	738
Hyderabad	34	23	28	622

Kolkata	34	27	0	1555
Mumbai	30	24	17	2160
Nagpur	36	23	4	1345
Patna	34	27	0	584
Pune	31	22	7	669
Thiruvananthapuram	31	25	3	1024
Imphal	31	21	16	1037
Shillong	23	17	50	931

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

MAINLY DRY WEATHER

The withdrawal line of Southwest Monsoon still continues to pass through Sriganganagar, Bikaner and Barmer.

Rainfall: Rain/thundershowers have occurred at many places over Himachal Pradesh, at a few places over Jammu and Kashmir, Uttarakhand and Punjab and at isolated places over rest of the region. The chief amounts of rainfall in cm are: (3 cm. and above) HIMACHAL PRADESH: Sujanpur Tira 4 and Kasol 3, PUNJAB: Gurdaspur 3, EAST RAJASTHAN: Kotputli 7, Chirawa and Girva 5 each, Bansur, Malakhera, Sajjangarh and Malsisar 4 each and Baseri, Viratnagar, Todabhim, Arnod and Piplu 3 each, EAST UTTAR PRADESH: Sultanpur 11, Karwi 6, Kakardharighat 5, Dalmau 4 and Gaighat and Fatehgarh 3 each and WEST UTTAR PRADESH: Pawayan 6 and Shahjahanpur 4.

FORECAST FOR REGION VALID UNTIL THE MORNING OF 18th SEPTEMBER 2013 : Rain/thundershowers would occur at a few places over Jammu and Kashmir and Himachal Pradesh during next 24 hours and decrease thereafter. Rain/thundershowers may occur at one or two places over Uttarakhand, Punjab, Haryana, Uttar Pradesh and east Rajasthan. Weather would be mainly dry over rest of the region.

FORECAST FOR DELHI AND NEIGHBOURHOOD VALID UNTIL THE MORNING OF 18th SEPTEMBER 2013: Mainly clear sky.

Five lakh 'Agathi' seedlings to be distributed to farmers

Director of Animal Husbandry and Veterinary Services R Palaniswamy at the Chettinad Livestock farm. Photo: Special Arrangement

Director of Animal Husbandry and Veterinary Services Prof R. Palaniswamy has said the government has sanctioned Rs.13.68 lakh for raising five lakh 'Agathi' seedlings to be distributed to farmers in five southern districts in the State.

The Director, who inspected the Chettinad Livestock Farm along with Collector V. Rajaraman on Saturday, said the Agathi seedlings, raised under the State Fodder Development Scheme, would be distributed free of cost to farmers, and those having livestock holdings would be given priority.

One lakh farmers each in Sivaganga, Ramanathapuram, Madurai, Theni and Dindigul districts would be given the seedlings, an official release said.

Official sources at the Chettinad farm said four lakh seedlings had already been raised and one lakh seedlings were being raised.

The distribution of seedlings to the farmers would begin on September 25 and completed by October-end, they said.

Agathi could be given as feed to both cows and goats to increase milk productivity and increase the immunity of the animals, the sources said.

The Director inspected the animal sheds, poultry and dairy units and the piggery unit set up recently under the National Mission for Protein Supplement and reviewed the progress of schemes implemented by the Animal Husbandry Department, the officials said.

Seed drill sowing planned for 10,000 hectares

28 seed drills available in Sivaganga district

In a bid to increase paddy production, the Agriculture Department in the district has decided to introduce seed drill sowing in 10,000 hectares in rainfed areas.

On the instructions of Collector V. Rajaraman, the department was making available 28 seed drills to the farmers and explaining to them the advantages of using the machine for sowing, S. Chelladorai, Joint Director of Agriculture, said. Paddy production was bound to increase as seed drill sowing helped raise optimum crop population, allot correct space between rows and provide much-needed aeration and sunlight to the crop.

Last year, seed drill sowing was taken up on an experimental basis in about 800 hectares. A farmer at Nagavayal in Kallal block harvested six tonnes of paddy using the new technology, and it was double the yield achieved in conventional broadcast sowing, he pointed out.

Mr.Chelladorai said in coordination with the Dry Land Research Station, Chettinad, the department had already completed seed drill sowing in 500 hectares.

When farmers used seed drill 20 kilogram of seeds would be enough for sowing in one acre of land, while double the quantity of seeds would be required in direct sowing.

Duration of the crops would also come down by 10 days, and the farmers could apply the first top pressing of fertilisers with ease when the crops were 10-15 days old, he said.

Farmers were being distributed seeds at subsidised rates, and they could use the seed drill by paying Rs.500 per hour. Sowing in one acre of land could be completed in one and a half hours, he said, adding that Aduthurai 36 and 39 and CO 43 varieties were recommended for seed drill sowing. Farmerswere showing interest in the cost-effective seed drill sowing, which would also address the labour problem, he noted. Paddy was cultivated in 83,928 hectares of land in the district, of which 16,388 hectares were purely rainfed.

CII, TNAU to ink pact for agri forum

The Confederation of Indian Industry (CII) will sign an agreement with Tamil Nadu Agricultural University (TNAU) next week to create a forum for agriculture.

According to the Chairman of CII — Coimbatore S.K. Sundararaman, the forum of excellence in agriculture is an initiative to focus more on the agricultural sector.

Productivity

In an effort to improve productivity, farmers should be supported with kits, automation and mechanisation.

The forum will initiate discussions, work with farmers and encourage industries to manufacture kits and equipment that will improve productivity on farms.

The initiative will encourage industries to come out with technologies in four to five years. For instance, in Coimbatore region, tools can be developed for coconut plucking.

New industries can come up in this segment and existing ones can also tap the potential in agricultural field.

The agreement and the forum will focus on establishing industry-academia linkage, promoting entrepreneur development, advocacy, showcasing the country’s strengths in agriculture and creating linkages and enabling partnerships.

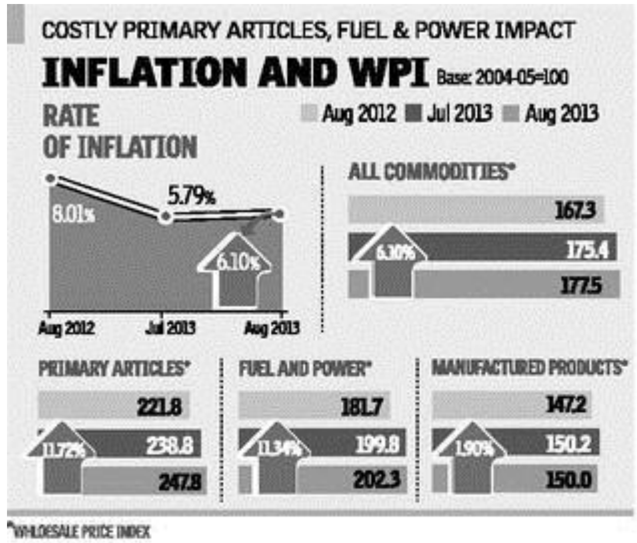
Workshops

The CII has already crated a food and agriculture centre of excellence and has been conducting workshops and fairs across the country on the best practices in the agricultural sector.

The CII is organising a conference here on food security and sustainable agriculture on September 21. Nearly 120 delegates are expected to participate.

Rising onion prices push inflation to 6-month high

Hopes of a rate cut by the Reserve Bank of India dim



High prices of onion and other kitchen items drove the headline inflation to six-month high of 6.1 per cent in August, limiting options for a rate cut by the new Reserve Bank of India (RBI) Governor Raghuram Rajan, who is scheduled to announce his maiden monetary policy review later this week.

Wholesale price index (WPI)-based inflation rose for the third straight month, driven by a steep 244.62 per cent jump in onion prices on an annual basis. WPI inflation was 5.79 per cent in July. Inflation in the vegetable basket as a whole was 77.81 per cent, and, in the fruit segment, it was 8.17 per cent in August. The food segment as a whole became costlier by 18.8 per cent during the month. On the positive side, potato prices fell by about 15 per cent, followed by pulses which became cheaper by 14 per cent.

In the case of manufactured items, sugar and edible oils became cheaper by 4.2 per cent and 3.86 per cent, respectively. Overall, manufactured items showed a moderate increase of 1.9 per cent during the month on annual basis. The latest inflation data is going to weigh high on Dr. Rajan's mind when he announces the mid-quarter monetary policy on September 20. The industry has been demanding a cut in key policy rate to spur economic growth.

Prime Minister's Economic Advisory Council (PMEAC) Chairman C. Rangarajan said inflation, besides forex market, was expected to weigh on the RBI's decision on its policy.

“All that I can say is that the RBI, I believe, will take into account the behaviour of inflation as well as what is happening in the foreign exchange market and take a decision,” he said on the sidelines of an Assocham-organised event here.

Confederation of Indian Industry (CII) Director-General Chandrajit Banerjee said: “The rise in inflation should not come in the way of the policy of forthcoming monetary policy on September 20, as it is of utmost importance to revive investor sentiment.”

“The key concern for a long time now is that rise in food prices continues to contribute strongly to overall inflation. It is, therefore, important that structural factors affecting food inflation are addressed on a priority basis,” Federation of Indian Chambers of Commerce and Industry (FICCI) Secretary-General Didar Singh said.

The high increase in prices was also seen in other essential food items such as rice, cereals, egg, meat and fish

“The jump in food prices has undermined the overall performance of WPI inflation which could have been below 5 per cent if food prices had not escalated. Government should focus on easing supply chain bottlenecks and make provisions for consumers to buy directly from farmers,” President of PHD Chamber of Commerce Suman Jyoti Khaitan said.

The food items became costlier by 18.8 per cent on a year-on-year basis.

“This (inflation) would further affect the prospects of economic growth revival and the corporate sector will continue to bear the brunt of higher growth in input prices,” Assocham Secretary-General D. S. Rawat said.

“The Reserve Bank must ensure that the cost of finance to the end-user becomes competitive without any further delay. The upcoming mid-quarter monetary policy review must not resort to interest rate tightening, as that would further push the prices up,” Mr. Rawat said.

“While keeping inflation under check has to be a priority, it is imperative that we continue efforts to rekindle investor sentiment and push for higher growth,”

Higher cotton output likely

Cotton production in the 2013-14 season, which starts next month, is likely to be one of the highest with the trade and industry expecting the output to be more than 350 lakh bales.

At its meeting in April this year, the Cotton Advisory Board estimated cotton production in 2012-13 (October-September) to be 340 lakh bales.

For the 2013-14 season, the Cotton Association of India has estimated the production at 375 lakh bales. Its president Dhiren N. Sheth has said in a release that this is its second estimate for the 2013-14 season. Crop conditions have improved since last month, and, hence, it is expecting a higher crop.

The Southern India Mills' Association expects production to be 360 lakh bales.

According to the Indian Cotton Federation, production in 2013-14 is likely to be 370 lakh bales. Though the area under cotton has not increased much, good rains are expected to increase the yield. Its vice-president K. N. Viswanathan said that the crop was good in Gujarat. "Hence, we are expecting higher yield in Gujarat. Production in the State might by 120 lakh bales," he said. At present, the demand for cotton from textile mills was limited and the export market was also dull, he said.

Reality check

According to the Economic Outlook 2013-14, the economy will grow by 5.3 per cent, far below the 6.4 per cent projected earlier.

In sharply revising downwards its April growth forecast for the current year (2013-14) by more than one percentage point, the Economic Advisory Council (EAC) to the Prime Minister has not exactly sprung a surprise. According to its recently released flagship publication, *Economic Outlook 2013-14*, the economy will grow by 5.3 per cent, far below the 6.4 per cent projected earlier. The Reserve Bank of India, which was less ambitious to begin with, had revised its estimate to 5.5 from 5.7 per cent. Almost all private forecasters have been projecting even lower rates of growth ranging from 4 to 4.9 per cent. A sub-5 per cent annual growth trajectory seems well within the realm of probability. Official statistics confirm the downward drift. During the first quarter of this year the economy grew by just 4.4 per cent, even lower than the 4.8 per cent of the previous quarter. With the economy unlikely to do much better in the second quarter (July-September), the EAC as well as the more optimistic government spokespersons hope that the second half of the year will be much better and lift the overall rate of growth to something above 5 per cent.

Agriculture is the only sector that is expected to do well on the back of a good monsoon, with a projected increase of 4.8 per cent as against 1.9 per cent in 2012-13; industry is expected to grow by 2.7 per cent as against last year's 2.1 per cent, and services by 6.6 per cent, down from 7.1 per cent last year. But the farm sector has only a small share in GDP. Even the relatively low expectation from industry might be misplaced. A critical component — manufacturing — has yet to show signs of revival. Between April and July, it actually declined by 0.2 per cent. Another component, mining, remains in the doldrums. On the positive side, the rupee depreciation has already boosted the performance of a wide range of export industries including textiles and leather. The merchandise trade deficit has been coming down in recent months, also due to lower imports of gold and capital goods. A healthy performance by the IT and IT-es industries could help in containing the current account deficit, which remains a prime concern. The EAC's projection of a $70 billion deficit (3.8 per cent of GDP) in 2013-14 as against an estimated $88.2 billion (4.8 per cent) seems over-optimistic as of now. Net capital flows are expected to be lower this year and there could be a small drawdown of reserves. Containing the fiscal deficit is another big challenge. During the first four months of the year, it has already reached nearly 63 per cent of the budget. While the EAC has suggested a number of measures to deal with the "twin deficits," its biggest contribution might well be the realistic GDP growth estimate.

The Indian EXPRESS

Price of onions skyrockets again, touches Rs 80/kg in local market

Monday marked a record high for the onion trade, with its price crossing Rs 5,500 per quintal at all agricultural produce market committees (APMC) in the state. While the maximum price for a quintal of onions in Pune's Market Yard was Rs 5,800, at the largest onion trading market of Lasalgaon, it crossed Rs 5,600.

P K Gupta, joint director of Nashik-based National Horticulture Research and Development Foundation (NHRDF), said the selling price on Monday was the highest recorded in the last one year.

Jaydutt Holkar, president of the Lasalgaon APMC, attributed the rise in price to the drastic fall in supplies. He said while the market, on an average, gets 20,000 quintal onions per day, for the past few days only 7,000-8,000 quintal has been coming to the market. "This shortfall in supply has pushed the prices. Due to rains in Andhra Pradesh and northern Karnataka, harvesting of onions got delayed and that resulted in short supply," he said.

On Monday, the Pune market saw just 6,372 quintal onions being supplied compared to 10,996 quintal on the same date last year. Last year, the price of onions was

Rs 750 per quintal compared to Rs 5,800 per quintal on Monday.

BS Dighe, a wholeseller from the market, said the retail sellers are selling at Rs 70-80 per kg in various parts of the city.

About the state of onion trade, Gupta said although imported onions have started reaching Indian markets, the chances of prices going down soon are remote. "On Monday, around 300-400 tonnes of Egyptian onions arrived at the Mumbai port and they would be available in the markets within a day or two. Also, six trucks of onions from Pakistan have reached Delhi, but the local markets have a problem with the quality," he said.

Gupta said around 10,000-15,000 quintal home-grown onions have reached the Bangalore markets, which will be headed for the markets of Kolkata, Orissa and southern states.

"The highest price for onion in Bangalore was Rs 3,500 per quintal and more produce is scheduled to hit the markets soon. This would surely have an effect on the price in the next few days," he said.

Rates of other veggies dip because of supply increase

Increase in the supply of vegetables at the Gultekdi Agricultural Produce Market Committee (APMC) has resulted in a decrease in prices of major green vegetables. However, traders have expressed concern over the quality of the vegetables, which they say, has been hit by the sudden rain in the state.

Vikas Bhujbal, wholesale trader at the Market Yard, said other than green leafy vegetables, supply of other vegetables have seen a 10 per cent rise. "Farmers from Pune, Solapur, Satara, Sangli, Ahmednagar and Nashik have been coming with their produce, which has brought down the prices," he said.

However, Bhujbal said heavy rains have affected the quality. A majority of the vegetables are in the range of Rs 25- 30 per kg, while leafy vegetables are between the range of Rs 4-10 per bundle.

On Monday, green chillies were the highest supplied vegetable with 668 quintal coming into the market. Colocasia (arabi) was the least supplied vegetable, with only three quintal arriving in the market. Bhujbal and other officials of the Market Yard committee said last year, the supply of all vegetables had taken a hit due to drought in the region. "While 469 quintal of okra arrived in Market Yard on Monday, only 254 quintal had reached the market on the same day last year," he said.

With more vegetables set to reach the markets soon, the prices are set for more revision, said an official.

Costlier onion, other food items push headline inflation to 6.1% in August

Headline inflation rose at the fastest pace for six months in August, driven by an 18 per cent jump in food price.

Costlier onion and other vegetables pushed up headline inflation for the third month in a row to 6.1 per cent in August, making it difficult for the RBI to cut rate in the monetary policy review due later this week.

The inflation was at 5.79 per cent in July and 8.01 per cent in August, 2012.

Related: Retail inflation eases marginally to 9.52 pc in August

The highest increase was witnessed in case of onion which reported an increase of 245 per cent year on year.

The price of vegetables in general rose by 77.81 per cent making life difficult for the common man.

The high increase in prices was also seen in other essential food items like rice, cereals, egg, meat and fish.

On the positive side, potato prices declined by about 15 per cent followed by pulses which became cheaper by 14 per cent as compared to August last year.

The food items became costlier by 18.8 per cent on year on year basis.

In case of manufactured items, sugar and edible oils became cheaper by 4.2 per cent and 3.86 per cent respectively.

Overall, manufactured items showed a moderate increase of 1.9 per cent during the month on annual basis.

New Reserve Bank Governor Raghuram Rajan, who is scheduled to come out with his first credit policy review on September 20, will have to take into account the rising inflation while announcing steps to boost sagging growth.

Commenting on the rising inflation, Prime Minister's Economic Advisory Council (PMEAC)chairman C Rangarajan said that it was mainly on account of depreciating rupee but hoped it would come down in the coming months.

"Over the next few months food inflation will start coming down because of good monsoon and that would have an impact on rest of things...we expect the inflation by end of the current fiscal to be around 5.5 per cent", he said.

THE ECONOMIC TIMES

Sugar output may touch 25 million tonne in 2013-14

Sugar production in India is estimated to touch 25 million tonne in the sugar season 2013-14 starting from October, slightly higher than the current year's 24.5 million tonne.

NEW DELHI: Sugar production in India is estimated to touch 25 million tonne in the sugar season 2013-14 starting from October, slightly higher than the current year's 24.5 million tonne, the Indian Sugar Mills Association (ISMA) has estimated.

Good monsoon this year would help augment the sugar production for the coming season, ISMA said. The country's biggest sugar producer Maharashtra's sugar production is likely to be 7.8 million tonne. Sugar recovery for the state would also go up by 11.44%. In Uttar Pradesh, which is the second-largest sugar producer, the sweetener production may touch 7.7 million tonne, the estimate said.

"The ISMA is expecting slightly lower yields from UP than last year's on account of lesser 'millable' sugarcane per hectare availability due to excess rains, which affected the late-sown sugarcane plants this year," said a statement by the industrial body. Karnataka's sugar production is expected to remain at almost the same levels of last year - around 3.4 mt.

Sugar production for 2013-14 estimated to be 25 million tonne: ISMA

Good monsoon this year would help augment the sugar production for the coming season. In 2012-13 sugar season, India produced 24.5 million tonne of sugar.

Sugar production in India is estimated to touch 25 million tonne in the sugar season 2013-14 starting from October. As per the estimate done by industry body ISMA (Indian Sugar Mills Association), the availability of cane acreage for crushing in sugar season 2013-14, will be around 52.89 lakh hectare.

Good monsoon this year would help augment the sugar production for the coming season. In 2012-13 sugar season, India produced 24.5 million tonne of sugar.

Sugarcane acreage for Maharashtra is reported to be around 9.4 lakh hectare and a sugar production of 7.8 million tonne. Sugar recovery for the state would also go up by 11.44%. Whereas in Uttar Pradesh, the cane acreage is around 25.13 lakh hectare and would lead to a sugar production of 7.7 million tonne of sugar.

"ISMA is expecting slightly lower yields from UP than last year on account of lesser millable sugarcane per hectare availability due to excess rains, which affected the late sown sugarcane plants this year," said a statement by the industrial body.

Karnataka sugar production is expected to remain at almost the same levels of last year i.e. around 3.4 million tonne, while major fall is only expected from Tamil Nadu which may give 15%

lower production of 1.6 million ton, as compared to last year's production of about 1.9 million tonne of sugar.

May revive committee to consider aid for excess rain areas: Sharad Pawar

The assistance would be considered for loss of crop, loss of human lives and live stock due to excess rains.

NAGPUR: Union Agriculture Minister Sharad Pawar today said the Centre may revive a high-power committee to set norms for considering financial assistance to excess rains affected areas.

"The Centre is considering revival of high power committee under my own chairmanship for setting new norms for grant of central assistance in excess rains hit areas," Pawar told mediapersons here.

The assistance would be considered for loss of crop, loss of human lives and live stock due to excess rains, said the minister, who is on a three-day visit to the excess rains hit Vidarbharegion.

He claimed that the National Monsoon Mission set up to gauge the mood of the monsoon over the year was doing well and predictions were nearly correct.

A number of scientists, experts and a ministerial group had rightly predicted last years' less rains in northern part of Andhra Pradesh and Karnataka and regions in Marathwada. Their predictions were 90 to 95 accurate, he said.

This year, predictions said good amount of rainfall in certain areas and we are able to know the prospects of drought and excess rainfalls well in advance, he said.

A detailed report will be submitted to the Prime Minister within three-four months on the Monsoon Mission, he said.

Pawar, who initially had some reservations about the UPA's ambitious Food Security Bill, today asserted that production and productivity of food grains must be increased within the limited grain fields to meet the requirement in future, even in case of probable drought.

He said about 74 per cent of children in the country were malnourished and the scheme should help them.

On assessment of damage due to excess rainfall in most parts of Vidarbha region, Pawar said the Centre has received preliminary estimates and a final report is on the way.

The final assistance to the affected areas would be decided soon but the Centre will also consider damages done to roads, bridges, culverts in urban areas like Nagpur and Chandrapur that experienced floods.

He said the state government should engage soil conservation department in restoring the agriculture fields washed away due to floods.

Move over Nagpur, Jhalawar's oranges may be sweeter

A district in Rajasthan is now competing with India's traditional producer of mandarins. Sunday Times visits the new orange county.

Never mind the numbers, it is Om Prakash Patidar's words which convey more accurately the succulence and success of the region's annual orange crop. "How many oranges do you eat at a time?" asks the farmer, standing next to his orange grove in Junakheda village, 26km outside of the town of Jhalawar. "Three, four? We eat 30 to 40 at a time."

"You cool yours in a refrigerator. Ours are cooled naturally by the night. An orange plucked early in the morning, and eaten... there's nothing quite like it," he says. Seemingly overnight, Jhalawar's oranges have come into their own. So much so that every body here - from farmers to the district's horticulture officers to horticulture researchers - swears that their version of the orange is even better than what is grown inNagpur - a town more famous for producing this fruit...

Jhalawar's soil and climate make its fruit better than Nagpur's, says LK Dashora, dean of Jhalawar's College of Horticulture and Forestry. After the orange crop has been plucked in March, the farmers of Jhalawar will plough the earth around their trees but not irrigate them despite the intense heat of a Rajasthan summer until the rains come. This 'stress treatment', says Dashora, forces nitrogen levels in the tree to dip. As nitrogen levels fall, carbohydrate levels in the tree rise. This increase in carbohydrate levels leads to an increase in total soluble solids in the fruit which means a tastier orange.

PN Verma, a former agriculture officer with the district administration, adds that a sudden spurt in temperatures in Jhalawar in the month of February, when the orange crop is ripening, makes the fruit grow sweeter than its Nagpur cousin. So while the Nagpur orange stays green, the Jhalawar variety turns orange in colour, and has a longer shelf life.

A number of factors have come together to bring the story of Jhalawar's oranges to fruition. It all appears to have begun back in 1955 when Uday Lal PatidarBSE 0.00 % - the Patidars are an agrarian caste who have their origins in Gujarat - the headman of Misroli village, returned from Nagpur with a few orange saplings.

Then in 1975, says Verma, the Rajasthan Land Development Bank began an orange plantation scheme, subsidising farmers wanting to begin orange plantations. The idea was to increase acreage under orange cultivation. In 1985, Jhalawar's department of agriculturetook up the job. In 1990, the district set up a horticulture department and that was given a further boost by the setting up of the National Horticulture Mission in 2005.

Lalit Kumar Gupta, Jhalawar's collector, says that the government is currently subsidising any farmer who wishes to set up a drip irrigation system for his orange crop -by up to 90%. Farmers have also been getting tips and receiving orange saplings for free.

The result has been an increase in both acreage and production. In the 2002-03 season, 5,372 hectares were planted with mandarin oranges and produced 31,632 metric tonnes of produce. In 2011-12, 9,090 hectares were planted and produced 1,64,898 metric tonnes of produce.

The 2011 season was an especially memorable one. Nagpur's orange crop had been hit by bad weather and the shortfall there was made up for by Jhalawar. Oranges were sent from Rajasthan to Maharashtra, where they were passed off as Nagpur oranges by less-than-scrupulous traders who did not wish to lose out on the profits they had grown accustomed to. And , says Dashora with a chuckle, a number of those oranges came back to Jhalawar - again packaged as Nagpur oranges.

Srikishan Patidar's words provide even more reason to smile. He says he planted 300 orange trees in Junakheda in 2000. For five years — the orange tree fruits after five years — he nurtured them, after which each tree gave him a 100 kg of fruit. Srikishan says he sold his crop for Rs 10 a kg at the local mandi, giving him a total income of Rs 3 lakh. He adds that the orange has made life better for him and the region's farmers.

But the orange crop is extremely vulnerable to the vagaries of the weather . Also, all of Jhalawar's trees have been grown from saplings that have been imported from Nagpur. But Nagpur at the moment is reeling from an attack of the phytophthora fungus. So, if Jhalawar imports saplings from Nagpur, it will also import the disease. Dashora says they have prepared a Rajasthan Horticulture Development Plan which will include the setting up of nurseries in the state, but that they will have to move on it quickly.

The last word though comes from Nagpur. Dr VJ Shivankar, who retired last month as director of Nagpur's National Centre for Research on Citrus, is quick to turn acerbic when asked whether Jhalawar might actually be growing better oranges. "Scientists", says Shivankar , "shouldn't be talking in terms of which fruit is better. Jhalawar, after all, is growing the Nagpur mandarin orange."

Onions push inflation to six-month high, dash hopes of rate cut by RBI governor Raghuram Rajan

The wholesale price index (WPI)-based inflation, the most widely watched gauge of prices, climbed to 6.1% in August from 5.79% the previous month.

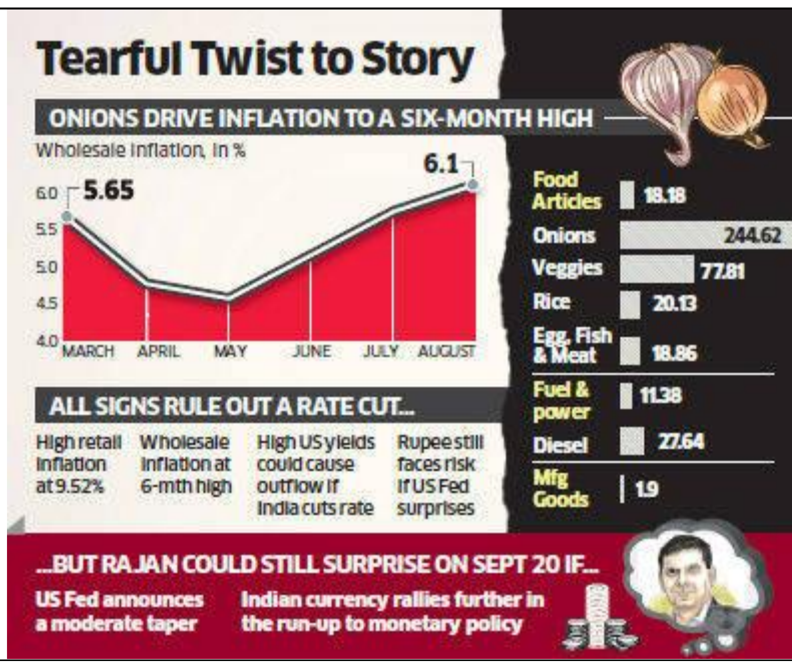
NEW DELHI: Inflation accelerated to a six-month record in August as food became costlier thanks to onion prices surging almost fourfold, dampening hopes of a rate cut by new Reserve Bank Governor Raghuram Rajan in his first monetary policy review on September 20.

Stock markets, which had built up hopes that Rajan will conjure up some magic and cut rates following the near-10% rise of the rupee from August-end lows, gave up strong morning gains after the data release, ending the day marginally up.

The Sensex ended 0.05%, or 9.71 points, up at 19,742. The Nifty fell 0.17%, or 10.05 points, to end at 5,840, marking its third consecutive day of decline. Shares of Ranbaxy, India's biggest drugmaker by sales, fell 30.34% to mark their lowest close in a month on Monday after its Mohali plant was sanctioned with an import alert ban from the US Food & Drug Administration.

Leading foreign brokerage HSBC downgraded Indian shares to 'underweight' from 'neutral', citing the recent market rally, and downside risks to growth.

The wholesale price index (WPI)-based inflation, the most widely watched gauge of prices, climbed to 6.1% in August from 5.79% the previous month, data released by the ministry of commerce and industry showed on Monday.



The consensus was for a 5.8% rise in wholesale prices in August. The upward revision in June inflation to 5.16% against 4.89% estimated earlier also pointed to rising inflationary pressures.
"Inflation is accelerating and this may continue in the coming months as the weaker rupee pushes up the price of imported goods," said Glenn Levine, senior economist at Moody's

Analytics, who saw an outside chance of a near-term interest rate rise. The sharp appreciation of the rupee following possibility of slower pace of Fed tapering and moderation in consumer price inflation in August had raised hopes that Rajan may at least unroll the short-term liquidity squeeze applied on banks to check currency speculation.

Retail inflation, based on the consumer price index, dropped to a threemonth low of 9.52% in August, data released on Friday showed. Those expectations have taken a back seat now even as GDP growth estimates have taken a knock because of the reversal in monetary stance following rupee depreciation. The most pessimistic estimates of growth are down to 3.7% for the current fiscal.

Rajan too had said he does not have a magic wand to address India's complex problems of slowing growth, high inflation, investments stall, high twin deficits and vulnerable currency. Experts expect him to be firmly focused on currency, particularly after industrial growth rose to a fourmonth high 2.6% in July.

"The focus of the policy meet will be on dealing with rupee depreciation, on account of which we feel status quo will be maintained. A lot also depends on the FOMC meet on September 18, where more clarity will emerge on the tapering of stimulus," said Soumya Kanti Ghosh, chief economist advisor, State Bank of India. "We expect RBI to leave interest rates unchanged on September 20 and also for the rest of the year," ratings agency Crisil said in a note.

The higher inflation was driven by a spike in inflation in food articles, which have 14% weight in the inflation gauge, to 18.2% in August from 11.9% in July. This was almost entirely on account of onions, prices of which rose 244% from a year-ago period.

Inflation in vegetables rose to 77.81%, a steep increase from 46.5% in July. Fuel inflation remained unchanged at 11.3% while core inflation — the rate of price rise in non-food manufactured goods — that is considered a key measure of demand slowed to 2% in August, a 44-month low. The good monsoon is expected to help moderate the food inflation.

"The uptick in food inflation, while disconcerting, may ease with fresh supplies of food grain and vegetables like onions expected to dampen prices in the coming weeks", said Aditi Nayar, senior economist, ICRA. But this decline could be negated by the steady rise in diesel prices and a onetime price hike in fuel expected soon.

Onions from Afghanistan, Egypt may bring down prices by 20 per cent

Afghanistan and Egypt onions hit Indian market as prices in domestic market firm up. Traders and retailers now expect prices to correct by 15-20%.

NEW DELHI: Afghanistan and Egypt onionshit Indian market as prices in domestic market firm up. Traders and retailers now expect prices to correct by 15-20%. Onion prices in the retail were currently ruling at Rs70 a kg.

Mumbai-based traders said a few containers had arrived from Egypt, and China crop was also expected to arrive in the coming days. Further, harvesting is expected to pick up across Andhra Pradesh and Karnataka, giving a much-needed respite to consumers.

More than 350 tonne of onions have arrived through Pakistan's Wagah border to Attari in Amritsar district of Punjab said an official at the Attari Integrated Check Post. He said that the Afghanistan-origin onions with SAFTA certificate of origin and Pakistan transit certificate have started arriving since September 6. "Daily over 4-7 trucks are arriving. Indian traders have contracted the produce at Rs18-20 a kg," said the official. There was no import duty on the commodity said officials.

Diplomats at the Embassy of Afghanistan in New Delhi said that more onions were expected to arrive from Afghanistan through the Punjab border post. "We might even get some onion shipments through the Iranian port of Shah Bahar to Indian port," said Zubair Juenda, information and media secretary at the embassy. He said that the new crop was coming from the Bamiyan, Herat and Maidan Wardak region, and was expected to bolster the bilateral relations between the two countries. Onion exporters at Mumbai said that prices were soon going to correct.

"We see a price correction of 20% in onions. Over 6 containers of 28-29 tonne each have arrived and more than 50 containers from China will soon hit the market," said Ajit Shah, president, Onion Exporters Association. He said the landed cost of the imported Egypt onion was Rs35 a kg.

In Amritsar, traders said that it is for the first time that onion was arriving from Afghanistan. "In my 25 years of trading, I am handling for the first time onion crop from Afghanistan. The quality is good and prices are very less, compared to Nashik crop. This will benefit Indian consumers," said Anil Mehra, owner of the Kabul Trading Company at Amritsar.

On Monday, arrival of two onion trucks from Amritsar at Azadpur mandi brought not only onions but also hope of good business for trade. "With prices in retail at Rs 60-70 a kg, the demand had fallen. Now it will be revived," said a trader who did not want to be named.

In wholesale trading, the Nashik crop across Azadpur mandi and Amritsar mandi was ruling at Rs40-45 a kg said traders. "I have ordered for 50 trucks (one truck = 20 tonne). Supplies are slow and less from Nashik and this new crop from Afghanistan will help in mitigating this problem," said Mahinder Sanpal, a leading onion trader from the Azadpur mandi. Summer crop onion (stored in month of April) was being quoted atRs48-50 a kg Lasalgaon mandi in Nashik District of Maharashtra. "10-12 trucks are only going to the Delhi market with more demand from Mumbai and Kolkatta," said CB Holkar, Vice-President of the National Agricultural Cooperative Marketing Federation.

He added that more arrivals from Afghanistan, Egypt and China, and domestic kharif crop would reduce prices.

Rupee's gain over the past week helps curtail edible oil prices

Strengthening of rupee over the last week has effectively checked a hike in edible oil prices post Ganpati festival.

KOLKATA: RBI Governor Raghuram Rajan's initiative to tame rupee has brought some good news for homemakers. Strengthening of rupee over the last week has effectively checked a hike in edible oil prices post Ganpati festival. A drop in oil prices in the international market has also favoured Indian consumers who are otherwise burdened with rising food and vegetable prices. International prices of crude palm oil, soyoil and sunflower oil have slipped by $35 to $50 per tonne in past 10 days.

Sandeep Bajoria, CEO of oil consultancy firm Sunvin Group, told ET: "Internationally, soybean and sunflower crop production have been good. Therefore, there has been a drop in international prices, which has helped the oil trade in India. Amidst this, rupee recovered after Raghuram Rajan took over as the governor of RBI. This has helped prices of imported oil come down further."

Rupee has recovered from the 68.80 level on September 4 when Raghuram Rajan joined as RBI chief. Today rupee has strengthened against dollar and is hovering around 62.81 level.

Global oilseed crop scenario has also improved. Reports say that soybean production is forecast at 3.15 billion bushels, down 3% from August but up 4% from last year. If realised, the production will be the fourth largest on record.

Based on September 1 conditions, yields are expected to average 41.2 bushels per acre, down 1.4 bushels from last month but up 1.6 bushels from last year. Area for harvest in the United States is forecast at 76.4 million acres, unchanged from August but up slightly from 2012. Imported soy oil price is currently hovering around $945 per tonne, which is almost lower by $50 per tonne compared to the prices of past fortnight.

In India, production of soybean is likely to be at the last year's level. Rajesh Agarwal, spokesperson and coordinator of Soybean Processors Association (SOPA), said: "Arrivals of soybean have started in past one week. New crop arrivals in past three days have been around 1 lakh tonne.

This has pushed down prices to Rs 3,500 per quintal. The October contract is hovering around Rs 3,400 per quintal." Prices of crude palm oil have also dropped to $785 per tonne from $820 per tonne a fortnight ago. There is enough availability of palm oil in Malaysia and Indonesia and traders say that there is no chance of price rise during the festive season.

Sunflower production is also good in Russia and Ukraine. Ukrainian farmers harvested 1.3 million tonne sunflower seed as on September 3, said Oil World. The country's crop may climb to 9.6 million tonne from 8.4 million tonne a year ago.

GG Patel, partner at GGN Research, said that the country is expected to import 9.59 lakh tonne sunflower oil in the current oil year, which began in November 2012 and ending in October 2013.

hindustantimes

Price of onion jumps as supplies dry up

The price of onions in the city rose by a steep 40% on Monday apparently because of a dip in supplies.

The wholesale price of a kg of the vegetable rose from Rs.42 last week to Rs. 60. Wholesalers attributed this rise to an unexpected deficit in onion supply, which would otherwise have been buffered by imports from other countries.

The Delhi government had been selling onions cheap to unburden residents. The intervention mechanism, Delhi government officials said, was stopped after the price stabilised. The wholesalers blamed the government for the sudden rise in onion prices, alleging that it was because of its negligence that prices had risen.

“The government was supposed to import onions from China and Pakistan. The first batch of imports was supposed to have arrived in Delhi last week. Since that hasn’t happened and there was already a shortfall in supply, the price has gone up again and is now touching `60,” said Anil Malhotra, member, Agricultural Produce Marketing Committee.

While the retail price of onions touched Rs. 75-78 in several parts of north Delhi, in some parts of south Delhi such as Greater Kailash and Moti Bagh, it stood at `80.

According to retailers, most onions sold in the Capital are from Nasik, where production has been low.

“The price has risen over the past two days and is likely to increase further. Supplies of onion have dried up,” said a Safal Dairy retailer.

Government agencies, however, said the price rise was only temporary. They remained non-committal on question of importing onions, but claimed that fresh supplies from Maharashtra would arrive in a fortnight.

“Supplies from South India earlier this month had arrested the rise of onion price. The price rise now should be taken care of once fresh supplies arrive from Nasik,” said Bijender Singh, chairman, National Agricultural Cooperative Marketing Federation of India Ltd.

THE TIMES OF INDIA

Onion prices soar to Rs 5,300 a quintal in Lasalgaon

The prices have skyrocketed, breaking the previous record of Rs 4,800 a quintal last Friday, largely due to the decline in supply as farmers have not been able bring the stored onions.

NASHIK: The average wholesale price of onions at the country's largest market at the Lasalgaon Agriculture Produce Market Committee (APMC) in Nashik touched a new all-time high of Rs 5,300 a quintal on Monday. This pushed the retail rate to Rs 70 a kg against Rs 55 last week.

The prices have skyrocketed, breaking the previous record of Rs 4,800 a quintal last Friday, largely due to the decline in supply as farmers have not been able bring the stored onions.

The minimum and maximum prices at APMC were recorded at Rs 3,000 and Rs 5,300 a quintal.

Around 5,000 quintals of onions were auctioned in Lasalgaon on Monday.

Market sources said there is a limited stock of onions stored with farmers in the district. The revival of rains for the past week in the district is the main reasons why farmers have not been able bring the stored onions in the market.

Moreover, the market was closed for five days due to holidays and weekends from Sept 7 to 15.

This led to decline in supply in the market causing sharp rise in the prices in the market.

Changdeo Holkar, director of the National Agriculture Co-operative Marketing Federation of India (NAFED), said, "There is limited stock in the country. The ongoing rains have also stopped the arrival of fresh crop from Karnataka and Andhra Pradesh.''

He said this has led to sharp rise in onion prices. "Onions will arrive from these states once the rains stop. But, the prices are expected to reverse in a week as arrival of fresh kharif crop is also expected to begin in Satara, Solapur and Kolhapur districts in Maharashtra by the last week of September. In Nashik district, it is expected to arrive by the second week of October."

Guru Angad Dev Veterinary and Animal Sciences University organizes a special seminar on dairy farming

LUDHIANA: Guru Angad Dev Veterinary and Animal Sciences University (GADVASU) organized a seminar on 'Dairy Farming as a sustainable venture' for the farmers. PK Uppal, advisor of animal husbandry to the government of Punjab was chief guest on this occasion and inaugurated the seminar.

Uppal said that Punjab government is stressing on dairy farming which has become a sun shine area and the government is pushing very hard to promote it. He added that the government is providing all the facilities including subsidies, soft loans as well as education part to the farmers. He claimed that the state is poised to be a dairy state in upcoming time.

Inderjit Singh, director, Punjab dairy development department of government of Punjab presided over the function while RS Sahota, director of extension education, GADVASU was the guest of honour. The seminar was attended by large number of livestock farmers including women farmers from different districts of Punjab and also by trainees of training centres of dairy development. In the seminar, AL Saini, professor-cum-head, department of livestock production management delivered lecture on the topic 'Shelter Management' in context to modern dairy farming while RS Grewal, animal nutritionist spoke on 'Balance feeding in dairy animals'. HK Verma, professor, department of veterinary and animal husbandry extension education shared his views on 'Common reproductive disorders and their management in dairy animals'. A question-answer session was also organized where queries of farmers were also dealt.

Inderjit Singh, director, said that department is fully geared to provide all the support to the dairy farmers in the form of subsidies through Punjab Dairy Development Board (PDDB).

Water availability improves after Vaigai water recharges tanks

MADURAI: The attempt to improve water table in Madurai seems to be succeeding with residents already enjoying its benefits. In a first-of-its-kind initiative from Madurai district administration, the water released for double-crop agriculture from Vaigai dam was recently diverted to important tanks in and around Madurai city.

The diversion was carried out by the Public Works Department after obtaining a special permission from the government. It was on August 22, the irrigation water was released to the major tanks in Madurai city as well as to those in Melur and Thirumangalam blocks where water shortage was acute this summer.

"The move by the district administration is commendable. In Gomathipuram we have noticed that the ground water level has improved significantly," said D Raghavan, former president ofGomathipuram Residents Association. However, he noted that water supply to the tanks has stopped in the last two days. The residents have urged the administration to continue the supply for a few more days. The tank should be desilted so as to raise its water capacity before the rains, the residents said.
Water was released to Naganakulam, South Alankulam, Anaiyur and Vandiyur tanks in city limits. Residents adjoining the tanks aver that the ground water level has indeed increased. S Jayaprakasam, a resident of Vishwashanthi Nagar, observed that after the Naganakulam tank received irrigation water, water availability has increased in the adjoining areas. "Ground water level has always been good when the tank is full of water, Jayaprakasam said, adding that the water supply to the tank should be continued.

Talking about the improvement in water availability, L Subramanian, Madurai district collector, said, "I received positive response from several areas of Madurai district including city limits. Ground water level in residential areas near the tanks has increased considersably," he said.

The water scarcity in Tirumangalam and Melur blocks would have been acute by now if the water was not diverted to the tanks. Positive results were also obtained from the officials of Tamil Nadu Water Supply and Drainage Board, the collector said.Nadu Water Supply and Drainage Board, the collector said.

6L tonne onions to be imported

NASHIK: The National Agriculture Co-operative Marketing Federation of India (NAFED) has placed an order of importing 6 lakh tonnes of onion through a Delhi-based private firm by October-end at a cost of Rs 2,400 crore i.e., Rs 40,000 per tonne or Rs 40 per kg.

The move comes in the wake of government's decision to import onions through NAFED with an aim to meet scarcity of onion in the country and bring its prices under control.

NAFED had floated a tender for the import of onions last month and received five bids of which two bidders withdrew. Thereafter, NAFED finalized bid from a New Delhi-based private company for the import of 3 lakh tonnes of onion per month for the next two months at a rate of Rs 40,000 per tonne.

A source in NAFED privy to the development said, "We have already finalized bid of a New Delhi-based private company for import of onions from Egypt and China. The import of onions from Egypt will take at least three weeks. We had placed the order in the first week of September. Accordingly, the onions from Egypt and China are expected to arrive in the country by the end of September."

However, he did not divulge further details and refused to name the company.

Meanwhile, private onion traders across the country have reportedly received permission from the government to import one lakh tonnes of onion from Egypt and China to meet rising consumer demand.

Accordingly, 24,000 tonnes have already been released from Egypt and China of which the first lot of 300 tonnes reached Mumbai port on Monday while the rest is expected to arrive in the country in two weeks.

Speaking to TOI, R P Gupta, director of National Horticulture Research and Development Foundation (NHRDF), said, "More consignments from the concerned countries are expected to reach in a couple of weeks in Mumbai and Chennai."

Onion prices hover around Rs 70 per kg

PUNE: Onion prices continued to soar on Monday with the wholesale rate going up to Rs 57 per kg here. The retail markets registered the trend and shopkeepers immediately increased the price to an average of Rs 65 per kg, and in some places to Rs 70 per kg.

Market watchers said the prices would increase even further because of the rain and increased demand for onion from the southern market reducing the quantity available in Pune.

Meanwhile, the average wholesale price of onions at the country's largest market at the Lasalgaon Agriculture Produce Market Committee (APMC) in Nashik touched a new all-time high of Rs 5,300 per quintal on Monday due to shortage of supply .

A 10-kg bag was being sold between Rs 450 and Rs 500 for the last few days, but prices have been on the upswing since Friday when the rate was Rs 510. On Sunday, it had touched Rs 560 per 10 kg.

The cascading effect of the wholesale market was expected to be felt in the retail outlets over the next few days, when traders would start selling the stock purchased at the new price. With a minimum average difference of about Rs 8 between the wholesale and retail prices, onions would sell for over Rs 65 at the local vendor.

Incessant rain in the onion belt of Pune and Ahmednagar districts is believed to have spoilt a large part of the "halvi" crop which reaches the local market after mid-September. With high demand in the southern states, the price continues to remain high in the city. "With large portions of the crop completely submerged in rain water, only a fraction of the supply is reaching the city. Only two trucks of the new crop reached Pune on Monday, as against the average of at least 25 trucks.

There is heavy spoilage in the stock, which in turn is pushing up the price of the old stock. A fall in price in unlikely," said wholesale onion trader Ritesh Poman. He said the weather conditions in the last two years were to blame. "Last year, the supply was short because of poor rain, and this year there is heavy rain," he said.

Weatherman forecasts heavy rain

RAIPUR: The maximum temperature dropped marginally in Chhattisgarh on Sunday, as heavy rain lashed a few places in the region. Maximum temperature recorded was 30.8 degree Celsius in Raipur, two degrees less than Saturday's temperature.

Durg, too, received light rainfall and the maximum temperature was recorded at 31.8 degrees C, which is again one degree less than Saturday's temperature.

Bilaspur, Ambikapur and Jagdalpur were among other places that received showers. Met department forecasts moderate to heavy rain at a few places across the state over the next 24 hours.

DECCAN Chronicle

Costlier onion pushes inflation to 6-month high of 6.1% in Aug

New Delhi: High prices of onion and other kitchen items drove the headline inflation to six-month high of 6.1 per cent in August, limiting options for a rate cut by the new RBI Governor Raghuram Rajan who is scheduled to announce his maiden monetary policy review later this week.

Wholesale price index (WPI) based inflation rose for the third straight month, driven by a whopping 244.62 per cent jump in onion prices on annual basis. WPI inflation was 5.79 per cent in July.

Inflation in the vegetable basket as a whole was 77.81 per cent and in the fruit segment it was 8.17 per cent in August. The food segment as a whole became costlier by 18.8 per cent during the month.

On the positive side, potato prices fell by about 15 per cent, followed by pulses which became cheaper by 14 per cent.

In the case of manufactured items, sugar and edible oils became cheaper by 4.2 per cent and 3.86 per cent, respectively. Overall, manufactured items showed a moderate increase of 1.9 per cent during the month on annual basis.

The latest inflation data is going to weigh high on Rajan's mind when he announces the mid-quarter monetary policy on September 30.

The industry has been demanding a cut in key policy rate to spur economic growth.

Prime Minister's Economic Advisory Council (PMEAC) Chairman C Rangarajan said inflation, besides forex market, is expected to weigh on the RBI's decision on its policy. "All that I can say is that the RBI, I believe, will take into account the behaviour of inflation as well as what is happening in the foreign exchange market and take a decision," he said on the sidelines of an Assocham-organised event here.

CII Director General Chandrajit Banerjee said: "The rise in inflation should not come in the way of the policy of forthcoming monetary policy on September 20, as it is of utmost importance to revive investor sentiment."

OTHER VEGGIES VIE WITH PRICEY ONION

After a brief hiatus, prices of key vegetables are again skyrocketing. This time it is not only onion, but other vegetables which have witnessed steep hikes in their prices.

The reasons for the hike range from hurdles in transportation because of extended monsoon rains in South India to exports, opine traders and experts.

Onion is in news again for all the wrong reasons. In just over two days, onion price has risen in the city by Rs 15 to 20 per kilogram. "Last week the rate of onion was between Rs 55 to 60 per kg. Now, we are selling at Rs 70 to 80 a kg," said Amarjeet Singh, a vegetable seller at Bhogal market. The wholesale price of onion has also increased by nearly Rs 10.

Tomatoes, lemon, peas and cauliflower have gone beyond the reach of the common man. Last week tomatoes were being sold at Rs 20 to 25 per kg, now the same is available in the retail market at Rs 40 to 50 a kg. The price of lemon has got the highest upward push. It is selling at Rs 80/kg against Rs 60/kg last week. A kilo of green peas costs Delhiites Rs 140, whereas only three days back it was being sold at Rs 100 per kg. Cauliflower has risen to Rs 80 to 100 per kg, while last week the same was being sold at Rs 60 per kg."The soaring retail price of tomatoes in Delhi is mainly because of high exports to neighbouring countries like Pakistan.

Moreover, there have been continuous delays in the arrival of the produce from Himachal Pradesh," said Rajender Kumar Sharma, Chairman of Asia's largest Azadpur wholesale market. The wholesale rate of tomatoes in the Capital is Rs 27 to 30 per kg.

"Onion is becoming costly again because of the monsoons. They come from Karnataka, Andhra Pradesh and Maharashtra, but transportation is hit because of rain there," added Sharma. The rates of onions and tomatoes are further expected to rise this week, informed traders.

Meanwhile, in a good news to Delhiites, the prices of most of the other vegetables are predicted to fall in the next week. "The price of vegetables will fall more as the monsoon on wane," maintained Sharma.Green chilly has already set the trends with a kg of it being sold at Rs 40, unlike last week's Rs 70.

INFLATION SOARS TO 6.17 PER CENT

The common man has yet more challenges to face. After surviving the wrath of currency depreciation, country's public has to tackle the rising inflation. The Government on Monday announced the wholesale price index (WPI) figures, which rose to 6.17 per cent for the month of August.

This has been the third month in the row when inflation has risen and this time it happened on the back of vegetables becoming costlier. Inflation numbers rose from 5.79 per cent in July to a six month high as the prices of most of the vegetables jumped multifold.

Business Standard

Onions drive WPI inflation to 6-month high

Food inflation in Aug at 3-year high; RBI unlikely to ease rates at review later this week, say economists

Inflation in onions rocketed to 244.6 per cent in August against an already high 119.4 per cent in the previous month, jacking up the rate of wholesale price rise to a six-month high of 6.1 per cent from 5.8 per cent in July, official data showed on Monday.

According to data released last week, retail price inflation had softened to 9.52 per cent in August against 9.64 per cent a month before.

Ironically, onion prices can't be brought down by interest rate policy but seems set to desist new Reserve Bank governor Raghuram Rajan from easing the central bank’s monetary stance in its mid-quarter review later this month, even as economic growth crashed to a four-year low of 4.4 per cent in the first quarter of 2013-14, economists said.

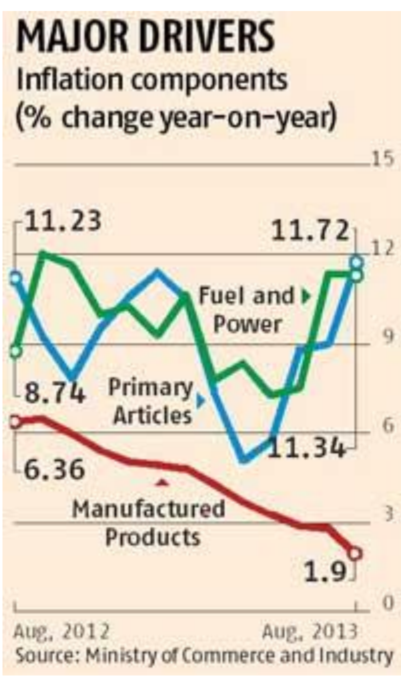
On the other hand, inflation in manufactured products further fell to 1.9 per cent from 2.81 per cent, despite depreciation of the rupee increasing imported inflation. This showed that demand in the Indian and global economy remained subdued. Fuel inflation inched up to 11.34 per cent from 11.31 per cent, even as the government raised petrol prices by 70p a litre and diesel by 50p a litre from midnight of July 31.

At a time when agriculture is the primary hope in the economy, food inflation surged to a three-year high of 18.2 per cent in August against 11.9 per cent in July. The culprit was mainly vegetables and within that, onions. Inflation in onions remained over 90 per cent in 2013 till August. At this time last year, onions prices fell 21 per cent, which could also be a reason for magnifying the rate of price rise in August.

It is not that every item in food saw a rise in inflation. Cereals, both rice and wheat, saw a decline in the rate of price rise. Even then, cereal inflation was at an elevated level, particularly rice. Inflation in cereals fell to 14.35 per cent from 17.66 per cent. The rate of price rise in rice declined to 20.13 per cent from 21.15 per cent, while wheat saw a steep fall to 6.33 per cent from 13.42 per cent.

Prices of pulses declined for a successive month and the rate of decline accelerated to 14.4 per cent against 7.39 per cent earlier.

However, other protein-based items saw a rise in inflation. Egg, meat and fish inflation increased to 18.86 per cent from 10.94 per cent and milk saw it rising to 5.63 per cent from 2.35 per cent.



"We have not been able to control inflation so far and it has seen an upward trend in past few months. Inflation primarily rose due to a rise in food articles,"said Madan Sabnavis, chief economist, CARE Ratings.

This has further boosted expectations that Rajan might not be able to cut rates at his review on Friday. Siddharth Shankar of financial information firm KASSA said, "Food inflation has risen majorly and the whole number has risen because of this. Overall numbers would not letRBI cut rates but food-led inflation is not monetary policy- dependent."

The core inflation (manufactured items sans food articles) fell futher to 1.9 per cent in August from 2.3 per cent. The low rate of price rise in manufactured items and core inflation should have been ideal conditions for RBI to cut rates but the party is being spoilt by food articles.

"Interest rate cuts have been off the table for several months now and with the rupee still vulnerable and inflation now rising, there is an outside chance of a near-term rate rise," said Moody's Analytics, a research and analysis wing of Moody's Group. It said interest rates would remain on hold across the medium term.

Moody's said WPI inflation might hold in the range of six to seven per cent for the remaining part of the year. RBI had said it would make all efforts to ease inflation to five per cent by March 2014.

Onion prices rise despite arrival of imported stock

Traders say imports insufficient, crop loss in Andhra Pradesh adds to supply issues

Onion prices shot up by 16 per cent on Monday in major markets despite confirmation of the commodity's import from various sources to meet domestic demand. In the benchmark Lasalgaon, Asia's largest vegetable market, the model price shot up by a staggering 16.5 per cent to Rs 5,300 a quintal. Similarly, the commodity in Mumbai's wholesale market jumped by 12.50 per cent to Rs 5,400 a quintal.

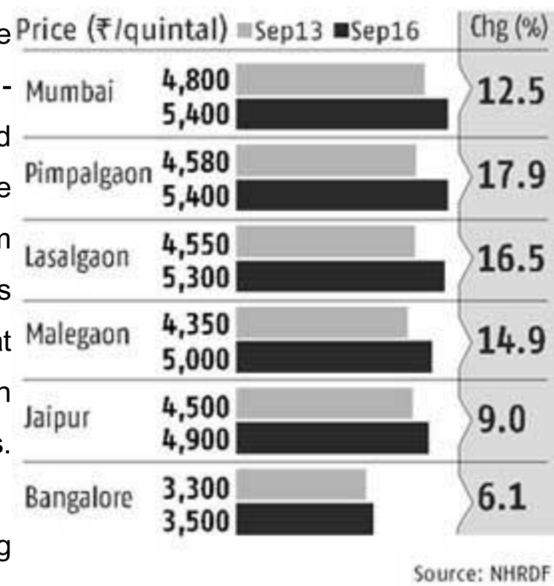
Traders believe the imported quantity is insufficient, looking at the ensuing festival demand. While around 125 tonnes out of 300 tonnes imported from Egypt was released on Monday, the remaining quantity faced legal hurdles. Importers are already on the way to submitting all papers and clear hurdles for early release.

"It is very difficult to justify the price rise, as the average quantity of release (arrivals) now has been almost in sync with that of a few months ago. This indicates that supply has been adequate from domestic sources," said R P Gupta, director, National Horticulture Research &

Development Foundation (NHRDF). Trade sources believe some truckloads have reached Delhi and a large order placed to import the commodity from Afghanistan. Also, India has placed orders to import from China, Pakistan and Iran.

Traders have received permission to import 24,000 tonnes of onion this year to meet rising demand. National Agricultural Cooperative Marketing Federation (Nafed) had last week floated a tender to import onion from Pakistan, China, Iran and Egypt. PEC Ltd had floated a tender to import of onion early last week.

Private players are also keen to import the commodity to meet domestic demand. A Mumbai-based trader and exporter of onion, however, said that India was facing acute shortage of onion. The new season crop has been delayed, especially from Andhra Pradesh, due to intermittent rainfall. There is talk of crop damage in Andhra Pradesh. Given that the supply remains poor, the price is bound to remain upbeat at least for the next four-six weeks.



Meanwhile, the new season crop has started hitting Karnataka's markets. In Bangalore, total arrivals were recorded at 12,323 tonnes on Monday as against a mere 3,822 tonnes on Friday. Despite higher arrivals, onion prices remained robust in Bangalore market. Traders are not going to sell onion at lower prices as the landed cost works out higher due to rupee depreciation.

Meanwhile, onion exports from India fell sharply by 81 per cent to 29,247 tonnes in August as compared to the same month a year ago, after the government imposed curbs on the overseas sale. India, the second largest producer of onions in the world after China, is estimated to have harvested 16.6 million tonnes of the staple vegetable last year.

FMC reverses its own order

Earlier, regulator had banned fresh position during last five days of contract expiry

Reversing its own order, the Forward Markets Commission (FMC) has allowed traders to take fresh position in cardamom till expiry of the contracts.

Earlier, the regulator had banned fresh position during the last five days of the contract expiry. The change is applicable for all running and yet to be launched contracts.

Sugar output unchanged

Isma estimates total cane acreage at 52.89 lakh ha this year

Despite higher acreage, sugar output in India is set to remain at 25 million tonnes during the upcoming crushing season 2013-14 beginning November, same as last year, due to a possible decline in yield on excess rainfall in some major cane growing areas.

Indian Sugar Mills Association (Isma) estimated total cane acreage at 52.89 lakh ha this year, over 5% higher than the last year's area of 50.06 lakh ha.

Sugar output revised up by 5.5 pc to 25 mn tonne in 2013-14

Country's sugar production is seen higher than the demand for the fourth marketing year in a row

India's sugar production for the 2013-14 marketing year has been revised upwards by 5.5% to 25 million tonnes than previous estimate, on higher cane acreage and good monsoon, industry bodyISMA said today.

Sugar output of India, the world's biggest consumer and second largest producer after Brazil, stood at 25 million tonnes in the current 2012-13 marketing year ending this month.

In July, Indian Sugar Mills Association (ISMA) had pegged production of the 2013-14 marketing year (October-September) at 23.7 million tonnes, but now it has revised upwards to 25 million tonnes.

The country's sugar production is seen higher than the demand for the fourth marketing year in a row. The annual domestic demand is around 22-23 million tonnes.

"As per satellite images, availability of total sugarcane acreage for crushing in India in sugar season 2013-14, will be around 52.89 lakh hectare which is almost 9% higher than the initial estimates of Ministry of Agriculture of 48.53 lakh hectare," Indian Sugar Mills Association said in a statement.

"With this kind of sugarcane acreage and an unprecedented high rainfall in the last few months, sugar production in the sugar season 2013-14 is expected to be about 25 million tonnes of sugar," it added.

ISMA has projected about 7.8 million tonnes of sugar production in Maharashtra, which is almost similar to last year when the sugar production was around 8 million tonnes.

Uttar Pradesh is likely to produce 7.7 million tonnes of sugar production in the ensuing 2013-14 season.

"Karnataka's sugar production is expected to remain at almost the same levels of last year i.E. Around 3.4 million tonnes, while major fall is only expected from Tamil Nadu which may give 15% lower production of 1.64 million tonnes, as compared to last years production of about 1.9 million tonnes of sugar," ISMA said.

Soybean down 2.7% on weak overseas cues

Soybean for October contract fell by 2.34%

Soybean prices drifted by Rs 97 to Rs 3,498 per quintal in future trading today following increased selling by traders, driven by weak global cues.

Marketmen said fall in prices at international markets on increased supply and weak demand, mainly pulled down the prices in future trading of soyabean.

At the National Commodity and Derivatives Exchange, soybean prices for February contract slided by Rs 97, or 2.70% to Rs 3,498 per quintal, with an open interest of 150 lots.

Current October contract fell by Rs 81.50, or 2.34% to Rs 3,402 per quintal, clocking an open interest of 92,700 lots.

Most active November contract also weakened by Rs 78.50, or 2.25% to Rs.3,409 per quintal, in an open interest of 92,710 lots.

Potato down by 0.5% on adequate supply

Market analysts attributed the fall in potato futures to weak demand in the spot market against adequate supplies from producing regions

In thin trade, potato prices fell by 0.53% to Rs 805 per quintal in futures trade today as speculators offloaded their positions, driven by weak demand in spot markets against adequate supplies.

At the Multi Commodity Exchange, potato for delivery in far-month March traded lower by Rs 4.30, or 0.53% to Rs 805 per quintal in business turnover of 29 lots.

Market analysts attributed the fall in potato futures to weak demand in the spot market against adequate supplies from producing regions.

Refined soya down by 1.2% on weak demand

Oil for delivery in September down by 0.52%

Refined soya oil prices went down by 1.22% to Rs 652.40 per 10 kg in futures trading today as speculators reduced their positions, driven by weak demand in the spot market against adequate position.

At the National Commodity and Derivatives Exchange, refined soya oil for delivery in October moved down by Rs 8.05, or 1.22 pc to Rs 652.40 per 10 kg in business turnover of 71,690 lots.

Similarly, the oil for delivery in September shed Rs 3.55, or 0.52% to Rs 681 per 10 kg in 44,510 lots.

Analysts said weak demand in the spot markets against adequate stocks mainly weighed on refined soya futures here.

Crude palm oil down 1.6% on subdued demand

Oil for delivery in September declined by 0.93%

Crude palm oil prices moved down by Rs 8.50 to Rs 515 per 10 kg in futures trading today as speculators trimmed positions, tracking a weak trend at spot market on subdued demand.

At the Multi Commodity Exchange, crude palm oil for delivery in October moved down by Rs 8.50, or 1.62% to Rs 515 per 10 kg in business turnover of 42 lots.

Similarly, the oil for delivery in September declined by Rs 4.90, or 0.93% to Rs 523.60 per 10 kg in 90 lots.

Market analysts said besides adequate stocks, a weak trend at spot markets owing to sluggish demand mainly weighed on crude palm oil prices at futures trade here.

First lot of 300 tonnes of imported onion lands

New lot will be released in mandis on Monday

After a year of sufficiency, India has again turned a big importer ofonion. Around 300 tonnes (15 container loads) is set to hit Mumbai's retail market on Monday.

Imported from Egypt and China, the quarantine issue has been cleared. Importers have obtained the necessary permission for release into the market.

"Around 15 containers (20 tonnes each) are ready for release. The commodity may hit spot mandis on Monday. With this, the price may moderate," said R P Gupta, director of the National Horticultural Research and Development Foundation (NHRDF).

Traders have received permission to import 24,000 tonnes this year to meet rising consumer demand. “This is the first imported consignment. Some more are in the pipeline. Accumulatively, we have received government’s permission to import 24,000 tonnes this year,” Gupta added.

India had imported huge quantities from Pakistan in 2011. In 2012, there was no need felt to import. This year, India has become a net importer despite adequate supply from domestic sources.

“There is no shortage of onion from domestic sources. Barring a supply disruption from Andhra Pradesh, there is no logic in its price going up. Supply of the new season crop has been sufficient from Karnataka. In fact, the Bangalore market receives at least 40,000 tonnes daily. The new season crop has started hitting spot mandis in the south recently, which is expected to spread across all markets within a few days. Once the demand pressure from the south eases, coupled with imported commodity hitting markets in and around Mumbai, the price will cool down,” said Gupta.

Last week, the National Agricultural Cooperative Marketing Federation had floated a tender to import onion from Pakistan, China, Iran and Egypt. PEC Ltd had floated a tender to import 300,000 tonnes of onion early last week. Private players are also keen to import the commodity to meet domestic demand.

According to trade sources, the landed cost of imported onion works out to Rs 34-35 a kg against the current prevailing price in the benchmark Lasalgaon market at Rs 45 a kg and Mumbai at Rs 48 a kg. Onion prices have surged over 10 per cent in the past week.

“Even at Rs 34-35 a kg of imported onion, traders will get some profit as the release from domestic stockists has been very slow. The bottom line is, consumers that have been habituated to cough up Rs 50-60 a kg for onion just to add flavour to vegetables, will have to continue paying this price or even higher for some more time,” said a trader.

Nashik-based NHRDF estimated the area under onion crop down by 10 per cent this year from 1.087 million hectares last year.

Meanwhile, onion exports from India fell sharply by 81 per cent to 29,247 tonnes in August, compared to the year-ago period, after the government imposed curbs on the overseas sale. India, the second largest producer of onion in the world after China, is estimated to have harvested 16.6 million tonnes of the staple vegetable last year. The total realisation from 182,000 tonnes of onion exports stood at Rs 2,294 crore in 2012.

THE HINDU Business Line

Cotton research body to restore Suvin cultivation

SIMA Cotton Development and Research Association is planning to restore cultivation of the extra long staple cotton variety Suvin cotton.

This will help save foreign exchange spent on importing extra long staple cotton by the spinning industry. Currently, such import of cotton is worth around Rs 1,500 crore.

The research association plans restoration of this superfine cotton variety with a higher yield and optimum crop duration.

“If the cultivation of this extra long staple cotton is resumed with our improved MCU 5, India can avoid import of the ELS cotton from other countries,” said newly-elected Chairman of the research association T. Rajkumar.

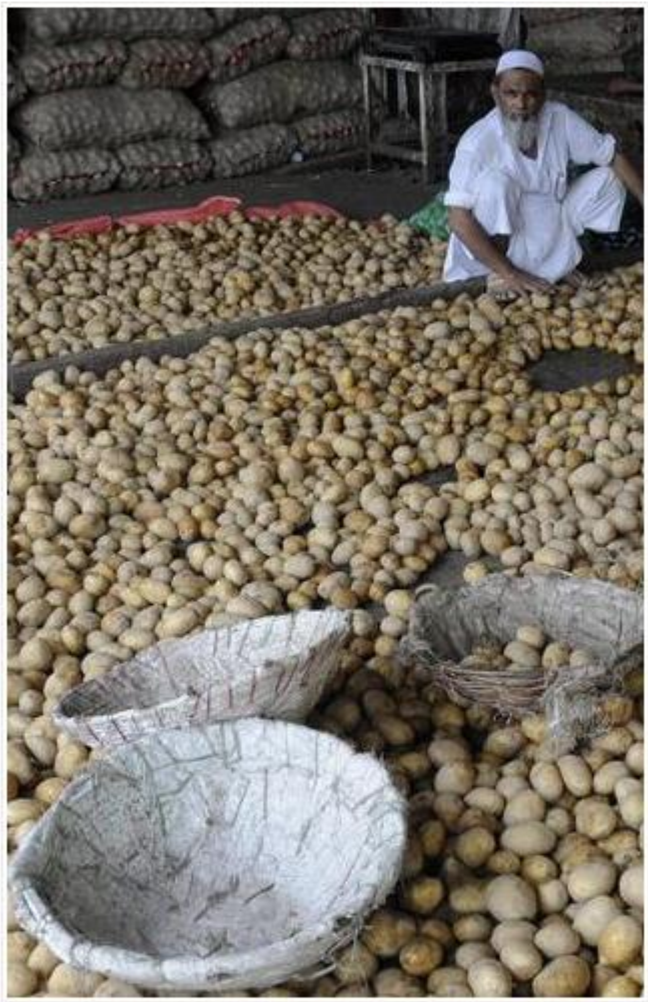
Chief Cotton Breeder of the association M. Asha Rani said that the annual production of the ELS fibre in India is only around 2.65 lakh bales. “Textile mills are, therefore, compelled to import the extra long staple fibre from the US and Egypt,” she said.

To address this issue, the association developed an improved SIMA Suvin through intensive mass pedigree selection. “We have achieved improvement in productivity as also in micronnaire value without altering the morphological characters of Suvin variety,” she said.

V. Muthusamy, Research Manager at SIMA CD&RA, said that the renovated Suvin seeds have been distributed for field trials by farmers’ fields in Andhra Pradesh and Karnataka. The seeds have been distributed in north Gujarat also, he added

Rajkumar said that the association has inked an agreement with Kaveri Seed Company, Hyderabad (a sub-licensee of Mahyco Monsanto Biotech (India)) for co-marketing KCH-999 BGII hybrid cotton seed as SIMA GKD 1.

Output surge



Prices plummet: A worker sorting potatoes at Okhla mandi, New Delhi. The tuber is ruling at Rs 845 a quintal in Agra against Rs 1,135 during the same time last year. Prices have dropped due to higher production. — Ramesh Sharma

Tea prices steam up at Kochi sale

Tea prices perked up on good demand for some varieties at the Kochi Tea auction. In sale no 37, the quantity on offer in the Dust CTC category was 8,62,000 kg.

The market for good liquoring teas was fully firm to dearer. Others were irregular and lower and witnessed some withdrawals. Though upcountry buyers lent fair support and there was a subdued demand from exporters, said the auctioneers Forbes, Ewart & Figgis.

The quantity on offer in orthodox dust grades was 5,500 kg and the market was barely steady and tended to ease. A small quantity on offer was absorbed by exporters.

In the best CTC dusts, PD varieties quoted Rs 107/132, RD grades fetched Rs 136/165, SRD ruled at Rs 145/167 and SFD stood at Rs 146/180.

Some varieties in leaf sales also witnessed a good demand. The quantity on offer in orthodox grades was 95,000 kg. The market for good liquoring Nilgiri brokens and whole leaf was firm to dearer. Others were irregular and lower. fannings from the same origin declined in value.

Medium, well-made tippy grades, bolder brokens and whole leaf appreciated in value. Others were irregular and tended to ease. Corresponding Fannings was dearer.

The quantity of offer in CTC leaf grades was 63,500 kg. The market was firm to dearer by Rs 2 to Rs 3 and sometimes more. Upcountry buyers and exporters lent fair support.

In the dust category, Mayura SFD quoted the best prices of Rs 180 followed by Kallyar SFD at Rs 176. In leaf grades, Chamraj FP-Sup fetched the best prices of Rs 259 followed by Sutton Pekoe at Rs 257.

22% of tea unsold at Coonoor auctions

Some 22 per cent of the 12.77 lakh kg offered for Sale No: 37 of Coonoor Tea Trade Association auctions remained unsold after the asking price rose by Re 1 a kg.

CTC market

Among CTC teas, Pekoe Dust of Homedale Estate, auctioned by Global Tea Brokers, topped the market when Paras Tea Co bought it for Rs 178 a kg.

Shanthi Supreme got Rs 175, Deepika Supreme and Vigneshwar Estate Rs 174 each, Hittakkal Estate Rs 173 and Crosshill Estate, Rs 170.

In all, 82 marks got Rs 125 and more.

Chamraj topped the orthodox market fetching Rs 240 a kg.

Highfield Estate got Rs 211, Kodanad Rs 200, Havukal and Kairbetta Rs 191.

In all, 40 marks got Rs 125 and more.

Exports

Exporters to Pakistan paid a wide range of Rs 70-90 a kg, to the CIS, Rs 69-92 and some European ports, Rs 62-87.

Quotations held by brokers indicated bids ranging Rs 62-65 a kg for plain leaf grades and Rs 115-145 for brighter liquoring sorts.

They ranged Rs 66-76 for plain dusts and Rs 120-170 for brighter liquoring dusts.

Farm costs panel asks Govt to create 2 mt sugar buffer

A balancing act: The Government needs to build a buffer in the context of falling sugar prices or else it may lead to fall in cane acreage and hit the sugar production in coming years.

The Government should look at creating a sugar buffer stock of two million tonnes to balance the market, said Ashok Gulati, Chairman, Commission for Agricultural Costs and Prices (CACP).

Addressing the 5 {+t} {+h} Kingsman Sugar Conference, Gulati suggested that buffer stocks could be built during the surplus production years and be released during the lean period to stabilise the market.

Creation of a buffer is also expected to help the Government deal with sugar production cycle.

With sugar production exceeding domestic consumption for the third year in a row for 2012-13, the opening stocks for the new crushing season starting October are expected to be over 8.5 million tonnes, about 20 per cent more than the normal opening balance that the Government would like to have at the start of the crushing season.

pending payments

Millers in the country are already reeling under the impact of rising production costs as cane price, fixed by the State Governments, is higher than sugar price.

Cane arrears at the start of 2013-14 season are expected to be around Rs 2,500 crore.

Gulati said the Government needs to build a buffer in the context of falling sugar prices or else it may lead to fall in cane acreage and hit the sugar production in coming years.

He also said that farmers in Maharashtra and Karnataka have reduce consumption of water to grow cane and have made it more sustainable by adopting drip irrigation among other measures.

Food Secretary Sudhir Kumar said the Government is not considering any move to create a buffer.

He said that the fluctuation in sugar sector has come down after the Government implemented a partial decontrol last year by doing away with the levy mechanism and freeing up the sales for millers.

The sugar industry demanded that the Government remove curbs on exports by relaxing the current set of norms as prospects brighten for shipments of raw sugar in new crushing season starting October.

shipments

At present sugar exports are under open general licence (OGL), but the exporters have to register their shipments with the Director General of Foreign Trade.

The compulsory registration of exports was aimed at keeping a tab on shipments and regulate them, if necessary.

Sudhir Kumar said his ministry would look into the demands of relaxing the sugar export registration procedures as demanded by the industry.

Industry pegs 2013-14 sugar output at 25 million tonnes

Sugar output for 2013-14 will be 5.5 per cent more than initial estimates at 25 million tonnes on higher cane acreage and yield, aided by good monsoon, said Indian Sugar Mills Association (ISMA), the apex industry body, on Monday.

This means that sugar output will be higher than domestic consumption for the fourth consecutive year in a row.

India is the second largest sugar producer after Brazil, but is the largest consumer.

Domestic consumption is pegged between 22 and 23 million tonnes (mt).

In its initial estimates in August, it had forecast an output of 23.7 mt for the next year starting October.

For the current year (2012-13) ending September, sugar output is expected to cross 25 mt.

"According to satellite images, availability of total sugarcane acreage for crushing in India in sugar season 2013-14, will be around 52.89 lakh hectares, which is almost 9 per cent higher than the initial estimates of Ministry of Agriculture of 48.53 lakh hectares," ISMA, which represents about 55 per cent of the 580-odd mills in the country, said in a statement.

Break-up

ISMA expects Maharashtra to produce 7.8 mt, almost similar to that of last year's 8 mt.

"Maharashtra's sugarcane acreage is reported to be around 9.4 lakh hectares, almost similar to 2012-13. No substantial yield enhancement is expected over last year," ISMA said.

In Uttar Pradesh, though cane acreage is higher by 3.6 per cent, the association is expecting slightly lower yields than last year on account of lower availability of millable cane per hectare due to excess rains.

As a result, ISMA expects a sugar output of 7.7 mt in the ensuing season.

In Karnataka, the sugar production is expected to be at last year's level of 3.4 mt, while the output in Tamil Nadu is projected to be lower by 15 per cent at 1.64 mt.

The National Federation of Co-operative Sugar Factories Ltd has pegged the country's sugar output at 24.5 mt this year.

Cotton crop seen higher on favourable weather

The next cotton season starting October could see a record-equalling production of 375 lakh bales (of 170 kg each), according to the Cotton Association of India.

This is against 356.75 lakh bales this year.

Weather

Crop conditions have improved since August and hence, a higher crop has been estimated for the forthcoming season, the association said.

The situation could improve further if the weather remains favourable, it said.

Gujarat

According to the association, production in Gujarat is likely to rebound above 100 lakh bales, while production in Maharashtra could exceed 75 lakh bales.

Northern states

Production in the northern region comprising Punjab, Haryana and the Ganganagar tracts of Rajasthan could drop to 52.50 lakh bales from 55 lakh bales last year.

It is also likely to be lower in Andhra Pradesh at 67.50 lakh bales (78 lakh bales).

Demand

Excluding exports, demand is seen at 301 lakh bales (288 lakh bales).

Surplus is expected to be over 130 lakh bales out of which a significant quantity is likely to be exported.

Turmeric may remain listless on higher stocks

Turmeric prices continue to rule low despite lower arrivals as very little order has been received from North India.

Usually during this time, arrival in the market will be around 5,000 bags. But this year, due to poor demand buyers are buying very limited stock. So, growers, too, are bringing 2,500-3,000 bags daily. Last year during this period, the yellow spice was sold at Rs 6,300 and the hybrid at Rs 6,600 a quintal. But this year for want of demand, the traders are quoting a lower price and buying less, according to R.K.V. Ravishankar, President, Erode Turmeric Merchants Association.

He said that during this time of the year, sales at Erode turmeric markets are poor.

Currently, traders and farmers are holding over more 30 lakh bags of turmeric with them. In addition, over 20 lakh bags of turmeric bags are with farmers and traders in various parts of the country.

About five lakh bags would be sold over the next few months. At the beginning of the next year, when the fresh arrivals begin, there will be around 50 lakh bags of turmeric in India. So, chances of sharp rise in turmeric prices are bleak. Next year, the production in Erode district will decline but the output in Andhra Pradesh and Maharashtra will be 20 per cent higher.

Growers said that the current price of Rs 5,500 a quintal is not feasible for them. On Monday, only 2,900 bags of turmeric arrived for sale and 50 per cent was sold. At the Erode Turmeric Merchants Association sales yard, the finger variety was sold at Rs 3,511 -5564 a quintal; the root variety at Rs 3,269-5,011.

Salem Hybrid Crop: The finger variety was sold at Rs 4,599-6,114, the root variety at Rs 4,474 to Rs 5,395. Of the 545 bags offered on sale, 245 were sold.

At the Regulated Market Committee, the finger variety was sold at Rs 4,859-5,887 a quintal, the root variety at Rs 4,514 -5,119 a quintal.

Sugar futures drop on liquidation

Prices of fine quality S-grade sugar rose by Rs 10 a quintal, while normal variety rule steady on Monday on the Vashi wholesale market.

M- grade declined by Rs 10. Naka and Mill tender rates were unchanged with minor changes as supply in the market is ample. Prices on the domestic futures market dropped by between Rs 15 and Rs 27on liquidation as expiry of the September contracts nears.

A retail broker said that continuous selling by producers in the local market in absence of buying by neighbouring States weighed on the overall sentiment. Consumer demand improved during *Ganeshotsav* but higher supply from producers kept the prices under check. Millers are eager to sell surplus stock before new crushing seasons starts.

The Vashi market is continuously carrying over 120 truckloads of stocks over the last few months, keeping stockists away.

Ahead of the new crushing season, sugar millers have urged the Government to subsidise exports, while seeking a hike in import duty to 30 per cent on both white and raw sugar. Millers are reeling under the impact of high cane costs and arrears.

Arrivals in the Vashi market were 64-65 truckloads (each 100 bags), while local dispatches were 63-64 loads. On Saturday 10-12 mills offered tenders and sold 33,000 – 35,000 bags at Rs 2,870-2,950 (Rs 2,870-Rs 2,950) for S-grade and Rs 2,980-Rs 3,050 (Rs 2,980- 3,050) for M-grade to local traders. Upcountry buying was missing.

The Bombay Sugar Merchants Association's spot rates were (Rs/quintal): S-grade Rs 3,032–Rs 3,145 (Rs 3,026– Rs 3,112) and M-grade Rs 3,156 - 3,302 (Rs 3,172- 3,312).

Naka delivery rates were: S-grade Rs 2,970 -3,030 (Rs 2,970-3,030) and M-grade Rs 3,070-3,200 (Rs 3,070 -3,200).

Uttar Pradesh rates: Lakhimpur Rs 3,420; Muzzafarnagar Rs 3,400.

Cotton wilts on new arrivals, limited buying

With arrival of the new crop beginning in the Saurashtra region of Gujarat, cotton prices have begun to head south. New arrivals were also reported in Maharashtra, Punjab and Andhra Pradesh.

According to traders, only millers are buying currently, albeit in a limited way.

Gujarat Sankar-6 cotton has dropped to Rs 46,500-47,000 from 47,000-47,500 for a candy of 356 kg over the last few days.

Kapas or raw cotton declined Rs 20-25 to Rs 1,200-1,235 for a *maund* of 20 kg. New *kapas* traded at Rs 1,100-1,150 for a *maund*.

About 3,500 maund of new kapas arrived in Rajkot, Amreli, Jamnagar and Junagadh districts.

Total arrivals of cotton were reported at about 1,500 bales in Gujarat and 5,000-6,000 bales across the country.

Exporters are waiting for regular arrival of the new crop. They are likely to enter the market at the end of October when quality cotton comes to market. Besides, arrivals also peak by then.

The price of cotton may drop further as demand is limited, said traders.

Reuters reports: Cotton futures are expected to fall this week as estimates of higher output due to ample rains and conducive weather and subdued exports are seen weighing on the sentiment.

On Monday, the most-active October cotton contracts dropped 1.92 per cent to Rs 20,900 for a bale on the Multi Commodity Exchange.

Imported vegoil oils ease as rupee rises

Edible oil prices ruled steady on Monday in the absence of cues from the Malaysian palm oil market, strengthening of the rupee and a weak Chicago soya market.

In Mumbai, prices of imported palmolein and soyabean oil declined by Rs 10 and Rs 6 each for 10 kg respectively following price cut by local refineries, tracking a firm rupee which makes import cheaper. Rapeseed oil dropped by Rs 3.

A rebound in Saurashtra pushed up groundnut oil by Rs 25 and washed cottonseed oil by Rs 5.

Mr Shailesh Kataria of Riddhi Broker told *Business line*:"In the absence of any cues from foreign market and strong rupee, the market was cautious. Indian rupee was quoted Rs 62.80. But a fear of hike in import duty on refined edible oils by 2.50 per cent to 10 per cent may arrest the downtrend."

At the end of the day, Liberty was quoted palmolein at Rs 568, super palmolein at Rs 598 and super deluxe at Rs 618, soyabean refined oil at Rs 645 and sunflower refined oil Rs 825.

Ruchi quoted at palmolein Rs 568, soyabean refined oil at Rs 639 and sunflower refined oil at Rs 815. Allana was quoting palmolein at Rs 568, super palmolein at Rs 615, soyabean refined oil at Rs 645 and sunflower refined oil at Rs 820. Resellers quoted Rs 558-560 for palmolein.

In Rajkot, groundnut oil was quoted at Rs 1,375 (Rs 1,290) for *telia* tin and loose (10 kgs) at Rs 885 (Rs 825).

The Bombay Commodity Exchange spot rates (Rs/10 kg) were: groundnut oil 870 (845), soya refined oil 639 (645), sunflower expeller refined 735 (735), sunflower refined 810 (810), rapeseed refined oil 717 (720), rapeseed expeller refined 687 (690) cottonseed refined oil 660 (655) and palmolein 562 (572).

Bulk buyers fear rice will fall in the near future

The rice market may continue to witness a range-bound movement in the coming days, according to market sources.

With the trading being lukewarm, prices of aromatic varieties were quoted marginally lower, while non-basmati varieties ruled almost unchanged on Monday.

Amit Chandna, proprietor of Hanuman Rice Trading Company, told *Business Line* that only need-based buying is taking place in the market. Following fear of drop in prices in the near future, bulk buyers are keeping themselves out of the market and any major alteration is unlikely this week, he said.

In the physical market, Pusa-1121 (steam) dropped by Rs 20 to Rs 8,300-8,380 a quintal, while Pusa-1121 (sela) quoted at Rs 7,700-7,750 a quintal, Rs 50 down from previous level.

Pure Basmati (Raw) quoted at Rs 11,000 a quintal. Duplicate basmati (steam) sold at Rs 6,730 a quintal, down Rs 20.

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) sold at Rs 4,500-4,600, while Sharbati (Sela) quoted at Rs 4,300 a quintal.

Permal (raw) sold at Rs 2,320 a quintal, Permal (sela) went for Rs 2,300 a quintal, PR-11 (sela) sold at Rs 2,900, while PR-11 (Raw) quoted at Rs 2,710 a quintal. PR14 (steam) sold at Rs 3,000-3,080 a quintal.

Paddy arrivals

Around 12,000 bags of different paddy varieties arrived at the Karnal Grain Market Terminal. About 10,000 bags of PR paddy arrived and quoted at Rs 1,300-1,350 a quintal; around 1,000 bags of Pusa-1509 arrived and sold at Rs 3,400 a quintal, while 1,000 bags of Sharbati arrived and sold at Rs 2,300 a quintal.

Paddy arrivals have improved and local arrivals may gather pace within next couple of weeks, said trade sources.

Soyabean, oil set to cool on new crop arrivals

Soyabean and oil prices continued to rule sluggish in Indore mandis on weak foreign markets and steady rise in arrival of new soyabean crop in Madhya Pradesh.

Amid arrival of 1.25 lakh bags, new soybean prices in Indore mandis on Monday ruled at Rs 2,900-Rs 3,300 a quintal. Prices varied on the percentage of moisture in the soyabean.

Old bean prices, on the other, ruled stable at Rs 3,250-Rs 3,300 a quintal. In the futures market, soyabean traded lower on weak buying support and global cues with October and November contracts on the NCDEX closing at Rs 3,419 a quintal (down Rs 64) and Rs 3,425 a quintal (down Rs 63) respectively .

As arrival of new soyabean picks up momentum in the coming days, soyabean prices in physical and futures markets are expected to trade low in the coming days, said a trader. Plant deliveries in soyabean over the past one week have declined by Rs 100 to Rs 3,400-Rs 3,408 a quintal on weak demand from crushers. Similarly, soyameal ruled sluggish amid weak demand and buying support in domestic and export markets.

On Monday, soyameal in the domestic market ruled at Rs 30,800 a tonne, while it ruled at Rs 32,500-700 for delivery at Kandla port.

Oil slips

Soya oil traded lower, being quoted at Rs 630-40 for 10 kg (Rs 640-45 last week).

Similarly soya solvent also declined to Rs 602-5 (Rs 604-8 last week) on slack demand. Similarly in futures also soya oil traded lower on weak demand and buying support with September and October contracts on the NCDEX being quoted at Rs 680.50 (down Rs 4.50) and Rs 656.90 (down Rs 3.55) respectively.
