

TNAU plans pesticide testing laboratories

Staff Reporter

COIMBATORE: Tamil Nadu Agricultural University has planned to establish pesticide testing laboratories at colleges under it in Madurai and Killikulam, said its Vice-Chancellor P. Murugesha Boopathi here recently.

Pest management

Inaugurating a farm school at All India Radio on 'Integrated Pest Management in Vegetable Crops,' he said: "Farmers resort to 12 to 15 sprays of chemical pesticides resulting in toxic residues in the harvested produce. These laboratories will help analyse the toxic residues in food."

Farmers should adopt Integrated Pest Management (IPM) practices in cultivation, as there is an urgent need to increase the productivity of vegetables to meet the projected demand of 170 million tonnes by 2025 as against the present 109 million tonnes, Mr. Boopathi said. Farmers encountered problems in cultivation of crops in the form of pests and diseases, global warming and ground water pollution, among others. Though vegetables are produced in only about 2 per cent of the total cultivated area in the country, it consumed 13 per cent to 14 per cent of the total pesticides used.

By adopting IPM practices with special emphasis on bio-pesticides, farmers could reduce the pesticide load on these crops and supply quality vegetables to consumers.

Parasitoids were being multiplied in all the constituent colleges, research stations and Krishi Vigyan Kendras of the university and supplied to farmers free of cost, to control mealy bug infestation.

Till date, 60,000 parasitoids had been released, he said. S.K. De Datta, Associate Vice-President, Virginia Tech, the U.S., said that in India, 20 million people still went to bed everyday without food.

“The IPM-Collaborative Research Support Programme is a global project. It is being implemented in 20 countries. India is the coordinator for the South Asia programme. India's population is increasing at a rate of 1.9 per cent whereas food grain production is growing by 1.2 per cent, resulting in a huge gap. Food shortage is a serious problem in the world,” Mr. Datta said.

IPM was an important intervention to control pests and diseases and increase food production.

IPM research should help find solutions that are relevant, efficient, simple to adopt and cost effective. Farmers needed increase in profits too, he said.

R. Muniappan, Director, IPM-CRSP of Virginia Tech, said problems of farmers should be addressed in a holistic manner. “Under the project, 20 to 25 IPM components have been developed for vegetable growers.”

E.I. Jonathan, director, Centre for Plant Protection Studies; R. Samiyappan, Director, Centre for Plant Molecular Biology; and B. Saravanan, Farm Radio Officer, All India Radio, Tiruchi; spoke.

Date:15/02/2011 **URL:** <http://www.thehindu.com/2011/02/15/stories/2011021557010100.htm>

Chief Minister invites milk producers for talks

T. Ramakrishnan

Government withdraws cases against agitators Association announces withdrawal of strike

CHENNAI/SALEM: Chief Minister M. Karunanidhi on Monday called milk producers, who have been on strike for the past one week demanding a hike in procurement prices, for talks on Tuesday.

A committee of Ministers comprising Arcot N. Veeraswami, K. Ponmudy and U. Mathivanan would hold negotiations with them. As a gesture of goodwill, the government decided to withdraw cases against those who carried out the agitation, Mr. Karunanidhi said in a statement.

The Tamil Nadu Milk Producers Welfare Association, which spearheaded the agitation, thereafter announced immediate withdrawal of the strike. Its president, K.A. Sengottuvel, told the media in Salem that the milk producers welcomed the Chief Minister's call for talks "wholeheartedly."

He thanked the Chief Minister for withdrawing the cases registered against the milk producers.

Mr. Karunanidhi said the procurement prices were hiked only last month. As a sequel to the negotiations chaired by Deputy Chief Minister M.K. Stalin, the price of cow milk was increased by Rs. 1.10 per litre and that of buffalo milk by Rs.2.20 per litre. This burden was not passed on to consumers.

Regretting that those who should regard milk as holy poured it on streets, the Chief Minister said that his government had always been considerate and sympathetic in solving the people's problems if there were legitimate demands. Never in the past were the procurement prices hiked four times in four-and-a-half years.

Mr. Mathivanan told The Hindu that at the existing rates, milk procurement cost Rs. 1,440 crore to the authorities annually. Of the daily production of 20 lakh litres, supply to Chennai was 10.5 lakh litres and to the other parts of the State, 3.75 lakh litres. The remainder was used for the production of by-products.

Supporting the milk producers' demand, All India Anna Dravida Munnetra Kazhagam general secretary Jayalalithaa criticised the government for its handling of the problem.

D. Pandian, State Secretary of the Communist Party of India, said the procurement price of cow milk should be increased by Rs. 5 a litre and in respect of buffalo milk, Rs. 8 a litre.

Date:15/02/2011 URL: <http://www.thehindu.com/2011/02/15/stories/2011021563871100.htm>

7.26 lakh tonnes of paddy procured so far

T. Ramakrishnan

CHENNAI: Despite nearly 3.5 lakh hectares of paddy-cultivated area getting affected in heavy rains last year, the State Food and Civil Supplies Department is confident of achieving its procurement target of 16 lakh tonnes this year.

The department's optimism is based on the rate of procurement that is taking place both in Cauvery delta and other regions of the State.

As on Saturday (February 12), the State Civil Supplies Corporation procured 7.26 lakh tonnes, around 2.4 lakh tonnes more than what was made during the corresponding period last year. So far, Rs.794 crore had been paid to farmers towards procurement, said officials of the Department.

Among the reasons cited for higher production were crop loans disbursed by cooperative societies to the tune of Rs.2,400 crore and effective distribution of better quality of agricultural inputs.

In the Delta region, 6.56 lakh tonnes were procured till now. Tiruvarur accounted for about 2.45 lakh tonnes; Thanjavur – 2.18 lakh tonnes; Nagapattinam – 1.28 lakh tonnes; Pudukottai – 29,535 tonnes and Cuddalore – 26,085 tonnes. The other districts – Ariyalur, Perambalur, Karur and Tiruchi- accounted for around 10,000 tonnes.

On the corresponding day (February 12) last year, 4.6 lakh tonnes were procured.

Non-Delta region

In respect of the non-Delta region, the procurement in Erode was about 29,700 tonnes and Kancheepuram – 12,132 tonnes. The total contribution of the non-delta region was nearly 69,400 tonnes.

The Civil Supplies Corporation has set up 1,355 district procurement centres, of which 1,222 are in the Delta region. Besides, cooperative societies have procured 3,226 tonnes.

Of the total 7.29 lakh tonnes procured, the share of Grade 'A' variety was around 80 per cent (5.91 lakh tonnes) and that of common variety 20 per cent (1.38 lakh tonnes).

Date:15/02/2011 **URL:** <http://www.thehindu.com/2011/02/15/stories/2011021565302000.htm>

Overall inflation eases marginally

It is too little to be comfortable, says Pranab Mukherjee

NEW DELHI: Overall inflation based on the wholesale price index (WPI) eased a tad to 8.23 per cent in January from 8.43 per cent in December 2010 owing to a marginal fall in the prices of sugar and wheat although fruit and vegetable prices continued to rule firm.

With the marginal fall in WPI numbers affording hardly any respite to the common man, Finance Minister Pranab Mukherjee described the decrease as “too little for him to be comfortable” even as he hoped that overall inflation would decline to 7 per cent by the end of the current fiscal.

“I am hoping that it [overall inflation] will be roughly around 7 per cent [by March-end],” Mr. Mukherjee said while noting that much, however, would depend on global developments and the way commodity prices, including crude oil, move in the international markets in the coming months.

The problem of high inflation, Mr. Mukherjee said, “continues to be challenging” for the government and even if the target of containing overall inflation at 7 per cent was achieved, it “is

still not good enough” and the fight against rising prices would continue. Considering that the Reserve Bank of India (RBI) had no option but to up its “comfort zone” for inflation to 7 per cent for 2010-11 from 5-6 per cent projected earlier, analysts feel that the apex bank is unlikely to ease its hawkish stance on key policy rates during the mid-quarterly monetary review on March 17.

Prime Minister's Economic Advisory Council (PMEAC) Chairman C. Rangarajan is of the view that further monetary tightening may be necessary to contain the inflationary pressures. “[The] RBI will have to take a view looking at level of inflation. It is still at an uncomfortably high level. Some action, continued action, by the RBI [to tighten monetary policy] may be required,” he said. The WPI headline inflation data for January has revealed that while sugar turned cheaper by 14.99 per cent, pulses by 12.78 per cent, wheat by 4.94 per cent and potatoes by 1.21 per cent on a year-on-year basis, vegetable prices remained higher by 65 per cent and onion prices were almost double. Alongside, fruits were dearer by 15.01 per cent, as were protein-based items such as eggs, meat and fish by 15.09 per cent. In a cautiously optimistic note, Mr. Mukherjee said: “Even though overall food inflation is a matter of concern, we must remember that we have come a long way from the peak...we still have some distance to go in controlling inflation.”

As for the ‘fuel and power’ category, the index surged by 11.41 per cent mainly owing to the prices of petrol soaring by 27.37 per cent on an annual basis. Overall, primary articles group became costly by 17.28 per cent, with food articles rising 15.65 per cent.

Meanwhile, the inflation number for November 2010 stands revised upwards at 8.08 per cent from its provisional estimate of 7.48 per cent.

Date:15/02/2011 **URL:** <http://www.thehindu.com/2011/02/15/stories/2011021561330300.htm>

Better price, yield bring cheer to coffee growers

A Correspondent



Better prospects: Migrant workers from Karnataka drying the harvested coffee in a drying yard at Irlam, near Pulpally, in Wayanad district.

KALPETTA: The increase in price of Robusta coffee, even during the harvesting season, and better yield has brought cheer to coffee growers in Wayanad.

The spot price of Robusta coffee in the Meenangadi market on Monday was Rs.52 to Rs.53 for a kilogram against Rs.36 to Rs.37 in February last. The price of Robusta coffee beans (cleaned coffee) spiralled up to Rs.94 to Rs.95 a kg against Rs.62 -64 a kg during the corresponding period last year.

Coffee production increased 20 to 25 per cent this year in the district as well as in the nearest coffee producing districts such as Kodagu in Karnataka and Gudalur region of the Nilgiri district in Tamil Nadu, K. Salu, a coffee dealer in Meenangadi said.

The post-monsoon estimation of the Coffee Board anticipated the yield from the region of 64,700 tonnes for Robusta as against 49,950 tonnes during the corresponding period last year.

Projected yield

As per data, the total production of Robusta coffee from the State was projected at 64,700 tonnes, including 7,200 tonnes from the Travancore region and 1,400 tonnes from Nelliampathi.

According to the data last year, the anticipated production from the State was 57,855 tonnes.

Rise in input cost

The production and price of the coffee have increased marginally this year, but the input cost, including labour charge, fertilizer and farming implements, also increased manifold, Prasanth Rajesh, secretary of the Coffee Growers Association, Wayanad, said.

During the harvest season, there normally is inflow of migrant workers from the neighbouring district of Chamarajnagar in Karnataka owing to better wages in the district, he said. But the trend has decreased considerably after the implementation of the Mahatma Gandhi National Rural Employment Act (MGNREGA) and better prices for their produces in that State, Mr. Prasanth said.

Dearth of workers

Many coffee farmers could not take up work in their plantations on time owing to dearth of workers, he added.

Works such as land scuffling and cover digging to curb weed growth in the coffee plantations much less now. Instead the application of harmful herbicides such as Round Up and Gramaxone has increased considerably in the district.

Date:15/02/2011 **URL:** <http://www.thehindu.com/2011/02/15/stories/2011021559010300.htm>

Support price for areca sought

Correspondent

SIRSI: The fluctuating prices of arecanut in the market had pushed the growers in Uttara Kannada district into distress. The support price of Rs. 148 for red areca and Rs. 114 for white areca per kg was sought by Union Government as per the study report by Areca Research Committee and Rs.10,000 crore should be set aside in the budget, said Totgars Sale Society (TSS) president Shantaram Hegde Shigehalli.

He told presspersons here on Saturday that although areca was not harmful to health, a lobby was working against areca whenever there was good price in the market. Ban on the use of plastic pouch for packing gutka had a grim effect on areca market. A panel comprising representatives of TSS, Campco and Mamcos would meet Union Law Minister M. Veerappa Moily, Union Health Minister Gulam Nabi Azad and Commerce Minister Anand Sharma in this connection soon, he said.

Date:15/02/2011 URL: <http://www.thehindu.com/2011/02/15/stories/2011021560470300.htm>

Farmers ask Pawar to step down

Staff Correspondent

His opposition to agriculture budget plan termed anti-farmer

Protesters say frequent fuel price hike has hit common man hard All farm loans pending since 2000 should be waived: agitators



INDIGNANT:Members of the Karnataka Rajya Raitha Sangha and Hasiru Sene staging a protest in Chitradurga on Monday.

Chitradurga: Members of the Karnataka Rajya Raitha Sangha and the Hasiru Sene have demanded the resignation of Union Agriculture Minister Sharad Pawar for his reported opposition to agriculture budget plan.

Describing the stance taken by Mr. Pawar as anti-farmer, the members of the two organisations staged a protest in front of the Railway office here on Monday. Both State and Union Governments should introduce separate agriculture budgets on the lines of the Railway Budget, they said seeking fulfilment of various other demands for the betterment of farming community.

Fuel price

The frequent rise in fuel prices was putting excessive burden on the common people, they said urging the Government to rollback the latest hike.

The Government should fix scientific prices for agriculture produce to help the farming community sustain the losses due to fall in prices.

Farm loans taken from the banks from 2000 onwards should be waived and the Government should clear the loans taken by farmers from cooperative banks and private financiers.

The lending process in banks should be made simplified, they said. Accusing the Government of delaying the release of compensation to farmers who had lost the crops such as ragi, groundnut, cotton and onion, the protesters demanded immediate release of funds for the same.

Compensation

The Government should increase the compensation being paid to the families of farmers who had committed suicide from the present Rs. 1 lakh to Rs. 10 lakh and also clear the loans taken by such farmers. This would help the bereaved families recover from their poor economic conditions, they said.

They urged the Government to instruct various banks not to serve notices on farmers for repayment of loans.

Maharaja's College harvests paddy

Staff Reporter

KOCHI: Students of the Maharaja's College reaped the grains of their hard work when they participated in the harvest festival held on the campus here on Monday.

District Collector M. Beena joined hands with the proud farmers during the harvest of the paddy they had cultivated in a tiny land on the campus filled with marshy soil.

Encouraging the students to take up such innovative programmes, Dr. Beena pointed out that other educational institutions could emulate the Maharaja's model aimed at creating awareness among the student community about the importance of paddy cultivation.

Principal M. S. Viswambharan said that about 200 students had participated in the paddy sowing process initiated by the Department of Botany on the campus in October last year. He said that the programme was successful in generating awareness on paddy cultivation and other related agricultural activities. The college will continue to support such green programmes on the campus, Prof. Viswambharan said.

Describing the paddy cultivation programme as part of the educational process undertaken by the students, P. N. Rajamma, Head of the Department of Botany, said that the involvement of students in the entire process provided them a hands-on experience about farming.

Price of 'Nandini' milk increased

Packets carrying old prices to be used till socks last Price of homogenised cow's milk now Rs. 22

MANGALORE: Dakshina Kannada Cooperative Milk Union Limited (DKMUL) has revised the prices of "Nandini" brand of milk, buttermilk and curds with effect from Tuesday. Revised rates for a litre of toned milk and a litre of homogenised cow milk will be Rs. 22 and Rs. 24 respectively. Shubham brand milk will cost Rs. 13.50 per half litre.

A 200 gm curds pack will cost Rs. 7 while the half litre pack will cost Rs. 14. The 6 kg jumbo pack will cost Rs. 162.

Masala butter milk (200 ml) will cost Rs. 6 per 200 gm and

Date:15/02/2011 **URL:** <http://www.thehindu.com/2011/02/15/stories/2011021559620300.htm>

Food processing centre opened at KVK

Staff Reporter

PATHANAMTHITTA: P.J. Kurien, MP, inaugurated an agriculture produce processing centre at the Krishi Vigyan Kendra (KVK), attached to the Christian Agency for Rural Development (CARD), at Thelliyoor in Pathanamthitta district on Monday.

P.C. Robert, KVK programme co-ordinator, said the centre had been opened as part of the food security programme of the State government.

Trophy

Joseph M. Puthusserry, MLA, presented the Joseph Mar Thoma ever-rolling trophy to Edappariyatom SNDP High School for its bio-diversity conservation and food security initiatives.

Date:15/02/2011 **URL:** <http://www.thehindu.com/2011/02/15/stories/2011021550510200.htm>

Matsyafed to produce fishnets in Kannur

Special Correspondent

Thiruvananthapuram: The Kerala State Cooperative Federation for Fisheries Development (Matsyafed) is setting up a factory at Azheekkal in Kannur to cater to the huge demand for fishnets in north Kerala and reduce the dependence on neighbouring States.

The Kannur net factory has an annual capacity of 525 tonnes. The project is being implemented with an investment of Rs.18.5 crore, of which Rs.10 crore is a soft loan from the National Fishery Development Board. The State government has sanctioned Rs.8.5 crore as grant for the project, which is expected to generate 400 jobs including direct employment for 150.

25 imported machines

The production from the factory will augment the fishnet production in the State by 20 per cent and take Matsyafed's share of the total market to 40 per cent. The new factory is equipped with 25 machines, all imported from Japan.

Matsyafed Managing Director P. Kesavan Nair said on Monday that the new factory would minimise the need for fish workers to import nets from neighbouring States. "They are often forced to buy inferior nets at exorbitant prices. Being the most preferred brand, Matsyafed nets have a supply backlog of nine months. The Kannur factory will primarily cater to fish workers in Kasaragod, Kannur, Kozhikode and Malappuram."

The factory can produce nylon multifilament, monofilament and high-density polyethylene nets for the traditional and mechanised fishing sectors.

It is equipped to manufacture nets for other activities such as sports, agriculture, fencing, bird protection and covering for open wells. The factory also has a quality control system.

Jobs

Mr. Kesavan Nair said local fishermen would be given jobs for unskilled works at the factory. "Our net factory in Ernakulam works 364 days a year. The productivity-linked wage system has ensured that there is no strike. Even though the unit has two trade unions, it operates without any loss of man days," he said. "The same system will be introduced in the Kannur factory to ensure better productivity and better returns for the workers."

Mr. Kesavan Nair said a new system of machine management would ensure maximum utilisation of manpower. Fisheries Minister S. Sarma is scheduled to inaugurate the factory on February 20.

Date: 15/02/2011 URL: <http://www.thehindu.com/2011/02/15/stories/2011021560130300.htm>

Plea to make dairy farming profitable

Milma board approves N.R. Unnithan panel report Restrictions on Milma milk distribution to continue

Thiruvananthapuram: The director board of the Kerala Cooperative Milk Marketing Federation (Milma), which met here on Monday, urged the government to ensure that dairy farming was remunerative for farmers.

The meeting approved the report of the N.R. Unnithan committee which studied the problems of dairy farmers.

Citing the report, Milma chairman P.T. Gopala Kurup said a farmer incurred an expense of Rs.29.22 on producing a litre of milk during summer and Rs.25.67 during the monsoon.

However, the farmer received less than Rs.20 from selling a litre of milk. This, according to the report, was responsible for farmers leaving the job in search of more profitable ventures.

Mr. Kurup said the situation had led to the scarcity of milk in Kerala. "The only solution is to ensure that the dairy farmer gets a decent remuneration for the milk produced at his unit. It is up to the government to devise a strategy and initiate action. The director board today decided to submit the report for the consideration of the government."

The meeting was convened to discuss the situation arising out of the shortage of milk due to the fall in domestic procurement and the shortfall in arrival of milk from neighbouring States.

Against a daily sale of 11.7 lakh litres, the domestic procurement is less than 6,00,000 litres. The shortage was being plugged by procurement from Karnataka, Tamil Nadu and Maharashtra.

Mr. Kurup said the effect of a week-long agitation by dairy farmers in Tamil Nadu and a sharp decrease in production in Karnataka had caused acute shortage of milk in Kerala. "We have no alternative but to continue the restrictions on distribution," he said.

Efforts were on to procure milk from private dairies in neighbouring States. Tenders have been invited and the supply is expected to start soon, he said.

Date:15/02/2011 URL:

<http://www.thehindu.com/2011/02/15/stories/2011021550730300.htm>

Dairy farmers' plea

Special Correspondent

Udhagamandalam: Dairy farmers here have urged Chief Minister M. Karunanidhi to redress their grievances.

In a letter sent to the Chief Minister on Monday, the members of the Nilgiris District Milk Suppliers Welfare Association regretted that a memorandum submitted to the government was yet to evoke a response. Their main demand was that the procurement price should be hiked.

They also alleged that the Nilgiris District Cooperative Milk Producers Union was targeting a few of its employees for the actions of the dairy farmers.

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New Delhi, February 14, 2011

First Published: 12:09 IST(14/2/2011)

Last Updated: 15:21 IST(14/2/2011)

Inflation eases in Jan, rate rise seen

Country's inflation eased less than expected in January to 8.23%, holding well above the central bank's comfort zone and reinforcing expectations it will raise interest rates at its March policy review.

India suffers from the highest inflation of any major Asian economy even after seven rates rises in a year and analysts doubt a 7% target for the end of March set by the Reserve Bank of India can be reached when price pressures are spreading from food and fuel deeper into the economy.

The wholesale price index (WPI), the country's main inflation gauge, rose in the year through January more than the 8.05 percent forecast in a Reuters poll. But the rise was weaker than an 8.43% increase in December's data.

"This is still a very elevated level and above consensus," said Dariusz Kowalczyk, senior economist and strategist at Credit Agricole CIB in Hong Kong.

"We are not convinced that inflation will decline as the RBI is projecting and more tightening from RBI (the central bank) is likely during the course of the year to control inflation expectations."

Global food prices are at record highs and crude oil is on the rise, while India's poor infrastructure and low agricultural productivity add to inflationary pressures.

Wholesale food prices jumped 15.7% in January compared with 13.6% in December, leading to fears that food inflation was leading to sustained price rises in other sectors of the \$1.3 trillion economy.

One-year and five-year swap rates rose 2 basis after the price data.

The government is increasingly worried high inflation could eat into growth by denting investor confidence. A lack of progress on economic reforms and a telecoms corruption scandal that has weakened the ruling coalition also weigh on business sentiment.

High food prices also pose a political challenge, drawing voter ire ahead of state elections later in 2011 that will help determine the strength of the ruling coalition for the rest of its term.

A Times of India poll on Sunday showed that high inflation had eroded household budgets of many Indians and that many voters believed the government had not done enough to tame rising prices.

The central bank said in 2010 that it would be comfortable with inflation between 5% and 6%. But it raised its forecast for the end of the current fiscal year to 7% after its last policy meeting in January. Analysts saw the move that followed an interest rate increase as a sign that the central bank would raise rates again, especially given that even the increased forecast looks doubtful.

They say pressures from food and energy inflation are spilling over to other sectors of the economy, such as manufacturing that is running at close to capacity.

"The strength of inflationary pressures is visible from the fact that despite significantly high statistical base effect... headline inflation just eased by about 20 bps, " said Gaurav Kapur, senior economist with the Royal Bank of Scotland.

"This was in part due to a 0.8% month-on-month jump in manufactured products inflation, where all key categories saw rising prices."

Asia's third largest economy is expected to grow 8.6% in the current fiscal year that ends in March, but a dip in industrial output growth to a 20-month low in December, added to fears that the economy could lose momentum.

Some economists blamed a high statistical base effect for the weak result. Others, however, warned of a scenario where limited capacity hampered growth while adding to inflation, fuelled in part by credit growth of around 23%.

Adding strains to the economy, the current account deficit is projected at 3% of GDP in this fiscal year to the end of March, a pace some policy advisers say is not sustainable.

<http://www.hindustantimes.com/StoryPage/Print/662146.aspx>

New Delhi, February 14, 2011

First Published: 13:27 IST(14/2/2011)

Last Updated: 13:29 IST(14/2/2011)

Inflation to decline to 7% by March: Pranab

With marginal decline in rate of price rise in January, finance minister Pranab Mukherjee today expressed hope that the overall inflation will come down to 7% by March end.

"I am hoping that it (inflation) would be roughly around 7% (by March end). I hope so. But I cannot firmly commit it," Mukherjee told reporters in New Delhi.

The overall inflation has shown a marginal decline to 8.23% in January, from 8.43% in the previous month.

The finance minister, however, said the inflation numbers in the coming months would depend on global developments and the way the commodity prices move in the global markets.

When asked about the impact of likely wheat crop failure in China, he said the government was not aware of the substance of the reports although the wheat prices are already firming up in the global market.

"Already there is a firming up of wheat, food prices in global market", he said.

However, in India the wheat prices declined by 4.94% in January over the same month last year.

Mukherjee attributed the decline in January inflation to monthly variations and said the fall was on expected lines.

"Don't go by the weekly fluctuation or monthly fluctuations. This was expected. It is nothing unusual," he said.

<http://www.hindustantimes.com/StoryPage/Print/662175.aspx>

Weather

Chennai - INDIA

Today's Weather



Clear

Tuesday, Feb 15

Max Min

31° | 19.7°

Rain: 00 mm in 24hrs

Humidity: 70%

Wind: Normal

Sunrise: 6:32

Sunset: 18:14

Barometer: 1010.0

Tomorrow's Forecast



Cloudy

Wednesday, Feb 16

Max Min

31° | 18°

Extended Forecast for a week

Thursday

Feb 17



28° | 21°

Cloudy

Friday

Feb 18



28° | 24°

Rainy

Saturday

Feb 19



30° | 24°

Rainy

Sunday

Feb 20



29° | 24°

Cloudy

Monday

Feb 21



28° | 21°

Cloudy

THE TIMES OF INDIA

Fertilizers up 15%, farm worry for govt

Subodh Ghildiyal, TNN, Feb 15, 2011, 01.43am IST

NEW DELHI: Just when UPA is under the hammer over food inflation, Union minister M K Alagiri has sounded alarm over shooting fertiliser prices under the Nutrient-Based Subsidy (NBS), saying the policy introduced last budget was hurting the poor farmer.

He said the experience of NBS in the fertiliser sector should halt the proposed price decontrol in the urea sector.

The DMK minister argued that urea was the most used fertiliser and decontrol of urea prices and a resultant spike would hurt 75% farmers who were small and marginal.

Alagiri had opposed the switch to NBS, but was disregarded. However, his red flag against urea decontrol may get more attention because of the rising food prices. A jump in urea prices will hurt farmers who helped Congress in the last Lok Sabha elections, and can add to the rising food prices.

In his letter to Prime Minister Manmohan Singh last week on urea decontrol, Alagiri had reminded him of his failed opposition to introduction of nutrient-linked subsidy for fertilisers.

An expert committee under Planning Commission member Saumitra Chaudhuri is examining the urea issue, but the final decision will be shaped more by the coalition leadership's political assessment.

The NBS regime which frees the fertiliser price and fixes the subsidy based on constituents of phosphatic and potassic fertilisers kicked in after finance minister Pranab Mukherjee plumped in its favour. Five of the seven ministers including Alagiri in the Mukherjee-chaired Group of Ministers had opposed it. Even the cabinet meeting just before the budget 2010 which cleared the policy saw an extended debate with widespread concerns.

The government had dismissed fears of price rise by citing a commitment from the fertiliser

industry that it would freeze the MRP for one year.

Ten months later, as Centre mulls extension of NBS to the urea sector, Alagiri has pressed the alarm button by writing to the PM and finance minister Mukherjee.

He told the PM that farmgate prices of P&K fertilisers have shot up by 15% or Rs 75 per bag of DAP fertiliser. His concern is while farmers have not benefitted, government too is losing with increasing subsidy bill. Holding up a warning sign, he said the departmental feedback indicated that fertilisers prices would increase further in the coming Kharif season.

For the son of Tamil Nadu chief minister M Karunanidhi with leadership stakes in April polls, the concern revolves around DMK's rivals blaming him for the policy under his charge in the Union fertilisers ministry.

While NBS for fertilisers seems unshakeable now, Alagiri has trained his guns on the regime's extension to urea. The Department of Fertilisers has demanded that New Pricing Scheme which expired in March should be extended for three years to give time for transition. Sources said Alagiri told the PM that the vacuum on pricing policy following expiry of the current one has triggered financial crunch in urea units, specially in southern states, and new investments over Rs 50,000 crore were on hold.

The alarm from the fertiliser minister over shooting prices may not be comfortable for Congress which is under attack for sustained food inflation. If the opposition makes it an issue, it can turn the tables on the party in rural areas, pockets that DMK is looking to gain in riding on the welfare schemes of the Karunanidhi regime.

Tue, Feb 15, 2011 | Updated 07.53AM IST

15 Feb, 2011, 12.58AM IST, Sutanuka Ghosal,ET Bureau

Punjab farmers to ship 5K tonne potato to Russia

KOLKATA: Potato growers in Jalandhar have inked a deal with Russian businessmen to export the tuber. The first consignment is expected to leave Jalandhar on February 17 and the total contract size of export is of 5,000 tonne. This is for the first time India will be exporting potatoes

to Russia which is facing a supply shortage. Punjab growers are also in talks with the Arab world for exporting the vegetable to Iran, Iraq and Dubai. Bengal farmers are looking at opportunities to ship potatoes to countries like Malaysia, Singapore, Sri Lanka and Bangladesh.

“The Confederation of Potato Seed Farmers (Poscon) will be sending some 5,000 tonne of potatoes to Russia. Russian buyers had shown interest for Indian potatoes and we have decided to export potatoes there based on their interest. Russia is completely a new destination for us and we have to see how business unfolds there before we commit to send larger volumes. Talks are also on with Arab countries as well,” said Inderjit Singh of JS Farms.

There has been a massive shortage of potato in Russia due to a low yield caused by extreme temperatures. The Russian ministry of agriculture has reported that production last year was 22 million tonne compared to 31 million tonne in 2009. Traders from Pakistan too are trying to export potatoes to Russia. Pakistan’s total potato production is estimated to be 2.8 million tonne per annum, of which 1.5 million tonne is consumed locally, allowing up to 1.3 million tonne for exports.

Potato growers of Jalandhar pointed out that the prevailing rates in the market do not even cover their cost. “Our total cost, including input and transportation involved in potato production, is worked out at `3 a kg while the current rates are ruling at lower than that,” said a potato grower, who grows the crop on his own land. The problems for big growers, who cultivate on leased land, are compounded by the fact that they are losing out over `3 per kg at the current rates. “Our break-even is at `6 per kg because of a higher cost involved in getting land on lease and quality input,” said a large potato grower.

The Punjab Agricultural University, in its latest report, has predicted a low rate of `2.5-3 per kg for potato in the next two months. Seeking the intervention of the state government, potato growers have demanded the introduction of freight subsidy on the transportation of the crop for exports and to other states. Punjab this season grew potato on 84,000 hectare and expects an

output of 22 lakh tonne. The tuber is sown in October and its harvesting begins in January, which goes on till end of March or first week of April.

Bengal is expecting a 90-95 lakh tonne production this year. Sanatan Santra, Progressive Potato Traders Association president, said: "We have submitted a proposal to the Bengal government to export our production to Sri Lanka and Bangladesh to begin with. Later, we can try our luck in other countries as well."

15 Feb, 2011, 12.50AM IST, PK Krishnakumar,ET Bureau

Coconut exports surge on poor Lankan output

KOCHI: India is reaping the benefits of a slump in coconut exports from Sri Lanka. An unprecedented export demand from the Gulf and other Asian countries has led to the entry of more players into India's export sector. " Sri Lanka has imposed a ban on the export of coconuts, possibly to control the local prices of the product. As a result, the global focus has shifted to Indian coconuts which are superior in quality," said Kamlesh Shah, proprietor of the Mumbai-based agro commodities exporter Kunal Corporation, which has started exporting coconuts from this season.

In fact, the Coconut Development Board (CDB) has received over 20 additions to its list of registered exporters. Clearly, major export houses engaged in the shipment of various commodities are finding coconut export a lucrative business, said a CDB official. Sri Lanka has been the main competitor to India in the export of coconut and its products. But exports from Lanka have been hit by a sharp shortfall in production. And Sri Lanka's loss has turned out to be India's gain.

Exporters have not been hampered by the fact that the unusual demand and a poor production in major producing states such as Kerala have lifted the prices of coconut and its chief products, copra and coconut oil, to historic highs.

“We have been sourcing coconuts at a rate of Rs 13.50 or more for a nut, which is at least Rs 4 to Rs 5 higher than the previous year,” pointed out Sajith, general manager of Fair Exports India, which supplies coconuts to the Lulu supermarkets in the Gulf countries. “We buy large coconuts weighing 500 gram or more and sell it in the shredded form for use in curries. We require over 1 crore nuts a year. Despite the close of the Pongal and Sabarimala pilgrimage season, we are finding it difficult,” he said.



Inflation to decline to 7 percent by March: Pranab

February 15, 2011 10:58:27 AM

PTI | New Delhi

With marginal decline in rate of price rise in January, Finance Minister Pranab Mukherjee today expressed hope that the overall inflation will come down to 7 per cent by March end.



"I am hoping that it (inflation) would be roughly around 7 per cent (by March end). I hope so. But I cannot firmly commit it," Mukherjee told reporters here.

The overall inflation has shown a marginal decline to 8.23 per cent in January, from 8.43 per

cent in the previous month.

The Finance Minister, however, said the inflation numbers in the coming months would depend on global developments and the way the commodity prices move in the global markets.

When asked about the impact of likely wheat crop failure in China, he said the government was not aware of the substance of the reports although the wheat prices are already firming up in the global market.

"Already there is a firming up of wheat, food prices in global market", he said.

However, in India the wheat prices declined by 4.94 per cent in January over the same month last year.

Mukherjee attributed the decline in January inflation to monthly variations and said the fall was on expected lines. "Don't go by the weekly fluctuation or monthly fluctuations. This was expected. It is nothing unusual," he said.

Inflation dips to 8.23% in January

February 15, 2011 11:02:00 AM

PNS | New Delhi

Inflation may not dip to the policymakers' consensus projection of 7 per cent by March 2011, even as January figure shows a marginal decline to 8.23 per cent from 8.43 in December.

"I am hoping that it (inflation) would be roughly around 7 per cent (by March end). I hope so. But I cannot firmly commit it," Finance Minister Pranab Mukherjee said.

Experts, however, feel that inflation is still above the Reserve Bank's comfort level of 5-6 per cent and the central bank may further raise the key policy interest rates in its mid-quarterly review on March 17.

According to the inflation data for January based on movement in the wholesale prices, sugar became cheaper by 14.99 per cent followed by pulses (12.78 per cent), wheat (4.94 per cent) and potato (1.21 per cent) on a year on year period.

The declining inflation, however, will not bring much relief to the common man as prices of several essential kitchen items including vegetables, fruits and milk have continued to remain firm.

Vegetable prices rose by 65 per cent, and onion prices nearly doubled. Fruits became costlier by 15.01 per cent and egg, meat and fish by 15.09 per cent.

Prices of "fuel and power" shot up by 11.41 per cent, with petrol rising 27.37 per cent on an year-on-year basis. These items may become more expensive, once domestic prices are raised in line with the rising crude oil prices in international market.

Crude oil prices have surpassed \$100 per barrel, the highest in the past two years.

India has been fighting a stubbornly high inflation, which has remained above 8 per cent since January 2010.

The inflation figure for November stands revised up to 8.08 per cent, from initial estimates of 7.48 per cent.

Prime Minister's Economic Advisory Council Chairman CRangarajan said, "RBI will have to take

a view looking at level of inflation. It is still at an uncomfortably high level. Some action, continued action, by the RBI (to tighten monetary policy) may be required.”

Overall, primary articles group became costly by 17.28 per cent, with food articles rising 15.65 per cent.

In the non-food articles category, fibre prices rose by 48 per cent on an annual basis.

“We expect headline inflation to moderate to 7.7 per cent by March once the impact of food supply shocks eases,” said Citi economists Rohini Malkani and Anushka Shah.

However, economists say the decline in manufactured products inflation is a welcome sign, which fell to 3.8 per cent from 4.5 per cent in December.

“This is encouraging given that in its recent policy, the RBI had expressed concern that this index remained ‘significantly above its medium-term trend of 4%’. However, we could see higher oil prices having some pass-through effect on manufactured products going forward, particularly given the de-regulation of some fuels,” Citi economists added.

CM: Draw plan to ensure benefits to farmers

February 15, 2011 11:02:41 AM

Chief Minister Shivraj Singh Chouhan has instructed officers to chalk out an integrated agriculture development scheme to ensure benefits to the farmers from time to time, making agriculture a profitable proposition. He asked the officers concerned to ensure that funds available under various agriculture schemes and projects are well spent in the larger interest of the farmers.

Chouhan was reviewing schemes of Agriculture Development and Farmers' Welfare

Department at Mantralaya here on Monday.

Chouhan directed the concerning authorities to chalk out district-wise agriculture plans considering crop diversity and cattle density saying a comprehensive State Agriculture Plan would be drawn out on the basis of district plans.

He instructed the concerned officers to have a meeting of related departments, including finance and planning, resolve inter-departmental issues and finalise State Agriculture Plan.

Referring to sporadic complaints about sale of substandard seeds and fertilisers, the Chief Minister asked the officers to launch a campaign for preventing the sale of substandard seeds and fertilisers. He said the sale of poor quality seeds and fertilisers will not be allowed in the State at any cost and strict action would be taken against those involved in the sale of adulterated seeds. The companies will have to face legal action and if needed fresh laws could also be made for rigorous punishment to such companies. It was informed that FIRs have been lodged against some companies and licences have been cancelled.

To make the National Agriculture Crop Insurance scheme effective and remove anomalies in implementation, the Chief Minister asked the officers to organise a national level workshop in Bhopal. He said subject specialists and farm policy analysts would be invited to take part in the workshop and suggest an alternative scheme.

The Chief Minister laid emphasis on spending budget under various agriculture schemes constructively and timely so that farmers get maximum benefits.

He said by the end of every financial year, 100 per cent expenditure should be ensured. He asked them to focus attention on allied sectors like fisheries, horticulture, food processing and animal husbandry.

Permanent power connection for agri pump on anvil

February 15, 2011 11:02:49 AM

Staff Reporter | Bhopal

Chief Minister Shivraj Singh Chouhan has asked officials concerned to plan a scheme for giving permanent electricity connection for agriculture pump sets considering demand for last three-four months. He stressed on gradually discontinuing the practice of giving provisional connections. He was reviewing plans of the Energy Department at Mantralaya on Monday.

The CM gave instructions to ensure four-hour power supply in rural areas from 6.00 pm to 12.00 midnight in view of school examinations. He instructed them to review situation in the first week of March in view of decreasing demand in agriculture works and extend the period.

Chouhan gave instructions to set up transformers' bank at divisional level to replace defunct or burnt transformers without delay. He expressed displeasure over inordinate delay in replacing non-functioning transformers. He said the complaints regarding nonfunctioning of transformers should be taken seriously and every day disposal of complaints should be monitored.

Chouhan said improve capacity of overloaded transformers and keep a tab on the maintenance work at sub-centres. Electricity-related problem-solving camps should be organised on the days of weekly haats so that the farmers' problems regarding power supply could be easily solved. He gave instructions regarding this to the power distribution companies. The farmers with permanent and provisional connections have received heavy bills should not be brought under Section 135 holding them responsible for power theft. If such farmers deposit 20 per cent of bill amount, their cases should be settled.

Business Standard

Tuesday, Feb 15, 2011

Veg oil imports decline 17% in January

BS Reporter / Mumbai February 15, 2011, 0:35 IST

Vegetable oil import declined 17 per cent in January due to higher availability from domestic sources. Local mills intensified crushing of oilseeds on increased parity compared to the same period last year.

Data compiled by the apex trade body the Solvent Extractors' Association (SEA) showed that total vegetable oil imports were 721,197 tonnes as compared to 872,395 tonnes in the same of the previous year.

Total import of vegetable oil during the first three months of the current oil year (November-October), however, reported a decline of 11 per cent at 2.14 million tonnes from 2.41 million tonnes in the comparable period a year ago.

Trade sources believe that increased oilseed output and recovery in edible oil prices have helped higher realisation for crushing mills' output this year.

Between November 2010 and January 2011, total import of RBD palmolein was down by three per cent at 297,417 tonnes as compared to 382,136 tonnes in the same period of last year. Share of refined oil was 14 per cent, while crude oil was 86 per cent and reported at 1.78 million tonnes versus 1.92 million tonnes in the corresponding period of previous year.

Import of palm oil was recorded at 1.72 million tonnes as compared to 1.86 million tonnes during the same period of last year. Soft oils import slumped to 353,508 tonnes versus 436,013 tonnes in the first quarter of the current oil year.

A SEA statement estimates total stock of edible oils as on February 1 at various ports at 695,000 tonnes (CPO 430,000 tonnes, RBD palmolein 100,000 tonnes, degummed soybean oil

100,000 tonnes and crude sunflower oil at 65,000 tonnes) and about 850,000 tonnes in the pipelines.

Total stock both at ports and in pipelines, therefore, was estimated at 1.55 million tonnes as compared to 1.45 million tonnes as on January 1, 2011.

Natural rubber prices hit record on supply crunch

George Joseph / Kochi February 15, 2011, 0:33 IST

The price of natural rubber (NR) today shot up to Rs 237 a kg due to serious supply crunch in the market. The price of benchmark grade RSS-4 may soon reach a new record of Rs 250 a kg, according to leading stockists here. Since the summer season is on the anvil, the production would fall in March-May, hence prices may rise further.

According to Kochi-based dealers, though the Rubber Board data projects a stock of 327,115 tonnes, the market is facing serious shortage even at very high prices. According to their estimates, the total stock in the country might be below 100,000 tonnes.



“If the market is having a stock of more than 300,000 tonnes, prices would not have increased to the current level. Traders all over Kerala are trying very hard to get big quantity of rubber for supplying to leading tyre producers,” said a leading Kochi-based trader. So, the Rubber Board data on stock is simply inflated, he added.

Sources at the Automotive Tyre Manufacturers Association (Atma) said the figure given by the board is exaggerated by 50-60 per cent as the local supply was low in recent times. He told Business Standard that while the stock in all leading rubber producing countries is decreasing, it is increasing sharply in India every month.

If the board's estimates are correct the country is having a stock of 38.5 per cent of its total annual production. Even if the carryover stock and imports are added, this is a misleading figure which may influence government decisions, he added.

Meanwhile, shortage of labourers has affected tapping of rubber trees in many places. A large number of plantations, even small and medium sizes, are now engaging workers from outside Kerala to tap plantations. But their inexperience is a concern as tapping needs skill that can be evolved through years of experience. Wrong way of tapping would affect the production of latex and health of the trees.

The global market is also appreciating and Bangkok market today quoted Rs 288 a kg for RSS-4 variety. The rubber production across the globe would be low in most of the producing countries during summer season. So, market sources foresee further increase in prices during the next two-three months as the demand is increasing sharply.

In January, the total production was 98,800 tonnes, which is expected to fall below 70,000 tonnes this month and for the next three months production might be 50,000-60,000 tonnes.

Online trading for farm produce gets nod

BS Reporter / Chennai February 15, 2011, 0:32 IST

The Andhra Pradesh cabinet on Monday decided to allow e-trading spot exchange for agricultural commodities by amending the Marketing Act. The government proposes to give licence to the National Spot Exchange to operate in the state as an online trading platform between farmers and traders. This will also provide a choice to farmers to either sell their produce at conventional agricultural markets or through e-trading exchange.

The government expects online trading to give farmers an exposure to the nationwide market along with better access to information on prices across the country. "Farmers can quote price for their produce on the online trading platform where traders, corporate firms and importers will compete to buy the commodity. This way, the role of intermediaries is expected to come down in deciding the price of agricultural commodities," K R Kishore, principal secretary —marketing department, said in a release.

Food ministry to seek nod for sugar export

Ajay Modi / New Delhi February 14, 2011, 0:31 IST

Under pressure from various quarters and buoyed by higher estimates of sugarcane production, the food ministry is now set to fast-track the process of seeking sugar export approval from an empowered group of ministers headed by Finance Minister Pranab Mukherjee.

“I have got requests from the Maharashtra Chief Minister (Prithviraj Chavan) and some sugarcane societies to allow exports. The ministry will prepare a proposal by Tuesday and it will be put before the EGoM,” Minister for Food and Consumer Affairs K V Thomas told Business Standard.

The decision to expedite the proposal comes on the back of a revision in cane production estimates last week. The second advance estimates of farm production released by the agriculture ministry last week peg cane output for the current season at 336.7 million tonnes, 11.8 million tonnes higher than the first advance estimates.

In December, the food ministry, headed then by Sharad Pawar, decided to allow the export of 500,000 tonnes of sugar. Following that, a notification was issued on January 1 to allow 500,000 tonnes of sugar exports under the open general licence, as the government’s sugar production estimate of 24 million tonnes was seen adequate (though various sugar bodies have been estimating an even higher output of 25 million tonnes).

However, surging food inflation caused the government to route the export decision through an EGoM. The food ministry, whose charge had by then gone from Pawar to Thomas, acted extra-cautious and decided to wait for more data on sugarcane and sugar output before taking the proposal to the EGoM.

While the government’s estimate of 24 million tonnes was pegged on a sugarcane crop of 324.9 million tonnes, the new data call for a revision in the sugar estimate by at least a million tonnes.

The sugar industry had been pressing for the opening of exports. While the December decision has improved the sentiment in sugar trade, the January decision caused panic and prices fell Rs 150-200 a quintal.

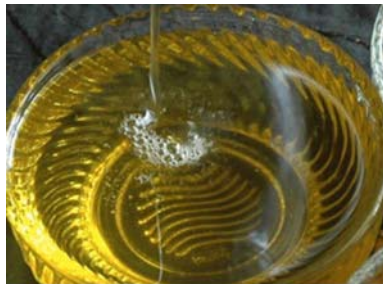
“Given the higher sugarcane availability, which will translate into higher sugar production, the earlier decision of allowing 500,000 tonnes of exports should be implemented. Prices have been falling and most mills have been selling at a loss for the last two weeks,” said Abinash Verma, director-general, Indian Sugar Mills Association.

Since the next year is also certain to be a surplus year, the opening stock of five million tonnes should be more than adequate, according to Sharma. This would leave a clear surplus of 1.8 million tonnes, of which the country could comfortably export over a million tonnes during the current year.

The government should allow exports immediately, as the viability would come down after April, he said. “At present, Indian mills have an opportunity to realise Rs 5,000-6,000 a tonne higher on exports,” he added.

THE HINDU Business Line

Palmolein drops on resale pressure



Mumbai, Feb. 14:

Edible oil prices in Mumbai market remained unchanged on Monday, for most of the oils, on lack of local demand and weak reports from upcountry and foreign markets.

Resale selling pressure and offers from refineries at lower prices weighed on sentiment, and resulted in a decline of Rs 7 in palmolein.

thin volume

Other edible oils ruled unchanged. In palmolein, fresh buying in ready was need-based. The volume was thin and sentiment was weak.

The Malaysian market closed lower on the expectation of fall of exports for February 1-15 and investors booked profit after sharp gains in the last seven trading days.

Market sources said that on Monday, only 50-60 tonnes of palmolein were traded in re-sale in the range of Rs 602-603 in the Mumbai market.

Direct refineries were quoting higher rates. For indigenous oils, there were no buyers.

In the Rajkot market, groundnut oil was Rs 1,165 (Rs 1,165) for *Telia* tin and Rs 755 (Rs 755) for loose 10 kg.

In Mumbai, Liberty was quoting palmolein at Rs 618-620, Ruchi was quoting palmolein at Rs 610-612, soya refined oil at Rs 630, and sunflower refined oil at Rs 700.

Allana's was quoting palmolein at Rs 620 and Bhogi Group at Rs 605.

Malaysia's CPO futures - NBOT futures: Malaysia's crude palm oil March contracts closed at MYR 3,967 (3,970) and April at 3,933 (3,955) MYR.

Mumbai commodity exchange spot rate (Rs/10 kg): Groundnut oil 765 (765), soya refined oil 630 (630), sunflower expeller refined 670 (675), sunflower refined 715 (715), rapeseed refined oil 655 (655), rapeseed expeller refined 625 (625), cotton refined oil 625 (625) and palmolein was 605 (612).

Nandini milk, curd prices up Rs 2

Bangalore, Feb.14:

The Karnataka Milk Federation announced on Monday a hike in the selling price of Nandini milk variants and curd by Rs 2. KMF said the hike was "in keeping with the interest of the milk

producing farmers of the state and to meet the increased cost of milk production at farmers' level." The revised price of milk variants will be effective from Tuesday, a release said.

The revision will be Rs 2 per litre for all milk variants and Rs 2 per kg for Nandini curds. Nandini Milk sold by Member Milk Unions throughout the state has also been revised at Rs 2 per litre from the present selling price.

The MRP printed on milk sachet film will continue till the film inventory is exhausted and then it will be packed with revised MRP.

Barley futures tumble on profit booking



The Hindu Labourers cleaning harvested crop of Barley grain at wholesale Grain Mandi at Najafgarh in New Delhi. File Photo - Shiv Kumar Pushpakar.

Barley futures plunged by Rs 51.80 to Rs 1,284.20 a quintal...

New Delhi, Feb 14:

Barley futures plunged by Rs 51.80 to Rs 1,284.20 a quintal on Saturday following all-round selling by traders in line with increased arrivals in local markets.

Marketmen said after two day's sharp rise last week, traders preferred to book profits at existing higher levels, driven by increased arrivals. Poor offtake by alcohol and cattle feed making industries also influenced the trading sentiment, they added.

At the National Commodity and Derivatives Exchange, barley price for March contract plummeted by Rs 51.80 or 3.88 per cent to Rs 1,284.20 a quintal, with an open interest of 1,180 lots.

The April contract also dropped by Rs 48.20 or 3.83 per cent to Rs 1,209.20 a quintal, with an open interest of 3,030 lots.

Punjab farmers set to grow pulses, oilseeds in Ethiopia

Chandigarh, Feb. 14:

A group of Punjab-based farmers today said that they are going to grow pulses and oilseeds on 5,000 hectares of land in Ethiopia and import their farm produce to India.

"We will start cultivating 5,000 hectares of land in Ethiopia from September this year and plan to cultivate pulses, oilseeds, sugarcane and maize which are always in short supply in India," the Confederation of Potato Seed Farmers (Poscon) Secretary General, Mr Jang Bahadur Singh Sangha, said here today. Additionally, the group wants the government to exempt their farm produce in Ethiopia from duty when imported to India in order to curtail country's dependence on import of such farm products.

"By bringing crops like pulses, oilseeds to India, we will help the country in making it self-sufficient in these crops and ensure food security," Mr Sangha asserted.

Govt help sought

They also want either the Union Minister of Agriculture or Ministry of External Affairs to support them in this endeavour by patronising the farming agreements.

Citing farming in Ethiopia as a 'workable' venture, 15 members of Poscon, the representative body of the State's potato growers, have shown keen interest in cultivating land there, he added.

Mr Sangha said, "I have already visited Ethiopia twice along with other members of our association and found huge tracts of land available there. Farming conditions (in Ethiopia) are also similar to what we have in India."

Cotton drops further on reduced buying



Rajkot, Feb. 14:

Cotton price have started to dip over the past few days on reducing buying by mills. Cotton prices have decreased by Rs 2,000 a candy in the last couple of sessions.

At Rajkot and Gujarat, Sankar-6 was traded at Rs 58,200-59,500 a candy of 356 kg. Raw cotton was traded at Rs 1,410-1,415 for 20 kg. Prices reduced by Rs 15-20 in two days. Around 47,000 bales arrived in Gujarat, and a total of 1.10 lakh bales arrived in India (1 bale is 170 kg).

According to Saurashtra-based traders, demand from millers and exporters reduced significantly. "Similarly, buying by ginner also fell as raw cotton was trading at sky-high prices," they said.

According to Mr Samir, a broker, prices are expected to reduce more during the week. A fall of more than Rs 2,000 is expected." India is likely to produce a record 329 lakh bales of cotton in 2010-11, against last year's 295 lakh bales, according to a senior Government official.

However, some traders estimate it to be lower at 320-325 lakh bales for the current season. Domestic cotton arrivals at the spot markets till January 30 in the 2010-11 season, went up 6 per cent on year to 19.5 million bales, the state-run Cotton Corporation of India said.

Rates elsewhere were: LRA Rs 57,500 (Rs 58,000); H-4 Mech1 Rs 58,500 (Rs 59,000);;Bunny Brahma Rs 61,000 (Rs 61,000); MCU-5/Surabhi Rs 63,000 (Rs 63,000); DCH – 32 Rs 83,000 (Rs 85,000).

Jay Shree Tea brews plans for investment entity

Kolkata, Feb. 14:

Jay Shree Tea & Industries Ltd, primarily a tea plantation company of the BK Birla Group, has decided to spawn a new investment outfit, which would be turned into a non-banking finance company (NBFC).

Mr D. P. Maheshwari, MD of the company, told *Business Line* that in a three-stage process, scheduled to be completed by March 31, its subsidiary Parvati Tea Co Ltd, would first be merged with itself, and then de-merged to create a new entity which would take care of the Jay Shree Tea's current investment portfolio. "Eventually, the new entity would function as an NBFC. The Jay Shree Tea board on Monday took a formal decision in this regard", he added.

Parvati Tea currently handles Jay Shree's overseas tea business. "We would be able to complete the first two legs of the transformation process by the end of this fiscal", Mr Maheshwari said.

Sugar subsidiary

Jay Shree Tea is also merging its sugar manufacturing subsidiary — M P Chini Industries Ltd. Mr Maheshwari said that Jay Shree's bottom-line additions, of around Rs 18-20 crore, could be a reality in the current quarter (January-March) from these two businesses.

Fall in Q3 net

Jay Shree reported a sharp fall in net profit at Rs 19.79 crore in the third quarter to December 31, 2010, against Rs 33.22 crore in the corresponding quarter of the previous fiscal. "This is because of lower-than-last year's tea price realisations from our gardens in South and North (Cachar and Dooars) India. The comparative negative average price differentials during the present season are Rs 15, Rs 12 and Rs 5.50 respectively for South India, Cachar and Dooars", he explained.

The tea production drop in October also affected Q3 sales. “Though we recovered substantially in November and December, the increased output did not materialise in sales during the quarter. Further, effect of instalment of wage revision also increased expenditure during the quarter,” he added.

The revenue from the tea business, declined to Rs 104.93 crore (Rs 125.03) causing overall operational income to drop to Rs 126.89 (Rs 141.10 crore).

Wheat surges to a record in China on drought, rising imports



Feb. 14:

Wheat advanced in Chicago and traded at a record in Zhengzhou, China, as demand increased and on speculation a drought in the Asian nation, the biggest grower, may damage plants.

Snowfalls in China's major wheat-growing regions failed to ease a drought and the dry spell is likely to affect crops, Mr Chen Lei, Deputy Director at the State Flood Control and Drought Relief Headquarters, said on February 12. Egypt, the biggest importer, and Bangladesh announced tenders last week, and hedge funds increased their bullish bets on wheat to the highest in more than three years.

“Reports of possible substantial damage due to the multi-month drought in the major growing areas in China are the main reason for rising prices,” Mr Carsten Fritsch, an analyst at Commerzbank AG in Frankfurt, said in a report on Monday. While the situation could improve significantly now if enough snow or rain falls soon, concerns are currently determining the picture.

Futures surge

Wheat futures for May delivery surged 13.75 cents, or 1.5 per cent, to \$9.125 a bushel on the Chicago Board of Trade at 10:24 a.m. London time. The price earlier touched \$9.15 a bushel, the highest level since August 22, 2008. The September-delivery contract on the Zhengzhou Commodity Exchange jumped as much as 3.7 per cent to a record 3,110 yuan (\$471) a tonne.

Milling wheat futures for March traded on NYSE Liffe in Paris gained €3.25, or 1.2 per cent, to 276.25 a tonne.

Getting Warmer

As drought threatens to damage the crop in China, also the top user of the grain, hedge funds and money managers increased in the week of February 8 their net-long positions, or wagers on rising prices, by 19 percent to 51,787 contracts, the highest since August 2007, US government data showed on February 11.

“The dry spell is likely to continue to affect crops as the weather is getting warmer and winter wheat needs large amounts of water when turning green,” Mr Chen said in a statement on February 12.

Dry spell

About 42 per cent of the total area planted with the grain in China's eight major producing provinces has been hit by the dry spell that may last into the spring, Minister of Agriculture, Mr Han Changfu, said last week.

As of February 10, the drought had affected 6.75 million hectares (16.7 million acres) of crops, leaving 2.8 million people and more than 2.5 million livestock short of drinking water, the state-run *Xinhua News Agency* reported February 12. Rain on the North China Plain has been substantially below normal since October, the United Nations Food and Agriculture Organisation said February 8.

Weather Outlook

The weather in China's growing regions is one to watch, Mr Michael Pitts, commodity sales director at National Australia Bank Ltd, said by phone from Sydney. The drought will be very significant, if it continues, he said, referring to its impact on global harvests and wheat prices.

China's wheat harvest may drop by four million tonnes this year, Mr Alex Bos, a London-based analyst at Macquarie Group Ltd, said last week. Output may have fallen to 114.5 million tonnes at the last harvest, from 115.1 million tonnes a year ago, according to the US Department of Agriculture.

Demand also may be boosting prices. Egypt agreed to buy 1,70,000 tonnes of Australian, US and Canadian soft wheat in a tender, General Authority for Supply Commodities Vice-Chairman, Mr Nomani Nomani said Feb. 11.

"There has been a bit of tender business and also private business through the Middle East," Mr Pitts said. "That is highlighting the mid-term demand and the US is one of the most competitive suppliers," he said.

Soybeans for March delivery gained 0.2 per cent to \$14.19 bushel in Chicago while May-delivery corn increased 0.3 per cent to \$7.195 a bushel.

Kollam to host cashew buyer-seller meet



Business Line Cashew - Photo: P V Sivakumar

Kollam, Feb. 14:

The cashew capital of the country, Kollam, in Kerala, will host the second Kaju India 2011 buyer-seller meet during February 17–19.

The meet, organised by the Cashew Export Promotion Council of India (CEPC), is expected to be attended by 250 Indian cashew kernel exporters and international cashew kernel buyers, according to CEPC Chairman, Mr Shahal Hassan Musaliar.

“Kollam has been made the venue of this meet because it has been the nucleus of Indian cashew industry for over a century and the city is known for cashew,” he told *Business Line*. “India is not only a top exporter but also a major consumer of cashew kernels in the world,” he added.

Addressing a press conference to announce the programme, Mr Musaliar said that representatives of overseas cashew buyers, salters, retailers as well as brokers, quality experts, consultants, exporters and other supporting service providers will attend the meet.

The event will comprise technical sessions which will act as a platform to understand the changing expectations of international cashew buyers and how Indian exporters should develop their strategies to meet international specification requirements.

Chinese delegates

For the first time, delegates from China would attend the meet, Mr Hari Krishnan Nair, Vice-Chairman, CEPC, said. He said that China is a potential market for Indian cashew kernel and “we have to explore this market, which is currently catered to by Vietnam”.

Another significant factor is that the Head of the Scientific Committee, International Nut and Dried Fruits Council (INC), Spain would present a paper on “Opportunities for promotion of Cashew: Health and Wellness”, Mr Pratap Nair, Convener, Kaju India 2011, said. “The meet is expected to generate greater interest in the wake of stiff competition rendered by Vietnam and Brazil in the global cashew kernel trade”, Mr Musaliar said.

Sheet rubber up on fresh buying, short-covering



Business Line

Kottayam, Feb. 14:

Physical rubber prices firmed up on Monday. According to observers, some tyre companies also bought in the market as it gained strength from global cues and a recovery in domestic futures. The prices may touch new highs in the days ahead, they said.

Sheet rubber improved to Rs 238 (Rs 236) a kg on fresh buying and short-covering. The grade increased to Rs 237.5 (Rs 236.5) a kg both at Kottayam and Kochi, according to the Rubber Board.

The shortage of skilled labour has seriously affected the medium-rubber holdings in the country, said Mr N. Radhakrishnan, Advisor to the Cochin Rubber Merchants Association. While small growers can take recourse to in-house tapping skills, large estates can depend on captive labour. It is the medium holdings that often face acute labour shortage. The growth in the number of rubber trees planted and number of trees to be tapped might not reflect an increase in production unless the problem of labour shortage is resolved, he continued.

In futures, the February series moved up to Rs 237 a kg (Rs 235.21), March to Rs 243.98 a kg (Rs 239.85), April to Rs 253.3 a kg (Rs 248.92) and May to Rs 257.5 (Rs 252.69) a kg for RSS-4 on the National Multi-Commodity Exchange.

RSS-3 flared up at its February futures to ¥527 (Rs 287.69) from ¥519 a kg during the day session, but then slipped to ¥526.6 (Rs 287.51) in the night session on Tokyo Commodity Exchange. The grade (spot) closed firm at Rs 288.73 (Rs 286.94) a kg at Bangkok.

The spot rubber rates were (Rs/kg): RSS-4 — 238 (236); RSS-5 — 228 (226.5); ungraded — 224 (221); ISNR-20 — 235 (232); and latex 60 per cent — 149 (149).

Syngenta to integrate crop protection, seeds businesses

Mumbai, Feb. 14:

The \$11.6-billion global leader in crop protection Syngenta International is restructuring its operations. Last week, the company announced a new strategic direction that will see full integration of crop protection and seeds businesses by the end of 2012.

“The objective is to think like a grower, improve innovation and integrate at a scale with the ambition of helping greater food security,” asserted a company spokesman.

The new strategy that seeks to deliver superior customer and shareholder value will make a fully integrated offer on a global crop basis with the three main objectives of integrate, innovate and outperform, the spokesman pointed out adding that commercial integration of crop protection and seeds businesses is expected to result in cost savings of \$150 million by 2015.

As for innovation, the company proposes to develop an expanded crop-based pipeline by bringing together R&D in crop protection and seeds to generate combined genetic and chemical solutions which will also address a biotic stress.

In recent years, Syngenta's expansion has been particularly rapid in emerging markets which now account for almost 50 per cent of sales.

In Asia-Pacific, demand was sustained throughout last year particularly in emerging markets where growers continued to invest to improve yields, the company pointed out.

Population growth and dietary changes in emerging markets will provide a solid platform for future success, the company asserts.

Vegetable oils import declines 17% in Jan

SLIPPING SHIPMENTS						
Month	2010-11			2009-10		
	Edible	Non-edible	Total	Edible	Non-edible	Total
Nov	6.52	0.17	6.68	7.13	0.41	7.53
Dec	7.30	0.22	7.52	7.62	0.25	7.87
Jan	6.91	0.29	7.21	8.27	0.45	8.72
Total	20.74	0.68	21.42	23.02	1.12	24.14

(in lakh tonnes)

Source: Solvent Extractors Association of India

Chennai, Feb. 14:

Vegetable oils import declined 17 per cent in January compared with the same period a year ago on higher domestic oilseeds crop.

With demand for Indian soyameal in the global market up, there was parity for domestic crushers leading to better availability of indigenous edible oils in the market.

Surging global market trend also contributed to lower import but the rising rupee acted a cushion against it.

For the November-January quarter of the current oil year ending October, imports dropped 11 per cent at 20.74 lakh tonnes (lt).

Deterrent

Higher inventories are also acting as a deterrent against imports. According to the Solvent Extractors Association of India, about 6.95 lakh tonnes of vegetable oils are stocked up at various ports in the country. Of this, crude palm oil stocks are 4.3 lt, RBD (refined, bleached and deodorised) palmolein and degummed soyabean oil 1 lt each, sunflower oil 65,000 tonnes. Besides, 8.5 lt vegetable oils have been contracted and are on their way.

Total stock, at ports and in the pipeline, are estimated to be 15.45 lt against 14.45 on January 1.

In January, RBD palmolein shipments dropped 3 per cent to 2.97 lt compared with 3.82 lt during the same period a year ago. Crude palm oil imports dropped to 3.98 lt (5.12 lt).

However, import of crude sunflower oil was up at 1.17 lt (0.45 lt), while degummed soyabean oil shipments were down at 49,520 tonnes (1.14 lt).

In January, the ratio of crude oil imports compared with refined oils dropped to 76 per cent compared with the usual over 80 per cent. For the quarter, however, the ration was up at 83 per cent against 81 per cent a year ago.

In January, prices of most vegetable oils increased but the rupee's appreciation to 45.35 against the dollar compared with 46.25 a year ago helped manage the situation.

RBD palmolein import cost \$1,290 a tonne in January against \$814 a year ago. Similarly, crude palm oil cost was up at \$1,263 (\$774); degummed soyabean oil at \$1,339 (\$907) and crude sunflower oil at \$1,449 (\$950).

This agricultural season (July 2010-June 2011), oilseeds production in the country is estimated at 27.84 million tonnes (mt) against 24.88 mt last year. Soyabean is seen leading the rise with a record output of 10.4 mt (9.9 mt), while groundnut production is seen recovering to 6.8 mt (5.4 mt). Production of rapeseed/mustard, a rabi crop, is projected at 7.4 mt (6.6 mt).

Cardamom prices steady on limited activity



Business Line

Kochi, Feb. 14:

Cardamom prices were nearly steady last week at auctions on limited activities.

North Indian buyers were not buying on the assumption that prices would decline further once the growers would start releasing huge stocks held by them. Upcountry dealers believe that the growers are holding back good stocks with them.

Meanwhile, trade operators, majority of whom are based in Bodinaykannur, are said to be holding stocks based on their respective financial capacity, anticipating that the prices would touch Rs 1,500 a kg are facing a liquidity crunch for the past few weeks as they could not sell in the declining market. They were also not buying. Thus, trading activities have become thin, trade sources said.

Upcountry demand has also yet to pick up. Buying by exporters was also negligible. Any way, the market is expected to become active pushing prices up once the north Indian demand picked up in the coming days, they claimed.

The present arrivals are from the current harvesting and capsules are of medium size and that factor also kept prices at lower levels.

According to a dealer in Bodi, good colour 8mm bold was fetching Rs 1,500 a kg but its arrival is very thin. There has been a continuous decline in the arrivals as the harvesting is in the closing stages.

According to growers, there will be one or two round of picking. Total arrivals during the week stood at 165 tonnes.

The individual auction average price remained below Rs 1,200 a kg from Thursday onwards. The average price at the Sunday auction dropped to Rs 1,130 a kg from Rs 1,196 the previous Sunday.

Total arrivals at the KCPMC auction on Sunday stood at 30 tonnes and the entire quantity was sold out. Maximum price fetched was at Rs 1,418 a kg and the minimum was at Rs 983. Auction average was at Rs 1,130 a kg, Mr P.C. Punnoose, General Manager, CPMC, told *Business Line*.

According to him, the material arriving at the market, at present, is of medium size and from the current picking. "It is also one of the reasons for the decline in the current prices," he said.

Green bold capsules are being held back by the major growers who would release it only when the prices moved up to their expected levels, he said.

Rizwan's new dairy brand

Hyderabad, Feb. 14:

Rizwan Dairy Farm on Monday launched 'Hyderabad Milk', a new retail brand. With a capacity of 60,000 litres day, the company will market the product in 200 ml, 500 ml and one litre sachets.

"We will come up with other value-added products such as ice cream and badam milk soon," Mr Baba Tajoddin, Managing Partner, said here in a press release.