

# THE HINDU

Online edition of India's National Newspaper

Friday, February 11, 2011

Date:11/02/2011 URL:

<http://www.thehindu.com/2011/02/11/stories/2011021167221300.htm>

---

## Centre will table Right to Food Act in Parliament, says Manmohan

Gargi Parsai

*Legislation targets poor and vulnerable sections among whom malnutrition was particularly high*

— PHOTO: PTI



**Prime Minister Manmohan Singh with eminent agriculture scientist M.S. Swaminathan at an international conference on 'Leveraging Agriculture for Improving Nutrition and Health,' in New Delhi on Thursday.**

NEW DELHI: Prime Minister Manmohan Singh said on Thursday that the government was committed to bring to Parliament a Right to Food Act which would serve as a viable safety net for the poor and the vulnerable sections among whom malnutrition was particularly high.

Addressing an international conference on 'Leveraging Agriculture for Improving Nutrition and Health,' the Prime Minister said such issues were "topical" as the world faced rising food prices and there was growing recognition that climate change may endanger food

security in many developing countries.

The issue was particularly important in developing countries where agriculture was the mainstay of a large number of people. “Studies in India show some correlation between agricultural performance of a State and the nutritional status of its people. States that have high agricultural productivity also have lower malnutrition rates for both adults and children.”

Noting that India had not done as much as it should have to promote modernisation of agriculture marketing, Dr. Singh said he had asked the Planning Commission and the Agriculture Ministry to focus particularly on this aspect in the 12th Five Year Plan beginning 2012.

“Agricultural diversification in food requires back-up support in terms of viable delivery and marketing chains. Modernisation of marketing inevitably implies a greater interaction and involvement of the private sector. We will work with State governments to ease whatever implications may exist in this regard,” he said.

The conference was organised by the United States think tank, the International Food Policy Research Institute.

Observing that malnutrition was not only a consequence of poverty but also a cause of it, Dr. Singh said a malnourished child was more vulnerable to disease and less able to earn a living. The complexity of causes that underlie malnutrition called for a multi-sectoral strategy to address the three key issues of availability, access and absorption.

The Prime Minister emphasised that availability and access to foodgrains was only part of the solution. “With economic growth and changing dietary habits, demand for fruits and vegetables, milk and milk products, meat and fish, is steadily increasing. This is entirely natural. Good nutrition requires a balanced diet through multiple food sources.”

“Rapid growth in agriculture, particularly that which diversifies the food basket while ensuring adequate availability of energy and other basic nutrients, combined with other activities and initiatives in health, hygiene and women's education will help overcome poor health, hunger and malnutrition,” he added.

Earlier, addressing a press conference, eminent agriculture scientist M.S. Swaminathan said controlling food inflation in urban areas would be “difficult” unless the supply chain was improved.

He recalled how food inflation in the 1960s was checked through government intervention by opening super bazaar and ‘apna’ bazaars. “The National Food Security Act will, to some degree, meet the challenge of nutrition security.”

“The government will have to bring the Bill to Parliament and to the Standing Committee,” he said in reply to a question on the differences between the National Advisory Council that wants near-universalisation of the public distribution system and the C. Rangarajan experts group that suggested that only the vulnerable sections (below poverty line population) be covered under the proposed Bill. David Nabarro, U.N. Special Representative on Food Security and Nutrition, said nations had to ensure that rising food prices did not negatively impact the poor and vulnerable sections.

Answering a question on futures trade in farm commodities, he said: “Yes, certain kinds of commercialisation in agricultural commodities lead to accentuation of price volatility but other kinds of trade may act as a smoother and reflector.”

**Date:11/02/2011 URL:**

**<http://www.thehindu.com/2011/02/11/stories/2011021166380800.htm>**

---

## **Vegetable outlets help bring down prices**

R. Vimal Kumar

---

*More than 41,000 kg of vegetables have been sold through the three outlets till Thursday*

*The outlets were opened on Republic Day*

---

Tirupur: Commencement of vegetable retail outlets by the Department of Agriculture at

three-select places on a pilot basis is yielding the desired results as the prices in the open market had started cooling down.

The outlets were opened at Avinashi, Pongalur and Perumanallur on January 26 with the aim of selling fresh vegetables and fruits at a highly discounted rates than the costs in the open market.

Sales pick up

Sales at the three retail outlets picked up at a phenomenal pace as the venture became a runaway hit among the hoi polloi who had been reeling under the cascading effect of inflation and the skyrocketing prices of vegetables. More than 41,000 kg of vegetables, worth about Rs. 8 lakh, have been sold through the three outlets in the first fortnight itself till Thursday, even though the outlets functions only from 8 a.m. to 12 noon everyday, Assistant Director of Agriculture Mohammed Kalimullah Sherif told The Hindu.

Since the opening of the outlets, the prices of vegetables like tomato had come down in the open markets engulfing it from Rs. 20 kg to Rs. 12 a kg. As a result the prices of tomato in the retail outlet itself came down further to Rs. 6 a kg on Thursday.

Likewise, the costs of coconut and bellary onion too had significantly been reduced.

The bellary onion is now priced at Rs. 25 a kg at the department-run retail outlets, which itself was a dip from Rs. 30 a kg sales price prevailed on January 26.

“We are expecting further scaling down of prices as the sales picks up in the retail outlets in the coming days,” Mr. Sherif said.

**Date:11/02/2011 URL:**

**<http://www.thehindu.com/2011/02/11/stories/2011021155530500.htm>**

---

### **Four milk dairies sealed**

**KRISHNAGIRI:** The district administration has sealed four private milk dairies in the district and suspended two secretaries of the Primary Milk Cooperative Societies for dereliction of

duty on Thursday, said a release from Collector V. Arun Roy. They were sealed under the Milk and Milk Products Order 1992, as they were indulging in procurement of milk without valid licence. The dairies sealed were Pankaj, Maruthi, Smart and Saraswathy.

The release also said that secretary of the Jawalagiri Primary Milk Cooperative Society K. Janarathana Reddy and secretary of Mudhuganapalli Primary Milk Cooperative Society M. Chandra Reddy were suspended from the service for selling milk to private dairies.

**Date:**11/02/2011 **URL:**

<http://www.thehindu.com/2011/02/11/stories/2011021153500300.htm>

---

## Farmers detain vehicles carrying 'illegally mined' sand

Staff Reporter

*They want stringent action against persons involved in sand quarrying*



**Stop this:Farmers laid siege to a vehicle carrying 'illegally mined' sand in Gobichettipalayam on Thursday.**

ERODE: A group of farmers laid siege to a few vehicles, which carried sand 'illegally mined' from Bhavani riverbed and other water sources in Gobichettipalayam on Thursday.

Annoyed over the inaction from the authorities to prevent illegal quarrying of sand, the farmers gathered at Gobichettipalayam and detained two vehicles which carried 'illegally mined' sand. They also blocked traffic on Gobichettipalayam – Sathyamangalam main road demanding concrete efforts from authorities to prevent the illegal quarrying of sand in

the district.

The farmers alleged that illegal sand mining with political backing was rampant in many parts of the district. Several truck loads of sand, illegally scooped from river beds and other water sources, were being transported every day from Gobichettipalayam and Sathyamangalam blocks. The rampant illegal sand mining had affected the local geography in the form of depletion of water resources in rivers and lakes, and devastation of farm lands and village roads.

We had complained to the officials at all the levels. We had also raised this issue at the monthly grievances meetings. But no efforts had been made to prevent the illegal mining of sand till date, a farmer said.

The farmers wanted the Collector to intervene in this issue and instruct the officials to initiate stern action against those quarrying sand illegally.

**Date:**11/02/2011 **URL:**

<http://www.thehindu.com/2011/02/11/stories/2011021151830200.htm>

---

### **"Use modern farming methods"**

Staff Reporter

*Better yield can be got with precision farming in Nellai*

---

*District has large tracts of unused cultivable land Krishnagiri farmers are showing the way forward*

---

TIRUNELVELI: Agriculturists should go in for modern farming techniques such as precision farming to increase the crop yield and subsequently their income, Collector M. Jayaraman has said.

Speaking at a mass contact programme, Dr. Jayaraman said that though the district had

been blessed with reasonable water resources, large tracts of unused cultivable lands could be seen here, causing huge productivity loss. With its 30 per cent water resources, dry regions like Rajasthan could realise better yield by using modern farming techniques like precision farming, with which the farmers could get 60 tonnes sugarcane yield per acre.

“Farmers of Krishnagiri, a backward district, are showing the right way to the farmers in other regions by following precision farming technique to grow mango, amla, guava, etc., and have realised excellent yield to augment their income substantially,” he said.

He assured that the officials would take positive decision on the petitions pertaining to old age pension, monthly assistance for widows, free colour televisions, gas stoves, bus service, voter identity cards, etc., before February-end.

The Collector disbursed welfare assistance such as free house pattas, hand-sprayers and marriage assistance worth Rs. 4 lakh to 83 beneficiaries.

When the villagers appealed to the Collector to initiate steps to ensure water supply to nine irrigation tanks under Vadakku Pachchaiyaar irrigation system, he assured that the encroachments on the water course would be removed.

**Date:11/02/2011 URL:**

**<http://www.thehindu.com/2011/02/11/stories/2011021152100300.htm>**

---

## **Imported parasitoids to fight mealy bugs**

Staff Reporter

*A boon to farmers as it eliminates the use of pesticides and subsequent pollution*

---

*Parasitoid introduced at farm in Chennakuppam panchayat The bug's infestation was observed in Tamil Nadu during July 2008*

---

VELLORE: The introduction of imported parasitoids to combat the invasive mealy bug, which affects a range of crops in Tamil Nadu including papaya and tapioca, has turned into a boon to farmers by eliminating the use of pesticides and subsequent pollution. The Tamil Nadu Agricultural University (TNAU), Coimbatore, which is supplying the parasitoids free of cost for agriculturalists, introduced the parasitoid at a farm in Chennakuppam panchayat in Vellore on Thursday.

Collector C. Rajendran released the parasitoid into the papaya farm in the presence of Registrar of TNAU P. Subbian.

According to a release, the papaya mealy bug - *Paracoccus Marginatus* - infestation was observed in Tamil Nadu in July 2008 in crops such as papaya, tapioca, cotton, red gram, sunflower and other vegetables, fruits, flower crops in Coimbatore district. However, it subsequently spread to other parts of the State.

Director, Centre for Plant Protection Studies at TNAU, E.I. Jonathan said in the release that the pest occurred in groups and sucks the sap of the plant resulting in total drying and wilting of the plant with complete crop failure. The extent of damage in the crops varied from 30 to 80 per cent. The mealy bug was a native of Mexico and was an invasive pest.

It was to effectively control the mealy bug population that the TNAU took initiatives to import parasitoids from foreign countries in collaboration with Indian Council for Agricultural Research, New Delhi.

Three species of papaya mealy bug parasitoids were imported from Puerto Rico through the United States Department of Agriculture in collaboration with National Bureau of Agriculturally Important Insects, ICAR, Bangalore.

It was released in the orchards of TNAU, Coimbatore on October 7, 2010 for the first time in the country, the release added.

“Earlier, farmers growing crops such as mulberry, papaya and tapioca had to spray pesticide once in 15 days.

After the introduction of the parasitoid, we advised them not to use any chemical.



The use of chemical pesticide to check the pest is only temporary.

The farmers cooperated with us. As a result, in the last four months the farmers did not undertake any pesticide application. By not spraying pesticide, Rs. 50 crore has been saved. It has also helped to prevent environment pollution," Mr. Jonathan said.

TNAU has found the parasitoids promising as they were able to parasitise the mealy bugs. Mr. Rajendran said that so far, one lakh parasitoids have been introduced in affected crops in various districts of the State. He noted that it could control the papaya mealy bugs in four to five months.

The mass multiplication of parasitoids had been undertaken in seven agricultural colleges, 36 research stations and 14 Krishi Vigyan Kendras of TNAU located across the State, the release said.

**Date:11/02/2011 URL:**

**<http://www.thehindu.com/2011/02/11/stories/2011021152280300.htm>**

---

## **Call to declare agriculture a public service**

Staff Reporter

— Photo : T.Singaravelou



**Rural Affairs Editor of The Hindu P. Sainath interacting with Director of Studies M. Ramadass (centre) and former Vice Chancellor of Shivaji University D.N. Dhanagare at a seminar at the Pondicherry University on Thursday.**

PUDUCHERRY: As one of the starting points in easing the farm crisis in the country, the

government should declare agriculture a “public service.” This would ensure a minimum income for the farmers, who put the food on the nation's table, Rural Affairs Editor of The Hindu and Ramon Magsaysay Award winner P. Sainath said here on Thursday.

He was delivering the keynote address at the international conference on ‘Farmer suicides in India,’ organised by the Department of Sociology at the Pondicherry University. Mr. Sainath said that the growth of the agriculture sector should be measured with the growth in income of farmers and agriculture workers and not just in terms of production.

Terming the trend of farmer suicides in the last decade as the “largest wave of human suicides in a single occupation” in recorded history, he said this was the result of a “policy driven assault” on farming community by the government, which has slashed investments in several sectors that affect the poor.

Despite the number of people in farming going down - 8 million having quit agriculture between 1991 and 2001 - farmer suicides were consistently on the rise. This was the most alarming trend in agriculture today, he said.

Being the only official data of the government on farm suicides, the National Crime Records Bureau's information was authentic but far from accurate. This was because a number of groups, including women on whose name pattas usually do not exist and Dalits and Adivasis, who largely lack proper land titles, were excluded from the definition of farm suicides.

Taking the case of Aurangabad where Mercedes made its largest single day sales recently, Mr. Sainath said that Rs. 44 crore of the Rs. 63-crore deal came from loans provided by public sector State Bank of India (SBI) at 7 per cent interest. The very same SBI charged between 12 and 14 per cent interest for the funds it provided farmers for buying tractors. This was an example of why there was a crisis of credit for the farmers in the country, he said. The National Farmers Commission has produced four volumes of reports suggesting answers to the crisis, including marking a certain percentage of GDP for agriculture and allied sectors and a Centre-State mechanism for stabilisation of price. If not as solutions, measures suggested by the commission could serve as “starting points” for dealing with the crisis on a medium and long term basis.

Former Vice-Chancellor of Shivaji University D.N. Dhanagare said a community, which had the courage to fight for its rights at various occasions in the 19 {+t} {+h} and 20 {+t} {+h} centuries, has been pushed to the state of committing suicides. From a sociologist's point of view, it was important to analyse the factors that had contributed to this change in the psyche of the farmers, he said.

**Date:**11/02/2011 **URL:**

<http://www.thehindu.com/2011/02/11/stories/2011021160342000.htm>

---

### **Food inflation declines sharply**

NEW DELHI: In one of the sharpest declines in the recent weeks, food inflation declined to a seven-week low of 13.07 per cent in end-January, as prices of potatoes and pulses eased, even as consumers continued to feel the pinch of high rates of vegetables. Food inflation, which ended the three-week rising trend, fell by nearly four percentage points from 17.05 per cent in the week ended January 22. It was 22.08 per cent a year-ago. The inflation is likely to maintain the declining trend in the next few weeks in view of reports of bumper crop.

**Date:**11/02/2011 **URL:**

<http://www.thehindu.com/2011/02/11/stories/2011021155180500.htm>

---

### **Bumper crop**



**A farmer working at marigold field at Krishanpuram in Khammam district.**

Date:11/02/2011 URL:

<http://www.thehindu.com/2011/02/11/stories/2011021155140500.htm>

---

## Trading regulated in chilli yard

Staff Reporter

GUNTUR: Soaring prices of chilli may have enthused the hearts of farmers but the officials say that the trend of high prices were the result of serious action and a methodical approach to trading.

Instances of fluctuations of chilli prices have been reported quite often in recent times prompting the agricultural marketing officers to put in place a series of checks and balances.

Joint Collector and person in-charge of Agricultural Market Committee (AMC) A. Sarath said it was noticed that timely and proper shop inspections of the yard supervisors have not been done during December, 2010.

Brisk season

Even while the brisk chilli season commenced, lack of proper regulatory mechanism had resulted in abnormal lowering of prices.

A series of instruction were given and an action plan was put in place to regulate scrupulous trading practices, including formation of syndicates by gullible traders, Mr. Sarath said.

He said all the auction staff should commence duties at 7.00 a.m. at the time when auctions begin.

Auctioneers and supervisors should have to visit every shop and verify the stock as per register as compared to gate arrival slip and issue auction slip to the commission agents, he said.

Once the supervisor certify the arrivals and sales in the stock register, they shall not be over writing or change the rate or quantity shall be entertained.

'The yard supervisor shall see recording of all arrivals farmer-wise in stock register as per gate slip and any transfer of stock from one commission agent to other agent in view of financial incapability in exceptional cases,' Mr. Sarath said.

**Date:11/02/2011 URL:**

**<http://www.thehindu.com/2011/02/11/stories/2011021155400500.htm>**

---

## **Free meal scheme for farmers inaugurated**

Staff Reporter

*"Mattresses, bedsheets will be furnished in farmers' rest rooms"*

GUNTUR: Housing Minister Kanna Lakshminarayana inaugurated a free mid-day meal scheme for farmers at the market yard here on Thursday.

On the occasion, he said this market yard had won global recognition due to the superior quality chillis sold there, which had a very good demand in Myanmar and Bangladesh and other States within India.

The yard has been making a substantial contribution to the national exchequer and it was able to sustain its profitability. A quintal of chilli in Guntur was fetching Rs 10,000. Mr. Lakshminarayana said the Government was taking steps to provide all facilities in the yard and ordered the officials to construct an open auditorium, where agricultural exhibitions could be organized. Joint Collector and Market Yard Person-in-Charge A Sarath said a computer was installed for weighing the chillis accurately and other facilities were being created. Payments were being made on the same day of auctioning the produce and information on prices sent to the farmers through SMSes. Mattresses and bedsheets would be furnished in the farmers' rest rooms, Mr. Sarath added. Guntur East MLA Sk. Mastan Vali, Kanigiri MLA M Ugranarasimha Reddy and market yard secretary V Harinarayana Babu were present.

Date:11/02/2011 URL:

<http://www.thehindu.com/2011/02/11/stories/2011021162150300.htm>

---

## Raitha sangha welcomes agriculture budget plan

Staff Correspondent

*Reserve at least Rs. 25,000 crore for the sector: Puttannaiah*

---

*Government urged to set up revolving fund for all crops Call to formulate dry-land development policy*

---



**K.S. Puttannaiah, State president of the Karnataka Rajya Raitha Sangha, speaking at the valedictory of sports and cultural programmes and NSS unit at the Government Boys' PU College in Chitradurga**

Chitradurga: Welcoming the announcement of a separate budget for agriculture, State president of the Karnataka Rajya Raitha Sangha K.S. Puttannaiah has demanded that the Government reserve at least Rs. 25,000 crore for it.

He was speaking to presspersons after inaugurating the valedictory of sports and cultural programmes and the National Service Scheme (NSS) unit at the Government Boys' PU

College here on Thursday.

“Reserving only a couple of thousand crore for agriculture will not make any sense,” he told presspersons here on Thursday.

Revolving fund

He urged the Government to create a substantial revolving fund for all crops, which could be utilised in times of floods or drought or other natural calamities. Stating that dry-land farming in rain-fed districts of the State was essential, he sought immediate implementation of a dry-land development policy.

“Implementation of this policy is vital for those districts that do not have irrigation facilities, especially in the north Karnataka region,” he said. The Government should allocate Rs. 10,000 crore for the irrigation and power sectors in rural areas, he said.

He said that organic farming was more harmful than chemical farming and urged the Chief Minister to accord more importance to natural farming. To ensure proper decentralisation of power, the Government should allocate at least Rs. 1 crore each to all gram panchayats in the State.

Stating that he would soon be visiting Delhi to participate in a meeting there, he said that he would urge the Union Government to constitute an agriculture pay commission on the lines of the one for government employees.

To a question, Mr. Puttannaiah said that the usage of endosulfan should be completely banned in the country.

**Date:**11/02/2011 **URL:**

<http://www.thehindu.com/2011/02/11/stories/2011021162210300.htm>

---

**KRRS regrets neglect of farmers' problems**

Staff Correspondent

*'Sammelan failed to raise vital issues such as farm suicides'*

---

*Introduce a subject on agriculture in schools, Government urged Failure to optimally use natural resources criticised*

---

Chitradurga: State president of the Karnataka Rajya Raitha Sangha (KRRS) K.S. Puttannaiah has expressed dismay over what he described as the neglect of farmers' problems at the recent Akhila Bharata Kannada Sahitya Sammelan in Bangalore.

Speaking after inaugurating the valedictory of sports and cultural programmes and the National Service Scheme (NSS) unit at the Government Boys' PU College here on Thursday, he said that nearly seven lakh farmers in the country, and about 40,000 in the State, had committed suicide.

"Such a vital issue was not raised at the sammelan in which several progressive writers participated," he said.

Demand

He urged the Government to introduce a special subject on agriculture in schools and colleges, since agriculture was the backbone of the country. "Students should know about some stark realities of the agricultural sector.

Even though certain industries like sugar are flourishing, sugarcane growers who feed them with the main ingredient are in distress," he said. The Government had failed to utilise natural resources such as water properly. Of the 4,000 tmcft of water available, the State was only utilising 1,500 tmcft. About 105 tmcft of water would be sufficient to meet the drinking water needs of the entire State whereas a large number of people still did not have access to it. S.K. Basavarajan, MLA, and J. Yadav Reddy, principal of the college, were present.



Date:11/02/2011 URL:

<http://www.thehindu.com/2011/02/11/stories/2011021165850600.htm>

---

## Agriculture to top State budget presentation

Special Correspondent

*No question of leadership change in State for the next two years, says Chief Minister Yeddyurappa*

---

*Chairpersons of Boards and Corporations demand more power State's finances are sound, says the Chief Minister*

---

— Photo: K. Gopinathan



**Interaction:Chief Minister B.S. Yeddyurappa with State BJP president K.S. Eshwarappa at a meeting with chairpersons of boards and corporations in Bangalore on Thursday.**

BANGALORE: The State budget to be placed before the Legislative Assembly by Chief Minister B.S. Yeddyurappa on February 24 will begin with a presentation on agriculture followed by the allocations for other departments.

Announcing this at an interactive meeting of chiefs of boards and corporations convened by the Bharatiya Janata Party to know their expectations from the forthcoming budget, the

Chief Minister said the allocations for the agriculture sector, likely to be presented as a separate booklet, would comprise, among others, four to five allied sectors like sericulture, horticulture, animal husbandry etc.

He termed the proposed special focus on agriculture as the first of its kind in the country and said he was holding consultations with agricultural experts, including Vice-Chancellors of agricultural universities.

Mr. Yeddyurappa asked the chiefs of boards and corporations to come out with innovative and useful proposals to be included in the budget. He urged them to conduct a self review on their contributions for improving the financial health of their organisations.

According to sources, the Chief Minister is learnt to have declared at the meeting that there was no question of leadership change in the State for the next two years and also reportedly ruled out any possibility of a mid-term elections.

According to sources, chiefs of all the boards and corporations were unanimous in demanding more powers for them. They reportedly alleged that they did not have much powers, but for getting an office and a car with a beacon light. Some even suggested that there should be a better coordination between senior officials and chiefs for improving the financial health.

In what appears to be a response to the Karnataka High Court's remarks: "whether the government had become bankrupt", Chief Minister B.S. Yeddyurappa on Thursday said the State's finances were sound and that it was in the country's forefront in terms of plan and non-plan expenditure as well as per capita income. "We have been able to raise resources without going for high taxes, by just plugging the loopholes," he remarked.

A Division Bench of the High Court's on Wednesday wondered if the Government had become so bankrupt that it could not even provide basic amenities to the judiciary. "We know how to ensure that the government gets revenue," the Bench had remarked.

Date:11/02/2011 URL:

<http://www.thehindu.com/2011/02/11/stories/2011021162360700.htm>

---

## Jairam questions forecast of 9% economic growth

Special Correspondent

NEW DELHI: Environment and Forests Minister Jairam Ramesh on Thursday questioned the 9 per cent growth prediction, saying that if the impact on ecology is taken into consideration, the growth would have been only around 6 per cent.

He said from 2015 onwards, the impact of ecology would be part of the calculations to judge the economic growth and the real GDP growth in terms of accounting for ecological degradation, loss of natural resources and biodiversity would come down to 5 to 6 per cent.

Mr. Ramesh was addressing the 'Stakeholders Consultations on the Economics of Ecosystems and Biodiversity in India' here.

Advocating the need to take cognisance of the World Bank report, which underlined need for "environmental sustainability" as the next great challenge that India faced along its path to development, he said people should be "more sensitive" to ecological loss on account of the economic growth.

By 2015 the Planning Commission would report not just GDP as a conventional measure. It would also incorporate the loss of natural wealth and loss of the country's biodiversity because of developmental pressure. Mr. Ramesh cited the examples of Australia, Norway and Mexico where "integrated natural resource" is accounting into their economic accounts.

Paradigm shift

"We need to train new generation and scholars in this area. We need to train economists in this area," he said. The Environment Ministry would soon launch a Green India Mission, which would mark a "profound paradigm shift in the way we approach the forests and

forest management.”

It would be implemented through local bodies, institutions, women's self-help groups and communities with technical and managerial assistance from the Forest Department.

Tiger census

Later, talking on the sidelines of the function, Mr. Ramesh said the results of a scientific census of tigers would be made public by next month-end. It was being carried out through cameras installed at strategic points such as water bodies. A computer analysis was being done to ascertain their presence. Though preliminary analysis of the census indicated that their numbers might have increased, there was concern over the rise in incidences of man-animal conflict. The 2007 census showed a sharp fall in the number of tigers in the country. According to it, India had only 1,411 big cats left in the forests.

© Copyright 2000 - 2009 The Hindu

**hindustantimes**



**Press Trust Of India**

New Delhi, February 10, 2011

First Published: 12:35 IST(10/2/2011)

Last Updated: 12:39 IST(10/2/2011)

### **Food inflation at 7-week low of 13.07%**

Food inflation fell to a seven week low 13.07% for the week ended January 29 as pulses turned cheaper, even as vegetables remain costly.

Snapping the two week rising trend, food inflation fell nearly 4 percentage points in the week from 17.05% in the week ended January 22.

On an annual basis, prices of potatoes declined 8.87%, while pulses fell 8.63% and wheat by 3.58%, data released by the government showed. Prices on onion, which had more than doubled in the week ended January 22, eased in the subsequent week. However, onions continued to remain dearer by 78.64% for the week ended January 29. Vegetables as a whole have turned costlier by 44.34% on an annual basis. Fruits and milk became costlier by 10.46% and 11.66% on a year on year basis respectively.

<http://www.hindustantimes.com/StoryPage/Print/660661.aspx>

## Weather

Chennai - INDIA

### Today's Weather



Sunny

**Friday, Feb 11**

Max    Min

31.3° | 19.2°

Rain: 00 mm in 24hrs

Humidity: 58%

Wind: Normal

Sunrise: 6:33

Sunset: 18:13

Barometer: 1009.0

### Tomorrow's Forecast



Cloudy

**Saturday, Feb 12**

Max    Min

31° | 19°

### Extended Forecast for a week

Sunday Feb 13	Monday Feb 14	Tuesday Feb 15	Wednesday Feb 16	Thursday Feb 17
29°   20°	28°   20°	27°   20°	27°   22°	28°   24°
Partly Cloudy	Cloudy	Cloudy	Cloudy	Rainy

## Food inflation eases

Feb 11 2011

Feb. 10: Food inflation, which measures the rise in food prices, fell to a seven week low of 13.07 per cent for the week ending January 29. The drop is being attributed to a sharp fall in prices of onions, potatoes and vegetables from the previous week as supply chain shocks are resolved.

However, the number is still uncomfortably high and is expected to remain so. The Reserve Bank of India is expected to push for higher interest rates in the coming months to push down prices. Compared to the previous week, prices of potatoes, vegetables and onions have fallen by 16-21 per cent.

---

### Source URL:

<http://www.deccanchronicle.com/business/food-inflation-eases-840>

## THE TIMES OF INDIA

Food inflation at 7-week low of 13.07%



*Food inflation at 7-week low of 13.07%*

PTI, Feb 10, 2011, 12.58pm IST

NEW DELHI: Food inflation fell to a seven week low 13.07% for the week ended January 29 as pulses turned cheaper, even as vegetables remain costly.

Snapping the two week rising trend, food inflation fell nearly 4 percentage points in the week from 17.05% in the week ended January 22.

On an annual basis, prices of potatoes declined 8.87%, while pulses fell 8.63% and wheat by 3.58%, data released by the government showed.

Prices on onion, which had more than doubled in the week ended January 22, eased in the subsequent week. However, onions continued to remain dearer by 78.64% for the week ended January 29.

Vegetables as a whole have turned costlier by 44.34% on an annual basis.

Fruits and milk became costlier by 10.46% and 11.66% on a year on year basis respectively.

## THE ECONOMIC TIMES

Fri, Feb 11, 2011 | Updated 06.06AM IST

11 Feb, 2011, 05.53AM IST, Jayashree Bhosale,ET Bureau

### **Bt cotton seed shortage to shrink kharif acreage**

PUNE: Companies which sell genetically-modified cotton seeds anticipate a shortage of over 10% for the 2011 kharif season which may result in the area under cotton declining by one million hectare from the present 11 million hectare. Cotton production too may come down by three million bale from the 33-million bale production estimate for the current season.

“The demand for Bt cotton seeds for the 2011 kharif season is estimated to be four crore packets while the estimated stock with the seed companies is 3.3 to 3.5 crore packets,” said

Jagresh Rana, director, Mahyco-Monsanto Biotech. Although a seed shortage is expected, seed prices may not go up because the Gujarat, Maharashtra and Andhra Pradesh governments have fixed the prices through legislation. In other states, there is an indirect price control because state governments ask for undertakings from seed companies that they will not sell seeds above the specified price.

It is estimated that India planted cotton on 11 million hectare area in 2009-10 using four crore packets of Bt cotton seeds while the production is estimated to be 33 million bale.

“With an estimated 3.5 crore seed packets, the country can sow only 10 million hectare cotton. If the expected yield of 500 kg lint per hectare remains constant in the next year, the loss of one million hectare area may result in the drop in cotton production by three million bales,” said an industry source.

Earlier, the demand-supply gap led to the black-marketing of Bt cotton seeds in many states. Seeds and fertilisers were distributed under police protection in 2008 and 2009 in Maharashtra as there were riots. It was alleged that a few seed brands popular with farmers had created an artificial shortage. The Maharashtra government kept these companies under vigil last year.

“There was a shortage of Bt cotton seeds for two years in 2008 and 2009. Hence we started asking for written commitment from the seed companies about their supply plans as a result of which there was no seed shortage last year,” said SS Adsul, director of agriculture (inputs and quality control), government of Maharashtra.

The Punjab government too has asked for Bt cotton sale plans from seed companies for the 2011 kharif season. Gurdayal Singh, joint director, seeds, department of agriculture, Punjab Government, said: “We have asked the seed companies to submit a report on how much quantity they want to sell so that we may be able to do our own planning.”



There are 80 companies marketing 300 hybrids of Bt cotton seeds in India. The inventory with the seed companies is 60 lakh packets. "The price control measures by state governments has reduced the risk-taking capacity of seed companies due to which inventories are declining every year," said Mr Rana.

M Ramasami, managing director of Tamil Nadu-based Rasi Seeds, said, "The unseasonal rainfall in November and December also damaged the field activities regarding seed production which may result in a shortage."

In Punjab, Haryana and Rajasthan, the prices of Bt cotton seeds containing BG I and BG II traits are Rs 750 per packet and Rs 920 per packet respectively. In other states, the prices of BGI and BG II cotton are Rs 650 per packet and Rs 750 per packet respectively.

The area under cotton crop has increased by 18% during last two years in Maharashtra, the second largest cotton producer in the country, from 31.41 lakh ha in 2008-09 to 39 lakh ha in 2010-11. The expansion in area has come from Bt cotton varieties.

The state government's initial estimate shows that the cotton area may go up by another two lakh ha from 37 lakh ha in 2009-10 to 39 lakh ha in 2010-11.

"Maharashtra farmers had used 144 lakh packets in the 2010 kharif season, while the demand for the 2011 kharif season is estimated to be 192 lakh packets," said Mr Adsul.

11 Feb, 2011, 05.51AM IST, Shyamal Gupta,

### **Commodities in blood of a few communities**

Commodity markets are routinely regarded as fundamental economic institutions and the long-standing and quite varied ethnic and linguistic perspectives on traders are often overlooked.

In market yards, one often encounters enquiries about one's community and the place of origin after the initial introduction. Further, on exploring the softer dimensions of trade, one can observe a subtle 'in-group' favouritism. It seems to point towards a tacit understanding or norms about how to treat members from the same community.

Traditional trading communities in India have been dominated by Aggarwals and Guptas of the north, Chettiars and Nadars of the south, Gujarati Jains and Baniyas, Muslim Khojas and Memon in the West and Marwaris all over India. People from these trading communities are not only seen to be very good at getting the best deal in negotiations but are also known to honour a contract since they know the importance of business more than any professional in the trade. The commodity market exists on the cusp of informal sectors of society and regulated markets. In many countries around the world, specific subgroups of the population carry a reputation for being particularly adept at running commodity trading. For example, the Jews in the bullion trade.

While a large number of communities are part of the market, one can always find trading traditions in India finding its roots in the practices of the Baniya and Vaishya communities. The predominance of a community can also be observed in a particular geography. One should not be surprised to see a large number of Kutchies (from Gujarat) trading pepper in the heartland of Cochin's Jewish Town. They are a vibrant community which has managed to assimilate fully with the local culture while retaining its identity. The ethnic and linguistic identity continues to determine the basis of trade, albeit in a different way. Commodity traders also operate in mutually interactive community networks with ethnic, religious, family or linguistic ties with an opportunistic concentration towards profit. In this respect, the trading habits of Indians are not very different from those of Chinese and Arab traders. The Nadars are expert traders mainly located in south India. In Calicut, they have a belief that whatever they earn in Calicut is spent their itself. This is expressed in their saying in Tamil: Kallikkottai kaashu Kallai paalam thaandaathu (money earned in Calicut will not cross Kallai bridge.) It may not always be the

case. There is a possibility that different ethnic groups might disproportionately adopt commodity trading not because of a comparative advantage in that occupation but because of differential access to other opportunities (or lack thereof) for the group. At times, these trading communities pay for protection and market access and have found conducive freedom to trade.

Approaches to commodity markets have often focussed on the formal properties of transaction systems as frameworks for organising behaviour. The transfer of trust is crucial to minimise transaction costs. (Shyamal Gupta is the chief business officer of NCMSL. Views are personal)

10 Feb, 2011, 02.58PM IST, REUTERS

### **Oilseeds, soyoil erase gains on profit-taking**

MUMBAI: Indian oilseeds and soyoil futures erased early gains on Thursday afternoon due to profit-taking driven by losses in overseas markets and an estimated rise in rapeseed output, analysts said.

At 2:20 p.m., the U.S. soy futures were down 0.12 percent at \$14.49-¼ per bushel, after rising 1.2 percent in the previous session, while Malaysian palm oil futures were down 0.86 percent at 3,897 ringgits per tonne.

"Profit-booking is emerging at higher levels. In the domestic spot market, demand is very good from oil millers. Meal exports are rising," said Veeresh Hiremath, chief analyst with Hyderabad-based broking firm Karvy Comtrade.

India's oilmeal exports rose 67 percent in January from a year ago, the seventh straight monthly rise, on good demand from buyers in Japan, Vietnam, South Korea and the European Union, data from a leading trade body showed.

March soyoil on India's National Commodity and Derivatives Exchange (NCDEX) was 0.42 percent lower at 668.45 rupees per 10 kg at 2:20 p.m.

March soybean on NCDEX eased 0.39 percent to 2,556 rupees per 100 kg, while rapeseed futures for April delivery fell 0.5 percent to 3,005 rupees per 100 kg.

India's rapeseed output could jump 16.1 percent in 2011 to 6.85 million tonnes, helped by favourable weather conditions, a leading trade body said on Saturday.



## **Tiger census result to be out on March 26**

February 11, 2011 10:41:55 AM

### **PNS | New Delhi**

The results of the much-awaited scientific census of tigers, currently underway, will be made public on March 26.

Environment and Forests Minister Jairam Ramesh said as much when asked about the expected time when the results of the census of the big cat were expected.

The 2007 census had shown a sharp fall in the number of tigers in the country. According to it, India had only 1,411 wild cats left in its forests.

The census is being carried out by installing cameras at strategic points, like water bodies in the forests where the tigers go for water, in their respective territories and a computer analysis is being done to ascertain their presence.

Though preliminary analysis of the ongoing census of tigers in the forests indicates that their numbers might have increased, there has been concern over the rise in the cases of man-animal conflict.

Forest officials had killed a "man-eater" tiger in January after a half-eaten human body was recovered in Corbett National Park in Uttarakhand.

### **Flood of welfare measures in Kerala's pre-poll Budget**

February 11, 2011 10:42:22 AM

**PNS/VR Jayaraj | Thiruvananthapuram**

Kerala's economist Finance Minister TM Thomas Isaac on Thursday presented the LDF Government's last Budget with announcements of a wide spectrum of welfare measures and a series of bold proposals for infrastructure development keeping in mind the Assembly polls to be held within two months. He proposed no new taxes.

Among the proposals of the 2011-12 Budget was a package costing Rs 40,000 crore for the comprehensive development of the road network in the State. The proposal attracted applause from various sections but there were doubts about the means he had in mind to raise such a huge fund.

Isaac, who promised a budgetary allocation of Rs 1,000 crore for this, said the Rs 400-billion fund would be mobilized through interest-free loans, adding "We should be bold enough to take up challenging and innovative business models," he said. One source of funds would be the Al-Barak Finance Company, based on Sharia-driven Islamic banking principles, clearance for which was given by the High court last week.

The Congress-led Opposition UDF termed the Budget as impractical and meaningless.

Opposition leader Oommen Chandy criticized Isaac for making so many promises and proposals in a Budget which had only technical value. "This is a Budget which would be valid only till the Government that comes after the election feels the need of another Budget," he said.

In a determined move to win hearts in new sectors before the polls, the Minister announced a pension scheme for domestic aides, a majority of whom were women, apart from raising minimum welfare pension to a wide spectrum of the under privileged to Rs 400 per month.

The Budget also proposed measures to widen the social security cover available to below poverty line (BPL) sections by bringing 40 lakh families under this category instead of the Centrally-proposed limit of 11.5 lakh families. To insulate the poor from the impact of price rise, 40 lakh families would be provided rice at Rs 2 a kilo.

In order to widen the network of subsidized distribution of food items, 3,000 ration shops in the State would be made franchisees of the Kerala State Civil Supplies Corporation. He also earmarked Rs 100 crore for a package for controlling the prices of essential commodities while pointing out that Rs 337 crore had already been given as subsidy for the purpose. .

Isaac made special provisions for improving facilities in the five major cities with a total allocation of Rs 894 crore. A sum of Rs 725 crore as earmarked for development of district roads. He earmarked Rs 420 crore for the development of the coastal road between Poovar in Thiruvananthapuram district and Ponnani in Malappuram district.

The Minister proposed total tax exclusion for all types of bricks, organic fertilizers, nylon and plastic ropes and withdrew luxury tax on cable TV operators apart from lowering the tax on sand from 12.5 percent to 4 per cent.

"In the past five years, the State's growth rate has been at nine percent. Soon Kerala will become the fastest growing state in the country. It is a great achievement that the treasury has

not gone into overdraft even for a single day in the past three years,” Isaac claimed.

### **Isaac 'cares' for Sabarimala**

Kerala Finance Minister TM Thomas Isaac in the 2011-12 Budget he presented on Thursday promised to take steps to enhance pilgrims' safety and security at Sabarimala in the context of the January 14 stampede at Pullumedu in Idukki district in which 102 pilgrims were killed.

Isaac committed a Rs 100-crore programme to complete the implementation of first phase of the Masterplan for Sabarimala development before the start of the next annual pilgrimage season in November. He said Rs 50 crore for this would be mobilized as loans while Rs 25 crore would be allocated as grant by the Government. The remaining Rs 25 crore would be mobilized through sponsorships, he said.

Isaac said arrangements would be made in Sabarimala to avert Pullumedu-model tragedies in future. Regular safety auditing would be held at all points where pilgrims used to converge in large numbers to sight the Makara Jyoti and arrangements would be made in accordance to the findings of such audits, he said in the Budget speech.

Isaac earmarked Rs 12 crore for the development of roads leading to Sabarimala. Contracts had already been awarded for the renovation of 80km of roads to the hill shrine, he said, adding that the Road Funds Board would allocate works on tender for the remaining 151 km of roads in two or three packages.

# Business Standard

Friday, Feb 11, 2011

## **Cotton prices surge to record high on tight supply**

**Sharleen D'Souza / Mumbai February 11, 2011, 0:43 IST**

Cotton prices continue to surge due to a mix of global and domestic factors, with no let-up in sight. Official sources say, arrivals are likely to slow, given the anticipation of getting even better returns.

The price for the benchmark Shankar-6 variety has touched a record of Rs 60,300 a candy (a candy is 356 kg) on the spot markets. It was Rs 42,000 a candy on January 1 and Rs 51,000 a candy on February 1.

The futures market price at the close today was Rs 1,205.1 per 20 kg, up 19 per cent from Monday. "The price may touch Rs 1,500 (per 20 kg) by the end of this week, as there are no sellers in the market, only buyers," said Dharmesh Bhatia, associate vice-president of research at Kotak Commodity Services.

On the National Commodities & Derivatives Exchange, cotton futures have been hitting the four per cent upper circuit for four days in a row.

Arrivals this season have averaged between 100,000 and 125,000 bales (a bale is 170 kg) daily. About 30 per cent of the harvest — the government's second estimate of production for the 2010-11 cotton year is now 33.9 million bales, an upward revision — is still left to reach the market, but arrivals are slowing, said Arun Dalal, an Ahmedabad-based trader.

A senior official in the Cotton Corporation of India, who did not want to be identified, said this was happening since traders expected prices to move further up and so were going to hold back.

Meanwhile, textile mill buying is confined to need-based purchases and many have refrained from fresh purchases. The global markets are facing a supply shortage as crops in Pakistan and



Australia, both important producers, were destroyed by floods. The long-term outlook for prices remains bullish, as the supply shortage is expected to continue for some time. Cotlook, the benchmark index for international cotton prices, is up by nearly 20 per cent from January 1, when it was 171.95. It closed yesterday at 209.45.

So far, India had allowed 5.5 million bales of cotton to be exported in two phases and the market expects more to be allowed, fuelling prices even more.

### **Sugar mills face cash crunch**

**Dilip Kumar Jha / Mumbai February 11, 2011, 0:41 IST**

Seek a 15-day extension for February non-levy quota. Most sugar mills in the country are facing a widening gap between their return and cost of production.

With an upward revision in cane prices, the cost of sugar production has risen to Rs 2,900 a quintal and Rs 2,750 a qtl in Uttar Pradesh and Maharashtra, respectively. But the realisation is Rs 2,800 a qtl and Rs 2,600 a qtl, a loss of Rs 100-150 per qtl produced.

Admitting a working capital crisis, Narendra Murkumbi, president, Indian Sugar Mills Association (Isma) and managing director, Shree Renuka Sugars, said, "Large-scale cane arrears are imminent in the current season, if the loss-making trend for mills continues." Cane arrears are farmers' unpaid dues from mills for crushing. At present, mills are paying Rs 205-210 a qtl for cane.



Industry sources deny any significant arrears noticed in the four months of crushing, due to rolling over of cane procurement and regular payment of previous dues. "The final assessment is likely to be clear towards the end of the crushing season. But it may remain huge this year," said Sageraj Bariya, an analyst with Angel Broking.

Since lifting of output takes place through the year, while payment is restricted to the supply season, mills face huge blockade of working capital in payment. It is likely to impact the financials of crushing companies, at least in the first half of the season ending March, Bariya added.

The worst impact would be on refineries, which imported raw sugar at high prices last year, in anticipation of a recovery in sugar prices this year. Prices have continued to soften, due to the government restriction on exports. Angel Broking estimated the industry's carryover stock in the beginning of the current season at 4.4 million tonnes.

Besides, the industry is facing non-lifting of allocated quota by traders. Since prices are falling, traders are abstaining from fresh booking, amid expectation of a further decline. The National Federation of Cooperatives Sugar Factories (NFCSF) has urged the government to grant a 15-day extension, as it did in January, for sale of 1.62 mt of the non-levy quota of February, as the quantity is higher than the estimated lifting by traders during the month.

The industry fears that mills will have 500,000 tonnes of unsold sugar in February if the monthly sales period is not extended. So, they will be forced to sell the unsold quantity in February under the compulsory levy quota, at below-market price. A quantity of 300,000 tonnes was carried forward from January.

"Amid uncertainty in exports, traders distance themselves from fresh booking around the annual Budget," said Vinay Kumar, managing director, NFCSF.

Isma has lowered its output forecast for this season to at 25 mt, due to the late season rainfall. It had earlier estimated 25.5 mt.

## Cotton prices tread a ramp as farmers hold produce, spur demand



Business Line Picture of an organic cotton field in Bhuj

Farmers hold back stocks on talk Govt may raise cap on exports

Chennai, Feb. 10:

The surge in cotton prices continued on Thursday with the rates topping Rs 60,000 for a candy of 356 kg as farmers tended to hold back produce in the wake of higher domestic demand and rising global market.

In Gujarat, Shankar-6 cotton was quoted at Rs 61,000 a candy, while in Maharashtra, the variety was quoted at Rs 60,000. In Rajkot, raw cotton modal price or the rate at which most trades took place was Rs 6,750 a quintal against Rs 6,475 on Wednesday.

Since Monday, raw cotton prices have increased over Rs 1,000 from Rs 5,585.

“Looks like everyone out there in the market is speculating. Farmers are holding back on speculation prices will rise. Traders are bidding on hopes of further rise and buyers, too, seem

to be in some sort of panic,” said Mr Anand Poppat, Vice-President of Saurashtra Ginners Association.

### **Raising cap on exports**

According to a source in the milling industry, prices were literally on fire on reports of a meeting of Committee of Secretaries in New Delhi to consider raising the cap on cotton exports from the current 55 lakh bales (of 170 kg).

“The agenda that the Commerce and Agriculture Ministries are batting for a further hike of 15 million kg got leaked and the surge began,” said the source.

However, Mr Poppat denied that he had heard any such news from trade circles or in the market.

“Global prices are just Rs 4,000 a candy higher than Indian price. If the Centre raises the export ceiling, then prices abroad will drop on hopes of higher supply. Only we have stocks currently. Then, there will be no gain in exporting,” Mr Poppat said.

“Prices are up on sentiments of rumours of high export quota, rising global prices and these have been helped by a higher production figures put out by the Agriculture Ministry on Wednesday,” said Mr D.K. Nair, Secretary-General of the Confederation of Indian Textile Industry.

On Wednesday, the Agriculture Ministry estimated production at 339 lakh bales against the 329 lakh bales projected by the Cotton Advisory Board. However, a section of the trade and textile mills are of the view that production is unlikely to exceed 310 lakh bales. They point out arrivals up to February 5 to strengthen their argument. According to the Cotton Corporation of India, cotton arrivals were 205 lakh bales, 5.5 per cent higher than the same period a year ago. Last year's production has been pegged at 295 lakh bales.

“If we go by this, then production at the most will be 310 lakh bales,” Mr Nair said. Mr Kalpesh Posiya, a trader at Dhoraji market, 100 km from Rajkot in Gujarat, said arrivals have dropped to 100 bags (60 kg each) against peak arrivals of 300 bags.

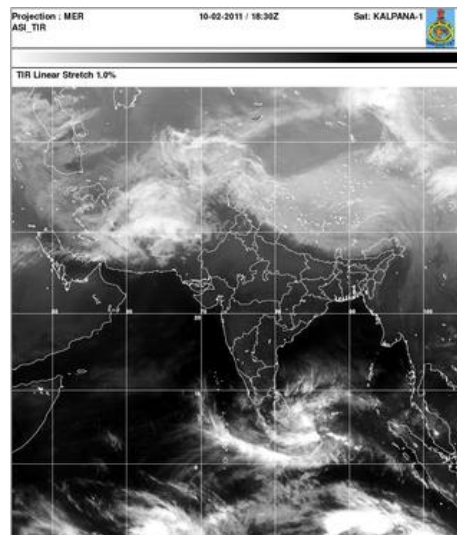
In Rajkot, arrivals this week have dropped to 650 tonnes from 750 tonnes at the beginning of the week.

“Stocks with farmers are meagre. But they seem to be holding back on hopes that prices will rise further,” Mr Posiya said.

“There is not much room for rise in the price. Any rise from now on will be minimal,” said Mr Poppat.

The global market is on a high on demand from China and lack of supply.

### **Fresh wave of rain, snow for hills; squalls likely for plains**



Forecasting fairly widespread rains.

Thiruvananthapuram, February 10:

The next ‘active’ western disturbance might just be rushing in fast, with India Meteorological Department (IMD) forecasting fairly widespread rains or snowfall with isolated heavy falls over the western Himalayan region from Friday itself.

The system will pack some punch, with scattered rain or thundershowers with isolated hailstorm and thunder squalls once again being forecast over Punjab, Rajasthan, Haryana, Delhi and west Uttar Pradesh.

This is in line with the pattern noticed with the previous 'active' westerly that has moved away, as it would, to the east of the country, raising mercury level and setting up weather there as well.

It is just that an intervening feeble westerly system had drifted into the northwest on Wednesday to calm things down for a while.

International weather agencies have been predicting sustained westerly activity during this week and into the next two.

The latter of the two would bear some watching in terms of its capacity to wet entire east and east-central India and the east coast, if forecasts are anything to go by.

Minimum temperatures are expected to rise by 3 to 4 deg Celsius over northwest India, Gujarat, Madhya Pradesh and Maharashtra during the next three days ahead of the setting in of the 'active' westerly.

They are currently below normal by 4 to 6 deg Celsius over many parts of south interior peninsular India. The lowest minimum temperature of 5.1 deg Celsius was recorded at Agra in the plains of the country.

Maximum temperatures also would rise by 2 to 4 deg Celsius over the plains of northwest India and adjoining central India during the next three days.

Isolated rain or snow would occur over western Himalayan region on Friday and scattered to fairly widespread thereafter, an IMD outlook said.

Isolated rain or thundershowers would as well occur over Sikkim and Arunachal Pradesh, where a predecessor westerly has been active over the last couple of days.

Isolated rain or thundershowers has also been forecast over Andaman and Nicobar Islands and extreme south peninsular India from a decaying easterly wave activity.

An IMD update said that isolated rainfall or snowfall has occurred over western Himalayan region during the 24 hours ending Thursday morning.

Scattered rainfall or thundershowers occurred over Kerala and isolated over Sikkim, Arunachal Pradesh, Assam and Andaman and Nicobar Islands.

Satellite cloud imagery on Thursday afternoon showed the presence of convective (rain-bearing) clouds over south Bay of Bengal.

### **Sunny prospects for wheat**



Business Line Favourable weather, high inventories and firm global prices point to a positive outlook on wheat in India

India's 2011 wheat production is expected to be around 84 million tonnes (the second advance estimate puts it at 81.7 million tonnes), a new record, provided the weather during the growing season remains normal. Late season rain in major growing areas created favourable soil conditions for planting.

Recent official planting data show that wheat planting in the marketing year (MY) 2011-12 is significantly ahead of the previous year's level, at a record 29 million hectares.

High wheat prices, combined with the recent upward revision in the government wheat support price for the 2011 crop, provided an impetus for wheat planting. Although growing conditions so far have been favourable, factors which could affect the quantity and quality of wheat production include an early or sudden rise in temperature, or rain and hail at the time of harvest.

## **PROCUREMENT AND PRICES**

The increase in the minimum support price (MSP) for wheat last year raised domestic open market wheat prices, despite record production.

As most of the marketable surplus was procured by the government under the price support operation, open market availability was limited, keeping prices high during the lean marketing period. To contain the price rise, the government recently announced additional allocations of wheat and rice, for the below poverty line and above poverty line categories.

Although the government did not impose any stocking or other restrictions on private participation in wheat procurement last year, unlike in previous years, the trade was hesitant to enter the market in a big way due to constant changes in the government's market intervention policies.

## **FOOD SECURITY ACT**

Wheat consumption in the coming years will significantly be influenced by the government decision on implementing the National Food Security Act, the Congress party's election promise, which is at present in a limbo.

The National Advisory Council (NAC), headed by UPA Chairperson, Ms Sonia Gandhi, has suggested the government provide 35 kg of wheat or rice a month to priority households (46 per cent of rural population and 28 per cent of urban population, or around 45 per cent of the country's total population) at a subsidised rate of Rs 2 per kg for wheat and Rs 3 per kg for rice.

For the general category (44 per cent of the rural population and 22 per cent of urban population, or about 35 per cent of the country's total population), the NAC has suggested supplying 20 kg of foodgrains at a price not exceeding 50 per cent of the current support price.

However, an expert panel set up by the Prime Minister, headed by Mr C Rangarajan, Chairman, Prime Ministers' Economic Advisory Council (PMEAC), to examine the NAC recommendations, has suggested that legal entitlement should be restricted only to the "priority households".



## **STOCK SITUATION**

Government-held wheat stocks, which stood at 21.5 million tonnes on January 1, 2011, are projected at around 14.5 million tonnes on April 1, 2011, marginally below the April 1, 2010, stocks of 16.1 million tonnes, but well above the government's desired minimum buffer stock level of four million tonnes and strategic reserves of three million tonnes.

With the government wheat procurement likely to remain high at over 24 million tonnes in MY 2011-12 because of the hike in the support price and likely larger production, government wheat stocks could swell to around 36 million tonnes as on June 1, 2011.

The large stocks in recent years are not so much the result of higher output as they are of policy measures and market forces which together have raised the public sector's role in the marketing of wheat and rice.

As a long-term measure, the government will have to augment its own grain storage capacity and encourage private participation in building grain storage facilities for its own use or for leasing it out to the government.

## **EXPORTS UNLIKELY**

Despite large carryover stocks and outlook for a record wheat crop, the government is unlikely to lift the ban on wheat exports in the near future due to domestic food inflation concerns, with the exception of small quantities to neighbouring countries such as Nepal and Bangladesh due to geopolitical reasons.

Although the Government has permitted exports of 200,000 tons of wheat through government parastatals in August 2010, according to trade sources no exports have taken place so far. At an f.o.b. price of over \$300 per tonne, there is unlikely to be much demand for Indian wheat in global market, despite world wheat prices skyrocketing in recent months, following lower production in Russia, Canada, and some other countries and an export ban by Russia.

High domestic wheat prices during the past two years *vis-à-vis* global prices prompted some south Indian flour millers to import small quantities of wheat in containers, mostly from Australia, officially placed at 160,000 tonnes in MY 2008-09. Although limited imports continued in MY

2010-11, they are unlikely to continue in MY 2011-12, as global prices are slated to rule high in the coming months.

Domestic wheat shortage and higher prices forced the government to lower the duty on wheat imports by the private trade to 5 per cent in June 28, 2006, and later to abolish the import duty indefinitely.

The zero import duty regime is unlikely to be repealed in the near future due to food price inflation concerns. Since February 9, 2007, wheat exports remain banned with the exception of small exports to Bangladesh through public sector trading companies and limited quantities of wheat products. Concerned about food price inflation, the government is unlikely to relax wheat export restrictions in the foreseeable future.

(The author was Senior Agricultural Specialist at FAS/USDA, American Embassy, New Delhi, for over three decades. )

#### **Egg trade to hold prices on low offtake**



Business Line A scene from a wholesale egg shop in Broadway, Ernakulam - Photo: H. Vibhu Chennai, Feb. 10:

Shell egg trade in Tamil Nadu has decided to retain last week's price level of their produce due to reduced seasonal consumption and changes in the market place, including low inventories maintained by traders.

To save the poultry farms from possible accumulation of stocks, the National Egg Coordination Committee's Namakkal zone has chosen to retain last week's rate of Rs 2.35 apiece. Egg prices had reached a record high of Rs 3.02 during the second week of January.

NECC Zonal Chairman Dr P. Selvaraj said the price reduction is mainly due to the stagnation of over 10 crore eggs during the Pongal holidays. Closure of government schools and Sankranti holidays led to excess stock of 2.1 crore eggs. Daily production stands at three crore. Mr Selvaraj added that it would take a fortnight to clear the stock and prices are likely to rule steady.

Industry sources attributed the drop in prices from January's peak to the stabilising weather conditions in North India which used to consume around 20 lakh eggs a day till January. The demand from North has now dropped to five lakh eggs a day.

Apart from fall in consumption, wholesalers and retailers prefer to keep the inventories low because high temperatures result in low shelf-life. Therefore, eggs tend to stockpile at the production centre, according to market sources. "Egg production has to be maintained even if profits are minimal because it's a long-term investment of around two years," said Mr R. Nallathambi, President, Tamil Nadu Poultry Farmers' Association.

Meanwhile, chicken prices continue to be at rock-bottom levels. NECC has slashed the prices of layer birds to Rs 23/kg (Rs 26) while the Palladam-based Broiler Coordination Committee has raised the prices of cull birds to Rs 54/kg (Rs 51). On the export front, trade is now focusing on Sri Lanka as the country has decided to import until shortage is met and domestic prices stabilise. India, since mid-December, has exported around 18 lakh eggs to the island nation.

### **Cotton exports ceiling retained**

Business Line A scene at the Rajkot APMC yard where raw cotton has piled up (file photo)  
New Delhi, Feb 10:

The Committee of Secretaries (CoS) on Thursday met to review the cotton exports trends and retained the cap of 55 lakh bales of natural fibre shipments for the current cotton season as of now. CoS, including commerce and textiles secretaries met here.

“As of now, we are maintaining the export figure (of 55 lakh bales for cotton exports),” Textiles Secretary Ms Rita Menon said.

The cotton season runs from October to September. Of the 55 lakh bales (170 kg each) ceiling fixed by the government, 38 lakh bales had already been exported till December 15. The government had allowed cotton shipments from November 1 and contracts had to be shipped within 45 days.

Later on, the Directorate General of Foreign Trade, under the Commerce Ministry, has allowed shipments of the remaining quantity of natural fibre and the traders can ship their cotton contracts till February 25.

According to the Cotton Advisory Board projections, the natural fibre production has been estimated at 329 lakh bales in the current cotton season against domestic demand, which is pegged at 266 lakh bales. According to sources, between October to January 31, the cotton arrivals are about 165 lakh bales against earlier estimates of 195 lakh bales. Asked whether the cotton output data can be revised, she said, “Yes, it is possible.” Earlier, the government had also decided to have a carry-forward stock of about 50 lakh bales of raw cotton at the end of the current cotton season. Currently, cotton prices are ruling at around over Rs 50,000 a candy (356 kg) compared to about Rs 23,000 a candy in the domestic market.

### **Jeera rises on weather concerns**



Rajkot, Feb. 10:

On reports of bad weather at *jeera* growing areas, prices of *jeera* continued to rise, on Thursday.

At the National Commodity and Derivatives Exchange (NCDEX), *jeera* for March Delivery increased by Rs 179 or 1.14 per cent, to Rs 15,940 a quintal, with an open interest of 17,172 lots. *Jeera* April contract gained by Rs 193 to Rs 16,410 a quintal, with an open interest of 9,882 lots. *Jeera* was traded at Rs 2,155-2,925 for 20 kg at the Unjha APMC spot market.

Report said that *jeera* prices in intra-day may trade sideways to up, owing to forecast of rains in Rajasthan and reports of dew in Gujarat, which might damage the standing crop. This will support prices to strengthen in the short-term.

Mr Ajay Kumar Kedia of Kedia Commodity said, "Anticipation of demand from the US and European countries is likely to shift towards India in the coming weeks, due to low stocks in the international markets; this further contributed to the uptrend. Fresh arrivals of new *jeera* crop have been delayed by almost 25-30 days so far in the current season, due to the erratic monsoon in Gujarat."

Export of cumin from India in April-December 2010 plunged 37 per cent to 24,250 tonnes, compared with 38,300 tonnes last year.

**Trade in soya refined drops due to poor domestic demand**



Indore, Feb. 9:

After high gains on positive global cues on Wednesday, soya oil ruled firm on Thursday on weak Malaysian palm oil futures. In direct sale, soya refined in the spot market quoted at Rs 610-612 for 10 kg, while in the resale it was quoted at Rs 606-608 for the next two days. Trading in soya refined on Thursday was weak due to poor domestic demand with total volume of trading barely touching 700 tonnes as compared to 2,000-2,500 tonnes on Wednesday.

On the other hand, soya solvent gained marginally higher at Rs 585-590 for 10 kg with comparatively better demand. In the morning session, soya solvent in delivery was Rs 593, while the spot price was Rs 588 but in the afternoon session, soya solvent prices slightly declined as demand grew weak with prices in the spot and delivery quoted at Rs 585-590 for 10 kg. On Wednesday, soya solvent in the spot market was quoted at Rs 580-Rs 584.

With the monthly cuts on the NBOT fast approaching, soya oil February contract on the NBOT edged lower at Rs 649 on the back of very poor trading. Similarly soya oil March contract on the NBOT also was Rs 3 lower at Rs 665.80. Compared to February, soya oil March contract saw the most trading on the NBOT. On the NCEDX too, soya oil February and March contracts was lower at Rs 650.55 and Rs 668.90 respectively

On the other hand, soya seeds saw a gain of Rs 10-15 in the mandis on weak arrival. In the State mandis, soyabean was quoted at Rs 2370-2400 a quintal on Thursday, while in the Indore mandis, it was quoted at Rs 2380-2405 a quintal. Arrival of soyabean in the State mandis continues to be low with just 1 lakh bags of soyabean arriving in various mandis of Madhya Pradesh, while in the Indore mandis, arrival was recorded at about 4,000 bags. Plant deliveries in soyabean also gained Rs 10 higher at Rs 2469-2480 a quintal, while port deliveries in soyabean on Thursday was quoted at Rs 2460 and purchased by Gokul Refinery's Ruchi plant.

According to traders, futures of soyabean does not appear to be bearish with stockists engaged in clearing their stocks, thereby making way for other forthcoming crops of chana, musterd and others.