

Date : 18.09.2013

# THE HINDU

## 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.

According to the reports from DEMIC, from April to June, the farm gate price of small onion was between Rs. 40 and Rs. 50 a kg because of lesser arrivals of stock. Arrivals from Karnataka started in June, but their quality was not found to be good due to rain damage.

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## Onion will make you teary eyed till mid-October



*A kg of good quality old onion is around Rs. 70.— FILE PHOTO*

Onion buyers are likely to remain teary eyed at least for one more month until arrivals from the next harvest commence in October.

For the last two months now, a kilogram of good quality of old onion has been hovering around the Rs. 70-mark. Onion traders at the Agriculture Produce Marketing Committee (APMC) here blame the poor crop in Maharashtra for soaring prices.

Though onion arrivals from Challakere region in Chitradurga and Chikmagalur in Karnataka have commenced, traders complain of poor quality. They attribute this to anxious farmers having harvested the crop early. This onion, which has high moisture content, also has a shorter

shelf-life, and is selling at about Rs. 55 a kg in the city against the old onion that still costs around Rs. 70 a kg.

“We expect the price to come down only after onion from Gadag, Dharwad, Hubli, Gulbarga, Bijapur, Raichur and other districts start coming in during mid-October. Onion from the Pune region is also expected to arrive in the last week of November,” Karisiddappa of Sri Jenukul Siddeshwara Traders, which functions at the APMC, said.

The wholesale price of good quality onion was about Rs. 60 per kg., while the price of the moisture-laden variety was at Rs. 50 per kg on Tuesday. A year ago, in September, onion was selling for Rs. 15 to Rs. 20 a kg in the wholesale market. The retail price was in the Rs. 25 to Rs. 30 range, said Balakrishna, a wholesale trader. “Due to excess rainfall, the quality has suffered. But even the price of the poor quality onion costs more because the demand from north India has increased significantly,” he said.

Mr. Karisiddappa says anxious farmers in search of good returns are harvesting the crop early and despatching their output quickly to the market without drying the produce. “With the threat of rainfall, farmers are also not taking any chances,” he said.

Meanwhile, sources in the Hopcoms where one kg of onion was selling at Rs. 68 on Tuesday, said the farmers’ cooperative is contemplating a reduction in its margin in order to help customers.

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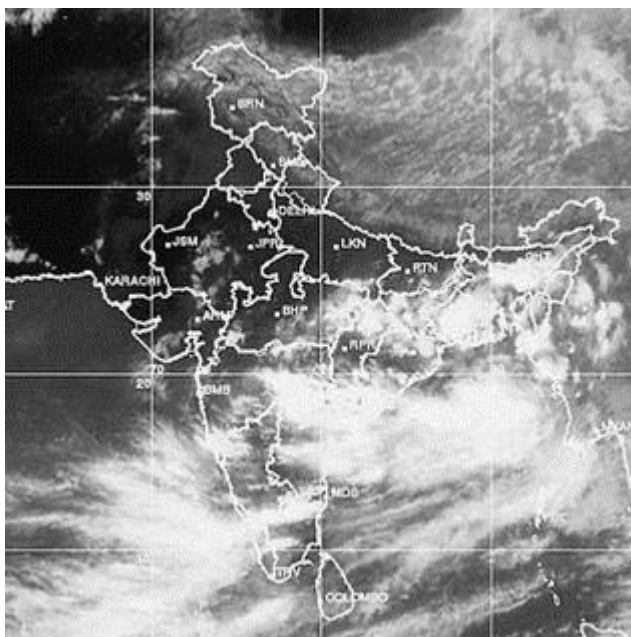
### Onion prices touch Rs 70 per kg

Onion prices have again touched Rs 70 per kg, rising by Rs 10 per kg, in the retail market in the national capital because of lower supplies in the wholesale market.

Traders said onion prices are ruling at Rs 60 per kg in the wholesale market as supplies have come down substantially in the last one week. “Prices will remain high as the crop from Maharashtra is about to exhaust, whereas farmers and traders are going to keep supplies of new crop under stress to maintain high level of onion prices,” a official of National Horticulture Research Foundation said. - PTI

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## weather



INSAT PICTURE AT 14.00 hrs. Observations recorded at 8.30 a.m. on September 17th.

	Max	Min	R	TR
New Delhi (Plm)	33	23	0	518
New Delhi (Sfd)	34	23	0	787
Chandigarh	33	20	0	825
Hissar	32	21	0	507
Bhuntar	29	12	0	407
Shimla	22	14	0	845
Jammu	32	18	0	1251
Srinagar	25	10	0	249
Amritsar	30	20	2	261
Patiala	32	21	0	725
Jaipur	37	24	0	665
Udaipur	34	25	0	656
Allahabad	35	26	0	962
Lucknow	35	23	0	731
Varanasi	34	24	6	747
Dehradun	30	19	0	2809
Agartala	34	26	0	830
Ahmedabad	36	26	0	772
Bangalore	28	21	0	683
Bhubaneshwar	32	24	10	818
Bhopal	34	23	0	1116
Chennai	34	26	0	622
Guwahati	36	25	0	738

Hyderabad	31	23	1	623
Kolkata	34	27	2	1557
Mumbai	29	26	1	2161
Nagpur	34	23	23	1367
Patna	34	26	0	584
Pune	29	23	0	669
Thiruvananthapuram	30	23	17	1041
Imphal	27	22	0	1037
Shillong	24	17	1	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 continues to pass through Sriganganagar, Bikaner and Barmer.

**Rainfall:** Rain/thundershowers have occurred at many places over at a few places over at isolated places over Haryana, Himachal Pradesh, Jammu and Kashmir, Punjab, Rajasthan and east Uttar Pradesh. Weather was mainly dry over rest of the region. The chief amounts of rainfall in cm are: EAST RAJASTHAN: Dausa 7, Bhinay 6, Nayanagar and Bhim 3 each, Jamwaramgarh and Kumbhalgarh 2 each and Todaraising and Rajakhera 1 each, WEST RAJASTHAN: Bilara 3 and Luni 2 and EAST UTTAR PRADESH: Rasra 4, Churk 2 and Karchana, Mohammedbad and Regoli 1 each.

**FORECAST FOR REGION VALID UNTIL THE MORNING OF 19th SEPTEMBER 2013 :** Rain/thundershowers may occur at one or two places over east Uttar Pradesh.

Rain/thundershowers may occur at one or two places over Jammu and Kashmir, Himachal Pradesh and east Rajasthan during next 24 hours and mainly dry weather thereafter. Weather will be mainly dry over rest of the region.

**FORECAST FOR DELHI AND NEIGHBOURHOOD VALID UNTIL THE MORNING OF 19th SEPTEMBER 2013:** Mainly clear sky.

### Water level- Madurai

#### WATER LEVEL

The water level in Periyar dam on Tuesday stood at 122.50 feet with inflow of 1,327 cusecs and discharge of 1,322 cusecs.

In Vaigai dam, the water level was at 58.40 feet with an inflow and a discharge of 1,056 cusecs and 60 cusecs respectively.

There was 21.6 mm rainfall in Periyar dam area while Thekkadi had 9.8 mm rainfall, according to the Public Works Department here.

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### Egg rate

The National Egg Coordination Committee egg rate was Rs. 3.30 on Tuesday.

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### Earning sweet success with value-added amla



*FORTUNES THROUGH AMLA: Scientists explaining the preparation of amla juice at a training session at Krishi Vigyan Kendra at Vamban near Pudukottai on Tuesday.*

Farmers and entrepreneurs of Pudukottai district underwent a day-long training in 'value addition in amla' at the Krishi Vigyan Kendra at Vamban near here on Tuesday.

A group of scientists from the kendra explained the nutrient value of amla and its health benefits.

They said that the produce, rich in vitamin C, also contained calcium, phosphorous and potassium.

Inaugurating the training, M.Asokan, Professor and Head of the Kendra, said that several parts of the district were ideally suited for raising amla.

Value addition was a vital need for not only marketing amla but ensuring higher returns.

Farmers, through simple techniques, could turn entrepreneurs by making and marketing value-added products.

The chief product, with a longer shelf life was pickles.

Entrepreneurs could also produce juice and squash besides candy from amla, he said.

K.Geetha, assistant professor, said that although the crop was raised in a large area, farmers realised less returns because of the lack of value addition.

She said that women farmers could also be involved in making value-added products. A question hour session was organised to clarify farmers' doubts. A practical session on making amla juice followed. Scientists explained hygienic ways of preparing value-added products.

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### **Mettur level**

The water level in the Mettur dam stood at 113 feet on Tuesday against its full level of 120 feet. The inflow was 8,199 cusecs and the discharge 17,991 cusecs.

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### **Water level**

The water level in Papanasam dam stood at 100.55 feet (the maximum level is 143 feet) with an inflow of 2,303.24 cusecs and a discharge of 1,286 cusecs on Tuesday. The level in Manimuthar dam was 59.21 feet with an inflow of 59 cusecs and a discharge of 25 cusecs.

### **Kanyakumari**

The water level stood at 21.95 feet in Pechipparai dam, 58.65 feet in Perunchani, 8.69 feet in Chittar I, 8.79 feet in Chittar II and 31.25 feet in Mambazathuraiyaru dam.

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### **Farmers chosen for award**

The University of Agricultural Sciences – Dharwad will honour progressive farmers from the districts under its jurisdiction with 'Best Farmer' and 'Best Farm Woman' awards on the concluding day of the four-day Krishi Mela here on September 24.

The winners include Prasad Ram Hegde of Kanagod and Jayashri Hegde of Totadakallahalli in Yellapur taluk of Uttara Kannada district; Gadigayya Hiremath of Munavalli in Shiggoan taluk and Rajeshwari Patil of Handiganuru in Haveri district; Hanumanthappa Pattead of Chikkamannur and Anasuya Paraddi of Savadi in Gadag district; Basavaraj Kundgol of Marewad and Savitri Kempasannavar of Karadigudda in Dharwad district; Mahadevappa Tirakannavar and Deepa Kulkarni from Belgaum district; Shanthappa Kenchareddi and Gangabai Janawad from Bijapur district; and Ramesh Bolalamatti and Geeta Kadakol from Bagalkot district.

The Shankargouda Policepatil cash prize for the best farmer of the year will be given to Prasad Rama Hegde of Uttara Kannada district.

## Youth award

To encourage the youth towards agriculture, the university has decided to give away 'Shresta Yuva Krishika' and 'Shreshta Yuva Mahile' awards from this year. As many as 42 youths will receive the award.

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## Krishi Mela to focus on water management

### The four-day event begins on Saturday



*First-hand information: Stalls will be set up at the four-day Krishi Mela, starting on Saturday, to demonstrate latest farm implements.— File Photo*

Krishi Mela, the four-day mega annual event of the University of Agricultural Sciences–Dharwad, will be held on the university campus from September 21.

Chief Minister Siddaramaiah will formally inaugurate the event on September 22. Ministers Santosh Lad, Krishna Byre Gowda, R.V. Deshpande, T.B. Jaychandra, H.K. Patil, Shamanur Shivashankarappa and Satish Jarkiholi will take part in the inaugural session.

Vice-Chancellor H.S. Vijaykumar told reporters here on Tuesday that the theme of this year's event was 'Water management for food security'. The event would focus on four components — water conservation, watershed management, irrigation management and reclaiming saline land. The country was marching ahead with the proposed food security legislation and water management plays a crucial role in sustaining food quality, he said. The event would have a special talk by water management expert Rajendra Singh from Rajasthan.

Salinisation of agricultural land was yet another challenge for the farm sector. In Bijapur district, nearly 30,000 acres of farmland had turned saline and it had severely affected agricultural activities. Talks during the event would focus on reclaiming this land and turning it fertile, the Vice-Chancellor said.

The university would arrange for dissemination of need-based information on latest farm implements and technologies to farmers. Stalls would be set up to demonstrate the latest implements.

Another feature of this year's event would be focus on creating awareness among farmers about government schemes, he said.

Citing an example, he said the Union government had launched a scheme for setting up gowdowns at the village level. However, a majority of farmers in north Karnataka were not aware of it. In Gangavathi, several groups of farmers had set up 277 rural gowdowns and procured the produce of other farmers. Such farmers would be invited to the mela to educate their counterparts from other places. Emphasis would also be on disseminating information on group marketing, which reduces the costs, he added.

To introduce farmers to new varieties of crops developed by the university, a field demonstration, Kshethrotsava, would be held on all the four days of the mela.

As many as 550 stalls displaying seeds, agricultural implements and traditional food items would be set up, the Vice-Chancellor said.

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### **Varsity develops six new crop varieties**

The University of Agricultural Sciences–Dharwad will release six new varieties of agricultural and horticultural crops this year.

Vice-Chancellor H.S. Vijaykumar told reporters here on Tuesday that the new varieties include two of sorghum and one each of oil seed, sugarcane, cashew and forest grass. The new varieties have better resistance power and are high yielding, he said.

The new sorghum variety, SPH-1655 (CSH-30), reaches harvest stage within 110–115 days. The hybrid variety yields 40 to 50 quintal a hectare and the fodder yield is 10 to 11 tonne a hectare. It is tolerant to grain mould disease. Another sorghum variety, BJV-44, has high grain yield of 15 to 18 quintal a hectare. It produces good quality grains which are ideal for making rotis.

In the oilseeds category, the UAS has developed a new variety of sunflower, DSFH-3. The special feature of this variety is that it reaches the harvest stage within 95–98 days. The yield capacity of this variety is 18 to 20 quintal a hectare. This seed has a high oil content of 38 to 39 per cent.



In the commercial crop category, the university has developed a sugarcane variety named SNK-632. The speciality of this variety is that it yields 185 tonne a hectare and has high sugar content. This variety is suitable for 'adasali' planting and is tolerant to moisture stress.

Under the plantation crop category, the university has developed a cashew variety, Vengurla-3. The early bearing, early maturing variety yield 9.2 kg per plant a year.

The new variety forest grass (*Brachiaria ruziziensis*) developed by the university — DBRS-1 is soft stemmed and has crude protein content (8 per cent).

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### Fine-grained view of farming



*Daughter of the soil: Aisha Beevi surveys her rich crop of paddy at Pattazhi South in Kollam district. — Photo: C. Suresh Kumar*

ears ago, Aisha Beevi decided that farming would be her prime occupation. Now at 62, she has been a successful farmer for 35 years.

“Farming as a vocation has always held a mystique for me,” she says. Farming has not been a suicidal choice since it has only brought profit to her all these years, she adds.

Much before sunrise, Ms. Beevi starts her day patrolling her 10-hectare farm in the fertile tracts of Pattazhi South in Kollam district. The crops comprise paddy, banana, tapioca and a variety of vegetables. Always sporting a smile, she says that she is into farming because she is in love with that vocation.

“Only if you are in love with farming will it produce profits,” she says. Getting the right support from the government side is a bonus. Standing beside her five hectares of paddy crop, which is getting ripe for harvest, she says the right support from Krishi Bhavan will help farmers.

She prefers organic farming and wants farmers to be aware of the latest farming methods. S. Ramachandran, Agriculture Officer at the Pattazhi South Krishi Bhavan, introduced the line

farming method of paddy cultivation, and the system has been well accepted as it has increased productivity, she says.

Unlike the situation in her younger days, she says, farming these days receive good promotion from the government side. "When I had been continuously earning profits from my farm, I fail to understand why some others say it brings losses," she wonders. Ms. Beevi says mechanisation should have been introduced in Kerala farms decades ago.

"It has brought a lot of good," she says. The delay in mechanisation had turned away many farmers from the fields, she feels. At one stage, shortage of labour affected farming a lot. Some farmers left the vocation to earn quick money. "Farming involves a lot of dedication and it is that aspect which brings about the ecstasy at harvest," she says.

Ms. Beevi says she is a mother to her crops and is also one of the labourers at her farm. She recalls that on one occasion while working in her fields, she was bitten by a viper, leaving her in hospital for almost a month. But that has not deterred her from farming. She enters the fields with more confidence.

Ms. Beevi, who comes from a family with farming roots, is married to a family of dedicated farmers. "Therefore, farming runs deep in my veins," she says. She wants women to take up farming as a vocation in a big way. She sums up her success as a farmer by saying that she began her farming career by taking fields on lease. "Now I am the owner of those fields," she says.

***Aisha Beevi is a mother to her crops***

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### **Water level up in Idukki dam**

Water level in Idukki reservoir went up to 2,398.1 ft on Tuesday against the total reservoir capacity of 2,403 ft.

The rainfall in the catchment area on Tuesday was 23.4 mm. The water level in the Mullaperiyar dam remained low at 122.5 ft with Tamil Nadu drawing the maximum water from it.

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## KAU to promote new varieties of mushroom

### Varsity to focus on medicinal values of native varieties



*The Oyster mushroom*

Scientists at the Kerala Agricultural University (KAU) have launched a project to promote new varieties of mushrooms for food and medicine. The project seeks to domesticate lesser-known edible varieties of mushroom and popularise those with potent medicinal properties.

The university is also preparing to initiate research on the use of biological additives to develop new varieties of mushroom with different types of aroma and flavour.

“Mushrooms have an established history of use in traditional oriental medicine. Studies have established that they are unlimited sources of therapeutically useful biological agents. Yet, there has been very little effort in India in general and Kerala in particular, to identify and popularise beneficial mushrooms,” KAU Vice-Chancellor P. Rajendran said.

Several mushroom varieties in South India were found to possess nutraceutical and anti-oxidant properties, he said. “KAU is keen on furthering the studies on the medicinal value of native mushrooms. We are trying to identify a collaborating institution for this research project,” Dr. Rajendran said.

While there are over 20,000 species of mushrooms, only about 3,000 are edible and a few are poisonous.

About 700 varieties are known to possess medicinal properties. Research on mushrooms has revealed that they have antifungal, anti-inflammatory, antitumor, antiviral, antibacterial, hepatoprotective, anti-diabetic, and hypotensive properties.

The Oyster mushroom has been found to be ideal for people suffering from anaemia, hyperacidity, and constipation. It is a beneficial dietary supplement for people with obesity, diabetes, and high blood pressure.

In China and Japan, *Ganoderma* has been widely used for treating gastric ulcer, chronic hepatitis, arthritis, insomnia, bronchitis, asthma, and hypertension.

Dr. Rajendran said the future line of research would involve using assimilable biological additives to the substrates (cultivation medium) to produce mushrooms with different types of aroma and flavour.

He said it would also be possible to develop varieties with extended shelf life and insect repellent properties. The Department of Plant Pathology under KAU had been conducting studies on edible mushroom since 1976.

The department had released several mushroom varieties including 'Ananthan,' the mutant of Oyster mushroom for cultivation. Scientists at the university had also standardised the use of low-cost substrates such as banana pseudo stem, sugarcane bagasse, coir pith, saw dust of various soft and hard wood trees, tea waste, tapioca starch waste, and water hyacinth for cultivation of Oyster mushrooms.

The All India Coordinated Research Project (AICRP) on Mushrooms started in 2001 was instrumental in bringing out superior strains of Oyster mushroom, paddy straw mushroom, and milky mushroom and standardising technology for cultivating specialty mushrooms such as *Tricholoma*, *Auricularia*, and *Lentinus*.

Lulu Das, Professor and Head, AICRP, said mushroom cultivation was an important element of women empowerment. "Women prepared to utilise their leisure time in raising a few mushroom beds will reap an additional average monthly income of Rs.5000. Mushrooms can easily be cultivated on cheap, locally available substrates such as coconut waste and coconut sawdust, apart from paddy straw that is traditionally used for its cultivation," she said.

The AICRP Centre at the College of Agriculture, Vellayani offered training in mushroom cultivation for youth, housewives, senior citizens, and students.

It had also developed mushroom-based products such as wine, soup powder, cutlets, and honey-coated doughnuts.

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## Bumper tea crop in Kenya puts exporters in a fix



*Many importers had driven hard bargains to get better prices of teas in view of the rupee volatility. File photo.*

### **Many importers had driven hard bargains to get better prices of teas in view of the rupee volatility**

Hard bargaining by many tea importers has prevented the industry from reaping the advantage of the depreciated rupee. Besides, a bumper crop in Kenya, the main competitor in the international arena, has only added the problems of Indian exporters.

Indian Tea Association Chairman A. N. Singh said many importers had driven hard bargains to get better prices of teas in view of the rupee volatility. “There is intense competition in the international market due to the bumper crop in Kenya,” he said. Kenya, which produces mostly CTC tea, has registered a 38 per cent increase in its crop between January and July.

Tea Board Chairman M. G. V. K. Bhanu told *The Hindu* that international tea prices were depressed this year due to bumper crop in Kenya. “Most of the price negotiation is done between June and August when the first and second flush teas become available. This was also the time when the rupee was most volatile,” he said.

He, however, pointed out that between April and September 7, while CTC prices were depressed, scoring a gain of only 10 paise in the auctions, orthodox prices were Rs.30 higher a kg.

While export figures are not available beyond March, Kenya, official statistics show, has clocked an 18.8 per cent rise in its exports, which have already touched 248 milion kg. (India's annual exports hover around 200 million kg). Prices have dropped in dollar terms at the Mombasa auction centre.

The domestic tea industry is also concerned over the trend in prices, which fell between April and July in the auction centres in Guwahati as well as in Jalpaiguri and Siliguri in West Bengal. About 60 per cent of domestic tea is sold through the auctions route.

Tea production stood at 546.8 milion kg between January and July, which was 22 million kg higher than the same period in 2012.

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# THE NEW INDIAN EXPRESS

Onion prices to dip by next month: Thomas



*A woman sorting onions at a market in Hubli on Tuesday. (Photo/PTI)*

With onion prices once again bringing tears to the eyes of the consumers, Food Minister K V Thomas had to come out on Tuesday and assert that “there’s no cause for panic’, as “prices are expected to ease in another four to five weeks” time.

However, with Assembly elections in key states round the corner, the middle-class voter may not have the patience for the price cycle to come down on its own with next season’s yield.

No wonder then that the Food Minister asserted that his Ministry and its affiliated bodies are taking concerted steps to keep the onion prices within the reach of the retail consumer.

Talking to Express, the Minister said “Farmers of Maharashtra who are provided with cold storage facilities tend to allow the prices to go up.” While not denying that there’s been a shortfall in onion production this year, he said, “but it is only 8 lakh metric tonne less than last year - which is nothing really.”

The shortfall in production, however slight, combined with an increase in exports- 2 lakh metric tonne more than last year- have undoubtedly led to the current situation.

The government is “not contemplating ban” on export though, Thomas said.

A number of factors, like not depressing the international market for Indian onions entirely through a blanket ban, have to be kept in mind before taking such drastic decisions, he pointed out. Instead the “MEP (minimum export price has been enhanced” and that would automatically shrink export, he added.

The government, he said, also plans to increase supplies through import. The NAFED has made the initial moves, “Food Secretary has been holding meetings - almost every day.” But, the NAFED is yet to place orders with international suppliers. One of the reasons behind this is government’s reluctance to import onion from Pakistan as relations with the neighbour are far from rosy. It’s a decision that can have political ramifications. A few tonnes of import have been cleared from China. Meanwhile, tenders have been invited by major co-operatives and fresh arrival from other ports are also expected in the next few weeks.

Part of the food inflation, Thomas attributed to the increase of minimum support price of major farm produce. “The retail price cannot be less than the MSP,” he said, adding that traditionally during these months from July-September both onion consumption and availability goes down every year. By end of November and December, he said, the yield is such that onions are seen lying waste on the wayside and that’s another headache.

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### **Onions continue to upset household budget**

With soaring onion prices not showing any indication of coming down, the people have started cutting down on its consumption.

Wholesale price of onion of smaller size was Rs 28 per kg while the bigger ones were available at Rs 30 per kg in July. The same was sold at Rs 33 per kg and Rs 35 per kg in the retail market.

In August, prices went up to Rs 43 per kg and Rs 45 a kg respectively. Later, prices of both the varieties rose to Rs 50 per kg. Around September 5, prices went up to Rs 48 for small onions and Rs 50 per kg for big ones while in retail market, it was sold at Rs 55 per kg and Rs 58 per kg respectively. As on today, wholesale price has gone upto Rs 53 per kg and Rs 55 respectively and is being sold at Rs 60 a kg in retail market.

Though vegetable vendors had said that the price of onion would dip after Ganesh Puja when the new crop will arrive in the market, there is no sign of relief yet.



“Every day I am making meals using only one small onion, half for the morning meal and the other half for dinner,” said Santilata Behera, 34, a labourer who supports a family of three and has cut down the onion consumption to half a kg per month.

To bring some respite, district administration had stepped in by selling onions at Rs 45 per kg through fair price shops. This arrangement, however, has been stopped for the last 10 days.

Vegetable wholesaler Gopal Gupta said normally onion gets dearer in July and August and its price comes down after the new crop is harvested in September. While vendors like him are clueless about the rising price of the vegetable, Gupta said the onion trade is controlled from Nashik and there is every possibility that the traders there have formed a cartel.

## hindustantimes

### Weather

Chennai

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Chennai - INDIA

**Today's Weather**

**Wednesday, Sep 18**

Max | Min

34° | 26°

Sunny

Rain: 0      Sunrise: 05:57  
Humidity: 66      Sunset: 06:08  
Wind: normal      Barometer: 1005

**Tomorrow's Forecast**

**Thursday, Sep 19**

Max | Min

34° | 25°

Cloudy

**Extended Forecast for a week**

Friday Sep 20	Saturday Sep 21	Sunday Sep 22	Monday Sep 23	Tuesday Sep 24
34°   26°	36°   25°	36°   25°	36°   25°	35°   25°
Cloudy	Overcast	Overcast	Overcast	Overcast

**Airport Weather**

Chennai

▼

Chennai

Rain: 0      Sunrise: 05:57  
Humidity: 66      Sunset: 06:08  
Wind: normal      Barometer: 1005

# THE ECONOMIC TIMES

## Tea growers not happy with Tea Board's new price sharing formula



*As per the circular issued by Indian Tea Board, all bought leaf factories (BLF) in northern West Bengal tea belt will have to pay the price of Rs 10.17 to 11.15 per kg.*

SILIGURI: As an outcome of long process of movement and litigation, finally Indian Tea Board has introduced a price sharing formula (PSF) for the small tea growers (STG) and bought leaf factories (BLF) buying green leaf from them. But, STGs, dissatisfied with their share offered by the PSF and its level of transparency.

As per the circular issued by Indian Tea Board, all bought leaf factories (BLF) in northern West Bengal tea belt will have to pay the price of Rs 10.17 to 11.15 per kg. for green leaf to be purchased from STGs during the month of September. This is going to be the first implementation of this new PSF.

"This rate is to be re-calculated for every month on the basis of price realized by the BLF's from recognized Tea Auction centres for their output during previous month. As per the system for northern West Bengal tea belt, 65% of final realization amount is for STGs leaving 42% for the BLFs," said tea Board officials.

"We appreciate the PSF. But this lacks transparency thus needs restructuring of whole system," said Mr. Bijoy Chakroborty, Secretary of Confederation of Indian Small Tea Growers'

Association( CISTA), the apex body of Indian small tea growers organizations. Nationally, a round 65,000 small tea growers produce near 30% of the national annual yield.

Tussle between STGs and BLFs over the price of green leaf has always remained a common issue throughout the country generating need of a PSF. Though a PSF came into existence in 2004, but, "Improper and inadequate implementation of that made it ineffective forcing us to demand for a new one," said Mr. Chakroborty.

Following long litigation, the old formula was made defunct and Union Government was directed in October 2012 by judiciary to fix a 'realistic' price 'uninfluenced by artificial market forces' that has finally given birth of the present PSF. According to Ms. V. Yadav, Director, Ministry of Commerce and Industry, Government of India, this is a major step in the long awaited small tea grower development scheme.

But, "To have transparency in this PSF, it needs to be made mandatory for the factories buying green leaf from us to sell at least 70% of their output through auction so that ITB can keep track of actual volume of price realized by them," demanded Mr. Chakroborty.

However, "Given the present situation, it appears to be tough enough for ITB to implement that restriction on the factories as that may initiate large scale objection not only from the BLFs s but established gardens too," said industry insiders.

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## Genetically modified seeds cannot be adopted under 'pressure': Tariq Anwar



*Union Minister of State for Agriculture Tariq Anwar today said decision on GM seeds would not be taken "under pressure" from abroad.*

PATNA: With concerns raised over lifting moratorium on Genetically Modified (GM) seed, Union Minister of State for Agriculture Tariq Anwar today said decision on GM seeds would not be taken "under pressure" from abroad.

"Decision on GM seeds cannot be taken under pressure from abroad. It would be adopted after satisfactory results of scientific tests at various level," Anwar told reporters after inaugurating Third National Crop Convention, 2013 here.

He said the Supreme Court had constituted a committee to look into the issues related to adoption of GM seeds.

"The committee's report has come and future decision will be taken on the basis of it," he said.

A 10-year moratorium on all field trials of GM crops in India was imposed in October 2012 on the recommendation of the Supreme Court Technical Expert Committee (TEC).

"It is said that we'll exceed China in population by 2030. In such scenario we need to increase our food productivity," Anwar said.

"We need to ponder as how China which has almost same amount of land as we have produces double the amount of crops than us," he said.

The two-day Crop convention organised by Indian Chamber of Commerce.

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### Onion prices to soften by early next month: Food Minister K V Thomas



*Thomas also said the Centre has asked producing states like Maharashtra to crack down on hoarders of onion, a politically sensitive commodity.*

NEW DELHI: Onion prices, which have again gone up to Rs 70 per kg in retail markets, are expected to soften by early next month with supplies from Andhra Pradesh and Karnataka improving, Food Minister K V Thomas said today.

He also said the Centre has asked producing states like Maharashtra to crack down on hoarders of onion, a politically sensitive commodity.

Normally, onion prices rise during the lean period of June-August. But prices remained high both in retail and wholesale markets this month with rain in southern states delaying harvesting.

"Onion prices will begin normalising by end of this month or early next month as more produce will come from Andhra Pradesh, Karnataka and Tamil Nadu," Thomas told PTI.

Onion exports have declined after the government imposed minimum export price (MEP) of USD 650 per tonne.

Imports have been permitted, but no shipment has arrived so far, the Minister said.

Thomas attributed the slight increase in food inflation in August, apart from high onion prices, to increase in the minimum support prices (MSP) of major farm items by the government. "We have raised MSP of major commodities. Prices in the open market cannot be lower than MSP," he said.

Meanwhile, government efforts to check price rise by increasing supplies through imports have not fructified as NAFED is yet to place order with global suppliers due to phytosanitary issues. The co-operative major has invited tenders for import of onions.

A government official said 25 onion containers imported by private players are stuck at various ports. Customs authorities have cleared a few tonnes of onion imported from China.

Prices in consuming states have come under pressure as supplies from Maharashtra are about to exhaust and farmers and traders have resorted to hoarding in anticipation of better prices, sources said.

Besides, traders of Andhra Pradesh and Karnataka are not transporting onions to other consuming states as the new crop has high moisture level because of rain, they said.

Farmers have not able to dry the crop due to heavy rain in those states. Hence, much of the crop is being consumed locally, they added.

Meanwhile, wholesale and retail prices of onion have gone by Rs 10 a kg in the national capital today as supplies have dried up in Maharashtra and Rajasthan, while arrivals from southern states are not in full swing due to rain there.

In Delhi's Azadpur market, wholesale price rose to Rs 60 a kg today from Rs 50 a kg yesterday. The price rise is reflected in retail markets, with vendors are charging as high as Rs 70 a kg today as against Rs 55-60 a kg few days ago.

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**Despite government interventions like tax raids & imports, onion prices refuse to come down**



*"It's all confusing. There is no justification for the way onion prices are increasing,"*

PUNE: It seems nothing can stop from the onion prices from rising. Be it income tax raids on onion traders in Nashik, the direct selling interventions of state governments, the arrival of onions from new harvest or from the imports or the policy decisions that make export of onions impossible. Onion prices are setting a new record each passing day.

The average wholesale prices have crossed the mark to Rs 60/kg in many markets in Maharashtra, the leading producer, while the retail prices have crossed Rs 80/kg mark again. Households and the hotel industry have cut down on the use of onions. While some hotel charge more for extra onions, some simply refuse an added helping. "It's all confusing. There is no justification for the way onion prices are increasing," said RP Gupta, director, National Horticulture Research and Development Foundation.

There was an unexpected jump in wholesale onion prices over the weekend. Average

wholesale price of onions did not exceed Rs 45/kg in any of the markets, across the country, on Friday. The markets in Nashik district were closed on Saturday and Sunday. On Monday, the average prices jumped by Rs 10/kg to be at Rs 55/kg.

Onion price in New Delhi, which is dependent on other states for its onions, is at Rs 50/kg. Interestingly, this is lesser than the onion prices in Lasalgaon, one of the biggest onion markets in South Asia. The arrival of new onion in Bangalore is more than a lakh quintal.

It is feeding the South and the North East, and taking the pressure off Maharashtra for supplying the bulbs to these regions. According to traders and exporters, onion prices are increasing because the onion supply in the country is still less than the demand.

"The imported onions are just a few trucks, while Mumbai alone consumes 100 trucks of onions in a day. Arrival of new consignments will not improve for another 15 days," said Danish Shah, partner, Sanghar Exports.

Rains have affected the arrival of onions as farmers do not take out onions from the stores, fearing rot setting in. As the onion price movements have defied logic, all have kept fingers crossed about what can be expected in the next fortnight, till the new harvest.

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### Did the government not take the onion crisis seriously?



*"Despite knowing about the onion shortage in the country, Nafed did not import onions," said an insider of the onion trade.*



PUNE: Imports by National Agricultural Cooperative Marketing Federation of India (Nafed) could have been one of the ways to tide over the shortage of the onions in the country.

"Despite knowing about the onion shortage in the country, Nafed did not import onions," said an insider of the onion trade.

On this, a Nafed office bearer said, "As onion is in the open general license, anybody can import onions."

But according to the association of onion exporters, restrictions on importing fumigated onions made it impossible for the traders to import large quantity of onions.

"We had demanded that the fumigation requirement could be changed for a short duration of about one-and-a-half months to enable more import of onions.

Instead of insisting on fumigation being done at source, we could have fumigated the onions on reaching in India," said Ajit Shah, president, Onion Exports Association.

Putting onions in the essential commodities list was one of the measures which could have helped control onion prices, said another trade source.

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# THE TIMES OF INDIA

## Onion price rise may be due to hoarding: Centre



*Food and consumer affairs minister K V Thomas on Tuesday said the Centre has asked onion producing states like Maharashtra to crack down on hoarders.*

NEW DELHI: Onion prices have again hit the roof in Mumbai, Delhi and other major cities after stabilizing briefly in August, leading the Centre to suggest that traders and speculators might be "artificially" increasing onion prices and has asked whether a seasonal shortage in supplies is being exploited.

"Governments of Delhi and Chandigarh were addressed to look into the possibility of traders and speculators creating an artificial price increase to take advantage of the seasonal shortage," a consumer affairs department status report on onions said.

Food and consumer affairs minister K V Thomason Tuesday said the Centre has asked onion producing states like Maharashtra to crack down on hoarders. The consumer affairs ministry has also asked all other states to ensure availability of the political sensitive commodity.

"Maharashtra was requested to ensure a steady supply from stocks into the market and intimate if there is any blockage in the supply chain that causes prices to rise," the consumer affairs department status note said.

The status of arrivals of onion shows that at Asia's largest onion hub Lasalgaon, the supply dipped to 3,000 quintals on Monday against 6,000 quintals on September 6.

<b>CRYING OVER SUPPLIES</b>				
<b>Mandi</b>	<b>Arrival*</b>	<b>Price (Sept 06)</b>	<b>Arrival*</b>	<b>Price (Sept 16)</b>
Lasalgaon	6,000	4,410	3,000	5,300
Pimpalgaon	3,750	4,150	2,800	5,400
Pune	9,468	3,500	6,372	4,500
Delhi	9,293	3,889	7,000	4,650
Mumbai	6,350	4,450	5,700	5,400
Bangalore	40,183	3,766	1,23,232	3,500
Hyderabad	5,000	4,500	13,990	4,000

\*Figures in quintals (1 quintal = 100kg); price in ₹/quintal

Wholesale prices increased from Rs 4,140 per quintal to Rs 5,300. Similarly, in Mumbai the wholesale price increased by Rs 1,000 per quintal during this period and in Delhi the increase was Rs 800. Wholesale price reduced only in Bangalore where arrival increased by almost 300%.

Sources said that since the traders are aware that the artificial shortage will continue for some more time, they are trying to make the most of the situation. Going by trends, domestic onion prices tend to peak during September to November and fall in January-March every year.

"We have inputs that prices quoted in Pune have become the benchmark for other markets," said a senior official. He added a crackdown on hoarders and increasing the minimum export price (MEP) further can help arrest the crisis.

The man-made aspect of the onion crisis highlights the inability of governments to check hoarding and ensure steady arrival of vegetables in wholesale markets and their further distribution through retail chains.

The Centre has confirmed concerns (reported by TOI on August 17) that traders in Maharashtra's onion hub of Nashik are also deliberately releasing stocks - only 1.5 lakh tonnes less than last year — at a slow pace to manipulate prices.

The note said the month-end retail and wholesale onion prices at majority of centres in July and August showed a "sharp" increase while prices had softened in mandis in Karnataka and Andhra Pradesh where early kharif onion is arriving.

Fixing MEP at \$650 per tonne onion in August has reduced exports to only 0.29 lakh tonnes last month against 1.56 lakh tonnes the corresponding period last year.

The onion crisis is likely to be discussed at a meeting of the committee of secretaries (CoS) headed by the cabinet secretary on Thursday, sources said.

Adding to the official alarm is a 50% dip in arrivals at most major mandis in the past 10 days. After plateauing briefly in August, onion prices have again hit the roof in Delhi, Mumbai, Lucknow, Nagpur, Jaipur and Guwahati.

The report is worrying news for Delhi government which faces assembly polls in November as high onion prices were seen as a prime reason for its rival BJP's ouster from power in 1998.

The Centre's communication to the Delhi administration bolsters the suspicion that hoarding and manipulation of the supply chain are an important reason for retail rates of onions shooting to Rs 70-80 a kg in the capital.

According to the consumer affairs ministry, the maximum variation in wholesale prices during September 2 and September 16 was Rs 1,900 per quintal in Lucknow.

Government officials said that there is some relief in sight as it expects availability to increase due to fresh produce from Andhra Pradesh, Karnataka and Tamil Nadu. At present, the arrival has increased in Hyderabad, Kurnool markets in Andhra Pradesh, in Hubli, Bangalore, Dhavangree, Bijapur and Raichur markets in Karnataka.

Moreover, the harvesting of main kharif season onion crop will start from end-September in the

southern states while the produce from Maharashtra, Rajasthan, Madhya Pradesh and Gujarat will arrive at markets from October. Sources said the kharif onion area is likely to increase by 15%-20% due to good rains and better market prices.

Meanwhile, there are reports of commerce department's Project Export Corporation (PEC) has invited bids for supply of 3 lakh tonnes of onion in the next one months. Sources said that the agriculture department has indicated that private traders have contracted to import onion in small quantities from China. Similarly, there are reports of 10-12 containers of imported onion arriving at Mumbai port.


### Crop shortage pulls onion to Rs 80/kg

NEW DELHI: If you thought onion would start recovering like the rupee, here is some bad news. Traders say that a shortage of the crop is likely to raise the price of onions even more in the coming days which may spell some concern for the government with elections just a couple of months away. By Tuesday, the price had already touched Rs 80 per kg in many parts of the city and a drop is expected only around October.

Simultaneously, even though the wholesale rates of most other vegetables have been stable this month, their retail prices have shot up. Vendors say that with the festival season around the corner, they might go further up. "Experience has shown that most vegetable prices will rise next month before falling around November-end. They will remain low till February. At present, most vegetables are above Rs 40 per kg," said Sanjay, a vendor in Patparganj.

Vegetables	Wholesale			Retail
	Sept 2	Sept 10	Sept 17	Sept 17
Onion	37	43	56	70-80
Potato	12	13	15	20
Tomato	18	20	25	60
Beans	25	27	28	80
Ladies finger	27	26	23	60
Bottle gourd	20	18	12	30
Brinjal	20	19	13	40
Capsicum	31	32	35	80
Carrot	11	11	10	60

All prices in ₹/kg



The wholesale price of onions in the city has risen by almost Rs 20 since the beginning of September. Heavy rain in south and west India has seen a fall in onion supply. "Heavy rain is being recorded in Maharashtra, Andhra Pradesh and Karnataka, the three states which supply onions to Delhi at this time. Once the rain stops, we will see a fall in prices," said Rajendra Sharma, chairman, Delhi Agricultural Produce Marketing Committee. Sources say that the brief fall in onion prices last month was largely a result of the government trying to gain some political mileage. "Even earlier, when heavy rain had resulted in reduced supply, traders were releasing stored crop slowly. After criticism, when onion touched Rs 80 per kg, the government started raiding these godowns and briefly increased supply. Now, this supply is also nearing an end and hence prices have shot up again," said a source.

Surendra Sahni, owner of Gujarat Onions Co, said a fall in prices could not be expected till the middle of October. "Storage crop is almost ending and new crop is not coming in as fast as we need. Even once rain stops, the price recovery will not be immediate. Delhi will also get some new crop from Alwar after October 15," he said. Meanwhile, Delhiites have to shell out more for not just onions but for almost all vegetables. "Spending Rs 600 or so for vegetables every two to three days is not uncommon any longer. At present, not too much variety in vegetables is available and the cheapest is potato which is about Rs 20 per kg. Why does the government have to wait for a public outcry before it takes action against illegal hoarding and indiscriminate price hike," said Prabha Verma, a resident of Mukherjee Nagar.

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# THE HINDU Business Line

## Yield improves



*Acreage unchanged: Workers involved in clearing weeds at a Bt cotton plant field in Salem district, Tamil Nadu. The acreage under cotton this year is 113.46 lakh hectares, almost the same as last year. However, favourable weather conditions are expected to result in higher yield. Cotton trade sees the new crop at over 370 lakh bales in the new season beginning October against 355 lakh bales this season. — P. Goutham*

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## Cementing ties with farmers to grow better cotton

Ambuja Cement may be known for the cement it produces but few are aware that it helps farmers grow better cotton under the Better Cotton Initiative. Ambuja Cement, part of Holcim Group, through its foundation intends to increase its reach to 9,866 cotton farmers this year

from 7,116 last year for this. Similarly, the foundation wants to increase cotton coverage by 30 per cent to 16,827 hectares in Andhra Pradesh, Gujarat, Maharashtra, Punjab, and Rajasthan.

Better Cotton Initiative is a non-profit organisation formed in association by textile producer organisations, suppliers and manufacturers, retailers and brands and civil society. The better cotton initiative hopes to ensure improved livelihoods and economic development in cotton producing areas, use of less pesticides and leading brands' procurement commitment.

Each farmer who is part of better cotton initiative is issued a licence by the organisation to testify that the cotton grown on his farmers' field comply with the standards set out by the organisation. Leading global brands such as Tesco, Lindax, Ikea, Adidas, Walmar, H&M, Stadium and Tommy and Hilfiger ensure that 20 per cent of their garment procurement is made from this initiative.

### **REVOLVING FUND**

Growers Gandabhai Chauhan and Karshanbhai Parmar were the role model for scores of farmers who assembled at meet organised at Ambujanagar, Gujarat. Chauhan gave details of the benefits of drip irrigation on his cotton field, while Parmar explained how he managed to reduce use of chemicals through integrated pest management.

Sunil Kumar Rana, Project Coordinator, Ambuja Cement Foundation, said that farmers earnings improved by at least Rs 6,000/hectare, besides the benefit on cost savings by way of lower pesticides use and chemicals sprays.

"The farmer is assured of procurement at the door step at the prevalent market price. This leads to tremendous saving on logistics cost. We also ensure that there is transparency in wages paid to labour working on the field," he said.

Ambuja hand-holds the farmers right from tilling the field to keeping close tab on the health of the crop. This results in better yield per hectare. It also helps farmers aggregate their seed purchase to get a better bargain on prices, he said.

The foundation has set aside Rs 2 crore as revolving fund to provide short term loan between Rs 50,000 and Rs 4 lakh to farmers. It receives about Rs 40 crore a year from the parent company with a mark up of 10-15 per cent depending on the need.

Having tasted success in cotton, the Foundation now plans to focus on other crops such as groundnut and sugarcane in Gujarat and paddy in West Bengal.

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### Coonor tea trade turnover up 29% in 8 months

The cumulative turnover of Coonor Tea Trade Association auctions in the first eight months of current calendar has risen by 29.06 per cent over the corresponding period of 2012.

This has happened because some 27 lakh kg more volume had been sold with average prices increasing by Rs 16 a kg, reveals our analysis of market reports.

In all, 35 auctions had been held till August-end when 3.99 crore kg had been sold against 3.72 crore kg in 2012.

Export purchase showed improvements while upcountry buyers demanded top liquoring tea resulting in average price increasing to Rs 94.59 a kg from Rs 78.61 last year. In fact, the average price had fallen from Rs 96.10 registered till July-end (till July-end last year: Rs 77.42). Consequently, between January and August, the cumulative turnover increased to Rs 377.41 crore from Rs 292.43 crore – up by Rs 84.98 crore or 29.06 per cent.

The increased turnover was spread among factory owners, growers, traders, workers, auctioneers and warehouse keepers.

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### Tainted pepper: Plea against NCDEX withdrawn

The Kalimirchi Vyapari (Black pepper traders) Association has withdrawn a writ petition it filed against the National Commodities and Derivatives Exchange (NCDEX) in the Madhya Pradesh High Court seeking direction for delivery of pepper according to contract specifications.

When the matter came up for hearing in the High Court at Indore on Tuesday, senior counsel Ravindra Srivastav, appearing for the association, preferred to withdraw the petition in view of objections raised by NCDEX on maintainability of the petition.

The Association had filed the writ petition on behalf of its members seeking delivery of pepper from NCDEX as six warehouses accredited by the exchange at Kochi for delivery were sealed by the Food Safety and Standard Authority officials on December 18, 2012.

The action of the food authority followed complaints on presence of mineral oil in some of the stocks. Earlier, NCDEX had observed certain trading practices violative of rules, regulations and bylaws by Betul Oil Ltd in connivance with some related entities in contracts expiring in October and November 2012. The Forward Markets Commission, which regulates the commodities futures trade, also called for explanation from several entities.

Further investigation is on with regard to this, the NCDEX said.

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### Cardamom gains flavour as arrivals decline



Cardamom gained marginally as arrivals dropped marginally due to Onam holidays at auctions held last week.

Lower arrivals kept prices marginally higher, though there is speculation in the market that the crop could be better than last season given the favourable weather conditions.

Arrivals at every auction during the current season have been much above the usual volume at this , market sources in Bodinayakannur, a main trading hub for cardamom, told *Business Line*.

The rise in arrivals and favourable weather conditions prevailing in the growing areas have created a bearish sentiment in the market. Buyers have slowed purchases. Exporters are also said to have resorted to such an approach, they said.

Exporters bought an estimated 35 tonnes of cardamom last week against over 50 tonnes in recent weeks. The individual average price vacillated between Rs 600 and Rs 630 a kg last week.

According to market sources, 8mm bold capsules fetched around Rs 1,000 a kg last weekend.

Total arrivals at the Sunday auction held by KCPMC decreased to 79 tonnes from 97 tonnes the previous week and almost the entire quantity was sold out, said P.C. Punnoose, General Manager, CPMC.

The maximum price was at Rs 942 and the minimum at Rs 302 . The auction average price moved up marginally to Rs 621.39 from Rs 620.47 at the previous Sunday's auction.

Total arrivals in the current season that began on August 1 are 2,968 tonnes against 2,203 tonnes during the same period last season. Sales were at 2,907 tonnes and 2,085 tonnes, respectively.

The weighted average price as on Sept 15 stood at Rs 619.08 (Rs 752.20).

**Prices of all the graded varieties (Rs/kg):** AGEB 760-70; AGB 590-600; AGS 560-570 and AGS -1: 540-550. Bulk was being sold at Rs 450-1,100 a kg.

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### Spot rubber rules steady

Spot rubber prices were steady on Tuesday. The market continued to remain in a holiday mood even after Onam.

Sheet rubber RSS 4 closed unchanged at Rs 185.50 and Rs 186 a kg respectively, according to traders and the Rubber Board. The transactions were extremely dull.

The October contracts improved to Rs 183.90 (182.64), November to Rs 183.85 (183.06) and December to Rs 185.75 (184.67) a kg on the National Multi Commodity Exchange.

RSS 3 (spot) weakened to Rs 163.62 (167.99) a kg at Bangkok.

The September futures increased to ¥257.7 (Rs 164.04) from ¥257.1 a kg during the day session and then to ¥259.5 (Rs 165.24) a kg in the night session on the Tokyo Commodity Exchange.

**Spot rubber rates (Rs/kg) were:** RSS-4: 185.50 (185.50); RSS-5: 182 (182); Ungraded: 176 (176); ISNR 20: 172 (172) and Latex 60 per cent: 134 (134).

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### Slack demand in sugar may continue till month-end



The sugar market ruled weak on Tuesday following slack demand and fears that it may not renew until this month-end.

Prices in the spot market declined further by Rs 10 a quintal, tracking higher sales. Tender rates also dropped by Rs 10-20. Prices on the domestic futures market fell by Rs 20-50 for various contracts. Prices have dropped above Rs 50 a quintal in the last two sessions on the futures market. Jagdish Rawal of B. Bhogilal and company, said that as demand for has got over now, demand has eased. The trend will continue in the current fortnight has pulled down moral in spot and upper level. Producers are eager to ease their inventory burden due to slack demand. The new crushing season will start from October 1 and the industry expects higher output next year also. At the end of the current season year, the carryover stocks could be around 95-98 lakh tonnes that will continue to put pressure on the market.

A broker said that the bearish trend is continuing due to continuous sale by mills and drop in freight rates by Rs 5-7 as the availability of trucks at producing centres has improved.

On the export front, global prices are still not favourable despite recent weakness in the Indian currency. Brazil is continuously off-loading at a lower price.

Arrivals in the Vashi market were 62-63 truckloads (each 100 bags) while local dispatches were 60-61 loads. On Monday, 15-16 mills offered tenders and sold 64,000 – 65,000 bags at Rs 2,850-2,940 (Rs 2,870-2,950) for S-grade and Rs 2,970-3,040 (Rs 2,980-3,050) for M-grade to local traders.

**The Bombay Sugar Merchants Association's spot rates were (Rs/quintal):** S-grade Rs 3,016–3,145 (Rs 3,032–3,145) and M-grade Rs 3,156 - 3,302 (Rs 3,156- 3,302).

**Naka delivery rates were:** S-grade Rs 2,960 -3,030 (Rs 2,970-3,030) and M-grade Rs 3,070-3,200 (Rs 3,070 -3,200).

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

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### Edible oils turn bearish on clear weather



Clear weather and increased arrivals of kharif crop along with initial weakness in the futures market pulled down edible oils prices on Tuesday. Groundnut and sunflower oil declined by Rs 10 and Rs 5 each. Rapeseed and cotton oil dip by Rs 2 each.

Soyabean oil eased by Re 1, while palmolein rule unchanged as Malaysian palm oil futures bounced back from lower levels.

In Mumbai, local refineries kept rates for edible oils unchanged but offloaded a limited quantity of palmolein Rs 3 lower in line with reseller's rates. During the day, about 250-300 tonnes of palmolein were sold by refineries and resellers. At the end of the day, Liberty quoted palmolein Rs 565, super palmolein at Rs 598 and super deluxe at Rs 618, soyabean refined oil at Rs 645 and sunflower refined oil at Rs 825. Ruchi quoted palmolein at Rs 568, soyabean refined oil at Rs 639 and sunflower refined oil at Rs 815. Allana quoted 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 560-561 for palmolein.

In Rajkot, groundnut oil declined by Rs 45 to Rs 1,330 for *telia* tin and loose (10 kgs) by Rs 10 to Rs 875.

Malaysia crude palm oil October contracts settled higher at MYR 2,363 (MYR 2,360), November at MYR 2,358 (MYR 2,348) and December at MYR 2,355 (MYR 2,346).

The Bombay Commodity Exchange spot rates (Rs/10 kg) were: groundnut oil 860 (870), soya refined oil 638 (639), sunflower expeller refined 730 (735), sunflower refined 810 (810), rapeseed refined oil 715 (717), rapeseed expeller refined 685 (687), cottonseed refined oil 658 (660) and palmolein 562 (562).

Vikram Global Commodities (P) Ltd quoted Rs 617/10 kg of Malaysia super palmolein in forward delivery.

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### Pepper drops despite lower arrivals



Pepper futures gained marginally on bullish sentiment, while spot pepper slipped marginally despite drop in arrivals and good buying interest.

Malabar pepper is currently competitive in the international market but uncertainty over its availability is a dissuading factor, market sources told *Business Line*. Good quantity of pepper is moving out of Kerala under the cover of ginger and arecanut to upcountry markets. Tamil Nadu-based inter-State dealers are buying from the high ranges on cash-and-carry basis.

As a result, the arrival at the terminal market dropped to 13 tonnes on Tuesday and 15 tonnes of pepper were traded at Rs 407-410 a kg. The material was mostly from the plains with high

moisture content. Wet weather continues, making processing very difficult for medium and small processors.

The spot market is still in a holiday mood as the Onam festivity is still on. Exporters who had made commitments earlier are also covering directly from growers in the high ranges.

On the NMCE, October and November contracts increased by Rs 67 and Rs 53 a quintal, respectively, to Rs 44,090 and Rs 44,170. December contract slipped by Rs 75 to Rs 44,190.

The total open interest moved up by 2 tonnes to 41 tonnes.

Total turnover dropped by 5 tonnes to 40 tonnes. Spot prices dropped by Rs 100 to Rs 40,700 (ungarbled) and Rs 42,700 (garbled).

Indian parity in the international market was \$7,175 a tonne (c&f) Europe and \$7,425 (c&f) for the US

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### Turmeric growers hold back produce



With turmeric prices ruling lower, growers are unwilling to sell their produce at prevailing prices, resulting in lower arrivals.

“Farmers are not willing to sell at current prices. At the same time, demand too is slack as orders from North India have not yet flowed,” said R.K.V. Ravishankar, President, Erode Turmeric Merchants Association.

On Tuesday, some stockists were seen procuring reasonable quantity.

But with most farmers not wanting to sell at lower prices, only 50 per cent of the 3,000 bags that arrived was sold.

In Tuesday's sale, traders purchased hybrid variety by offering higher price based on quality.

The price of the finger variety increased at the Gobichettipalayam Cooperative Marketing Society sale, but it decreased at the Erode Cooperative Marketing society.

At the Erode Turmeric Merchants Association sales yard, the finger variety was sold at Rs 3,496-5,695 a quintal, the root variety at Rs 3,196-5,059.

**Salem Hybrid Crop:** The finger variety was sold at Rs 4,519-6,279, root variety at Rs 4,404-5,576. Of the 627 bags that arrived, 312 were sold.

At the Regulated Market Committee, the finger variety was sold at Rs 4,779-5,889, the root variety at Rs 4,663-5,280. Of the 535 on offer, 426 found takers.

At the Erode Cooperative Marketing society, the finger variety was sold at Rs 4,796-5,890 . The root variety was sold at Rs 4,329-5,199. Of 781 bags put up for sale, 773 were traded.

At the Gobichettipalayam Agricultural Cooperative Marketing society, the finger variety was sold at Rs 4,609-5,867, the root variety Rs 4,769-5,163. All the 171 bags on offer were picked up.

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### Chickpea seen sluggish on higher supplies



Chana has been ruling steady in *mandis* over the last few days on slack buying support and demand.

On the spot, chana (kanta) on Tuesday ruled at Rs 3,100-3,125 a quintal, while chana (desi) ruled at Rs 2,900-3,000 a quintal (up Rs 200 from last week), chana (masumi) at Rs 3,000-



3,300 a quintal, chana (vishal) at Rs 2,900-3,000 a quintal, kaktu ruled at Rs 2,900-3,100, while Kabuli Bitki ruled at Rs 2,900-3,000 a quintal respectively.

According to traders, chana prices are expected to remain range-bound in the coming days as arrivals in are likely to continue uninterrupted.

Chana dal also ruled steady on subdued demand with chana dal (average) being quoted at Rs 3,600-3,650 a quintal, chana dal (medium) at Rs 3,800- 3,900 a quintal, while chana dal (bold) ruled at Rs 3,950-4,200 a quintal.

Compared with last week, chana dal is ruling Rs 50 lower.

Dollar chana or chickpea ruled flat at Rs 3,800-4,200 a quintal with its arrival outstripping demand.

Arrival of dollar chana in Madhya Pradesh was lower at 20,000-22,000 bags compared with last week.

In the container business, however, dollar chana or has gained Rs 100 over the past week on improved export demand with dollar chana (42/44 count) on Tuesday being quoted at Rs 5,500-5,525 a quintal, dollar chana (44/46 count) at Rs 5,300-5,325, 46/48 count ruled at Rs 5,100-5,125, 58/60 count at Rs 3,600-3,625, while dollar chana (60/62 count) ruled at Rs 3,700-3725 a quintal respectively.

Dollar chana is expected to rule sluggish in the coming days with arrivals outstripping demand, said a trader.

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### Wheat likely to rule steady over next few days



A steady trend is likely to be witnessed in wheat physical and futures markets over the next few days, according to trade sources.

After witnessing an uptrend last week, dara wheat dropped marginally, while flour managed to maintain its previous level on Tuesday.

A steady demand coupled with ample availability pulled wheat prices marginally down, said Satish Kumar, a wheat trader.

Only need-based buying is taking place in the market currently and any major alteration is unlikely as domestic demand is likely to improve and stocks are easily available, he said.

In the physical market, dara wheat dropped by Rs 5 and quoted at Rs 1,465-1,470 a quintal.

Around 1,000 bags of wheat arrived and stocks were directly offloaded at the mills. Mill delivery was at Rs 1,465 a quintal, while delivery at the chakki was at Rs 1,470 .

On the NCDEX, wheat for October contracts dropped by Rs 10 and traded at Rs 1,569 with an open interest of 10,350 lots. November contracts went down by Rs 8 and traded at Rs 1,590 .

In the spot market, wheat spot prices on the exchange dropped by Rs 12.50 and traded at Rs 1,527.5 .

#### **Flour Prices**

Despite a marginal fall in wheat, flour managed to maintain its previous level and quoted at Rs 1,750 . Similarly, Chokar ruled firm and went for Rs 1,250 a quintal.

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# Business Standard

With onion at Rs 70 a kg, export floor price may be raised to \$1,000 a tone

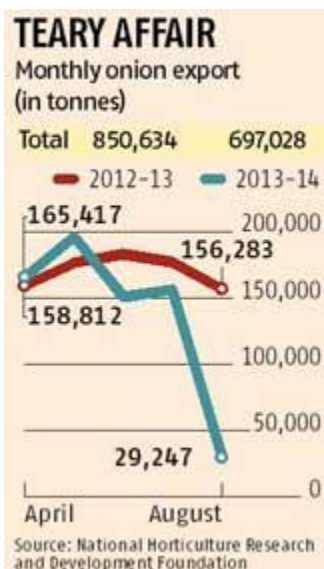


With the retail price of onion increasing by Rs 10-20 a kg in a few days, the government is likely to raise the minimum export price (MEP) to \$1,000 a tonne from the current \$650 a tonne.

However, the government might not immediately put a blanket ban on exports, as that would have a direct impact on the growers.

“After the MEP was re-imposed at \$650 a tonne last month, there has been a slowdown in exports but it has not entirely stopped. Therefore, we may hike the MEP further, which would make exports difficult,” said a senior government official.

He added a final decision is expected over the next few days. “Our assessment shows that even after the MEP was hiked around 600-700 tonnes of onions were exported daily, which will stop once MEP is raised further to \$1,000 a tonne as then onion priced only above Rs 65 a kg in the wholesale markets can be exported,” the official explained.



He said a meeting under the chairmanship of the cabinet secretary could be held in the next few days to further assess the price situation.

The wholesale and retail prices of onion rose by Rs 10 a kg here on Tuesday as supplies from Maharashtra and Rajasthan tapered, while arrivals from the southern states are not in full swing due to rains there.

In Delhi's Azadpur market, the wholesale price rose to Rs 60 a kg on Tuesday from Rs 50 a kg on Monday. The price rise is reflected in retail markets with vendors charging as high as Rs 70 a kg on Tuesday, compared with Rs 55-60 a kg a few days ago.

Prices have shot up in other parts of the country, too. Prices had shown some signs of stabilisation around early September after the government re-imposed the export tax and canalised all exports through the National Agricultural Cooperative Marketing Federation of India Limited.

In a related development, Food Minister K V Thomas has expressed the hope that onion prices would soften by early next month. He added the Centre has asked producing states such as Maharashtra to crack down on hoarders of onion, a politically sensitive commodity.

According to the minister, apart from high onion prices, the slight increase in food inflation in August was due to the increase in the minimum support prices of major farm items by the government.

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### **Sugar mills seek govt intervention to tide over cash crunch**

Though the government has shown little interest in building a buffer stock of two million tonnes (mt) to bail out the sugar industry, millers feel such intervention is essential to tide over the acute cash crunch mills are facing, owing to low domestic and international sugar prices. Sugarcane dues to farmers stand at a record Rs 12,000 crore.

The sugar industry has also sought an increase in the import duty on sugar, as well as a ban on imports for two years. The 2012-13 sugar season ending later this month would close with record stocks of 8.6 million tonnes, against the usual requirement of about four mt.

The Indian Sugar Mills Association and the National Federation of Cooperative Sugar Factories has sought the import duty on sugar be increased from 15 to 40 per cent and subsidy be provided on exports. Officials said apart from direct incentives, a section of the sugar industry also wanted the government to consider indirect incentives, including a rise in the DEPB (duty

entitlement pass book) rate and reimbursement of inland transportation charges, both in the 2012-13 sugar season, as well as in the new season.

"The sugar industry will continue to lose money and won't be able to pay the farmers in the next sugar season (2013-14), unless some way is found to sell two-three mt of sugar in the international market," said a senior official.

Officials said as exports had become unviable due to low international prices, the industry had urged the government to purchase at least two mt of sugar from it to meet Public Distribution System (PDS) requirements. "This will not only ensure the governments gets sugar for PDS at a low rate, but also help the sugar industry reduce stocks and get cash flows to meet payment obligations, especially to farmers," said a senior industry official.

A few months ago, the government had stopped its annual mandatory purchase of sugar from mills under the deregulation scheme. Now, states purchase sugar from the open market through a process of open tender and sell it at a fixed rate of Rs 13.5/kg. The difference between the purchase price and the price at which it is sold through PDS is compensated by the Centre.



Officials said sugar industry representatives had also sought a scheme to provide interest-free loans to sugar companies to improve cash flows. The sugar industry estimates production in the 2013-14 season at 24.8 mt, against 25.1 mt in the previous year, and domestic consumption at 23.5 mt (23 mt a year earlier).

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### Soybean supplies double in Madhya Pradesh



Soybean supplies double in Madhya Pradesh compared to last week as harvesting gains pace and new crop reaches the spot markets, said traders.

Arrivals in Madhya Pradesh were around 100,000 bags on Monday, mostly new crop, compared with average daily arrivals of 50,000 bags last week. Arrivals in Indore, soybean trade hub of the country, were around 9,000 bags of 100 kg each. "Harvest is gaining pace in almost all growing areas and it may get over in the coming 2 weeks in the state," said Shekhar Thakur, a soybean farmer from Dewas near Indore.

Traders feel the supplies are likely to be more in the coming days in all soybean growing states. At present, the moisture content in the new soybean crop arriving in Madhya Pradesh spot markets is between 15-25 per cent, said traders.

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## Onion prices again touch Rs 70/kg on supply crunch



Onion prices have again touched Rs 70 per kg, rising by Rs 10 per kg, in the retail market in the national capital because of lower supplies in the wholesale market.

Traders said onion prices are ruling at Rs 60 per kg in the wholesale market as supplies have come down substantially in the last one week.

Street vendors charge anything between Rs 70-80 for one kg of onion in Delhi, depending on the locality and quality of the bulb, a key ingredient in most food items.

"Supply of onions to Azadpur Mandi has come down by 30-40 per cent, as now the market is receiving around 900 tonnes of onions daily against 1,200-1,300 tonnes during the last week," Onion Merchant Traders Association President Surendra Budhiraj told PTI.

He added that onions in the wholesale markets of major producing states like Maharashtra, Rajasthan, Gujarat and Madhya Pradesh are about to exhaust, pushing the prices and affecting the supplies in the national capital.

But, in the last few days two-four trucks of onions from Afghanistan have arrived in the market, Budhiraj added.

At Lasalgaon in Nashik district of Maharashtra, a major producing region, prices have risen by almost Rs 10 per kg to Rs 55 per kg yesterday, and supplies have come down to 4,300 quintal from 6,130 quintal last week, according to National Horticulture Research and Development Foundation (NHRDF) data.

"Prices will remain high as the crop from Maharashtra is about to exhaust, whereas farmers and traders are going to keep supplies of new crop under stress to maintain high level of onion prices," a senior official of NHRDF said.

Meanwhile, Wholesale Price Index (WPI) based inflation rose for the third straight month to 6.1 per cent in August, driven by a whopping 244.62 per cent jump in onion prices on annual basis.

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### Onion prices won't come down any soon, say dealers



The rising prices of onions and vegetables, which have already been eroding the budgets of the people in the national capital, are not expected to fall till Oct 15, the wholesale dealers predicted here Tuesday.

"The onions are the most expensive and even in the wholesale market they being sold at Rs.60-70 per kg. The prices will continue to remain so till Oct 15," Mahinder Khurana, a wholesale dealer at Jagriti Agro, told IANS.

"As the demand during the festivals is higher, so the prices may remain high till Diwali," said Ram Dhan, another wholesaler at the Azadpur Mandi in the capital.

The shortage of stocks and low arrivals of vegetables, especially of onions, from the states of Gujarat and Maharashtra have caused the price to rise, dealers said.

"As the arrival has been in great shortage, so the prices have been rising. The gap in demand and the supply is very huge," Aditya Mishra, deputy secretary, Agriculture Produce Marketing Committee (APMC), told IANS.



According to APMC figures, the highest wholesale price of onions was Rs.55 in the month of June, and the prices have touched Rs.70 within three months' time now.

While the wholesale prices are high, the retail prices are worse still and are making people virtually cry.

"In the retail market, we are getting two varieties of onions. The best ones are for Rs.80 per kg, while the others are being sold at Rs.75 per kg. I wanted to save even Rs.5, so I chose the lower quality," said Akanksha Gupta, a homemaker living in a joint family.

Shweta Sengar, who stays in a rented room with her friends said, "We are purchasing less vegetables and making sure that it is not wasted. Staying away from home, managing the already high house rent, and now the rising food prices - life has become difficult."

"Everything has become expensive and the household's bills continue to rise. Now with Rs.500 also you hardly get anything," said Rudroneel Ghosh, a media professional.

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#### Chana trade up by 0.1% on spot demand



Chana prices went up by Rs 3 to Rs 3,087 per quintal in futures market today as speculators indulged in creating positions on the back of a rise in demand in the spot market against restricted supplies.

At the National Commodity Derivatives Exchange, chana for delivery in September rose by Rs 3, or 0.10%, to Rs 3,087 per quintal with an open interest of 3,670 lots.

Likewise, the commodity for delivery in October traded higher by Re one, or 0.03%, to Rs 3,186 per quintal in 1,68,090 lots.

Market analysts said the rise in chana prices at futures trade was attributed to fresh positions created by speculators against restricted arrivals from producing regions, mainly helped chana prices to trade higher at futures trade.

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### Refined soya up 0.5% on spot demand

#### **Oil for delivery in November traded higher by 0.46%**



Refined soya oil prices rose by 0.52% to Rs 660.30 per 10 kg in futures trading today as speculators enlarged positions, driven by pick up in demand in the spot market.

At the National Commodity and Derivatives Exchange, refined soya oil for delivery in October rose by Rs 3.40, or 0.52% to Rs 660.30 per 10 kg with an open interest of 72,220 lots.

Similarly, the oil for delivery in November traded higher by Rs 3, or 0.46%, to Rs 656.50 per 10 kg in 53,020 lots.

Analysts said fresh position built-up by speculators amid pick up in demand in the spot market mainly led to rise in refined soya oil prices at futures trade.

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### Barley prices improve by 1.1% on short covering



Barley prices rose by Rs 15.50 to Rs 1,339 per quintal in future trading today following low levels buying in tandem with firm overseas cue.

Marketmen said tracking firm overseas markets sentiment, traders preferred to create fresh positions.

At the National Commodity and Derivatives Exchange, barley prices for November contract rose by Rs 15.50, or 1.17% to Rs 1,339 per quintal, with an open interest of 2,020 lots.

September month contract improved by Rs 9.50, or 0.76%, to Rs 1,260 per quintal, with an open interest of 670 lots.

Most active near October month contract also gained Rs 3.50, or 0.27% to Rs 1,292 per quintal in 17,140 lots.

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## Sugar down 0.5% on higher output hopes

### The commodity for delivery in October declined by 0.4%



Sugar prices fell by Rs 16 to Rs 2,965 per quintal in futures trading today as speculators trimmed their positions amid hopes of a higher output.

At the National Commodity and Derivatives Exchange, sugar for delivery in November fell by Rs 16, or 0.54% to Rs 2,965 per quintal with an open interest of 9,480 lots.

Similarly, the sweetener for delivery in October declined by Rs 12, or 0.40%, to Rs 2,957 per quintal in 11,220 lots.

Market analysts said speculators trimmed their positions on expectations of higher output, mainly pulled down sugar prices at futures trade.

Meanwhile, the country'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 body ISMA said.

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## Jeera up 0.3%

### **The spice for delivery in Sept contract traded higher by 0.15%**



Jeera prices rose by Rs 40 to Rs 13,510 per quintal in futures trading today, as speculators built-up fresh positions, supported by upsurge in demand in the spot market.

At the National Commodity and Derivatives Exchange, jeera for delivery in October rose by Rs 40, or 0.3%, to Rs 13,510 per quintal with an open interest of 12,249 lots.

Similarly, jeera for delivery in September contract traded higher by Rs 20 or 0.15% to Rs 13.225 per quintal in 246 lots.

Likewise, the spice for delivery in August contract traded higher by Rs 47.50, or 0.36% to Rs 13,160 per quintal in 6,453 lots.

Market analysts said speculators created fresh positions due to upsurge in demand in the spot market, mainly influenced jeera prices at futures trade.

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