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## Training in bee keeping

COIMBATORE: The Department of Agricultural Entomology of Tamil Nadu Agricultural University will organise a training programme in "Bee Keeping" on February 7.

The registration fee will be Rs.150. For details, contact Head of the Department of Agricultural Entomology on 0422-6611214 or e-mail to [entomology@tnau.ac.in](mailto:entomology@tnau.ac.in)

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## Food inflation surges to over 17 per cent

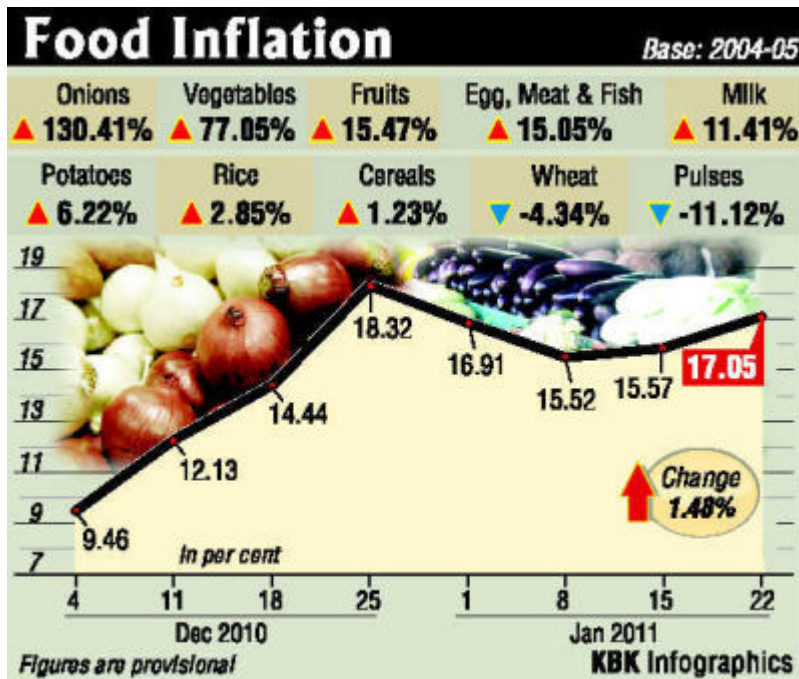
Special Correspondent

*Crisis in Egypt will have a cascading effect on prices*

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*Protein-based items such as milk likely to hold firm at higher levels Inflationary bout is not just a statistical anomaly of low 'base effect'*

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NEW DELHI: Belying expectations of some respite from high prices, food inflation surged further to 17.05 per cent for the week ended January 22 from 15.57 per cent in the previous week as prices of vegetables, fruits, milk and protein-based items continued to soar.

What is particularly hurting the common man is the fact that the current inflationary bout is not just a statistical anomaly of low 'base effect'. The price rise is for real in that the high food inflation at over 17 per cent, as per the Wholesale Price Index (WPI) data, is over and above the 20.56 per cent surge witnessed during the like week a year ago.

Finance Minister Pranab Mukherjee, who had stated at his press briefing on Wednesday that this kind of 'periodic fluctuations' in food inflation 'was not unusual' and there could be some more in the next three months, expressed 'grave concern' over the latest WPI data while noting that demand and supply-side steps were being taken to moderate the price rise. Incidentally, even as the prices of vegetables, including onions, are expected to ease in the coming weeks on account of seasonal factors, prices of protein-based items such as milk, fish and eggs are likely to hold firm at higher levels. Perhaps, it was in view of this line of thinking, among other issues, that the Reserve Bank of India sought to revise its projection on headline inflation for the current fiscal to 7 per cent from 5.5 per cent estimated earlier.

Adding to the price spiral was inflation in the 'Fuel and power' segment, which witnessed a 11.61 per cent year-on-year increase owing to the hike in petrol prices by Rs.2.50 a litre in January. What is worse, the ongoing political crisis in Egypt and other countries in the Middle East may further impact global crude oil prices which, in turn, will have a cascading effect on prices and overall inflation.

During the week, onion prices shot up by 130.41 per cent on a year-on-year basis while vegetables turned dearer by 77.05 per cent. Likewise, fruits were costlier by 15.47 per cent, egg, meat and fish by 15.05 per cent and milk by 11.41 per cent on an annual basis.

PTI reports:

The uptick in latest food inflation figure is likely to put further pressure on the government to provide relief to the common man in the coming budget. Both the government and the Reserve Bank of India have been grappling with high inflation and slowing industrial growth that dipped to the 18-month low of 2.7 per cent for November.

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## His brush strokes aim to create awareness on global warming

M.K. Ananth

*Artist N. Tamilarasan says students can help curb damage to environment*

Photo: Special Arrangement



**Creative effort: Artist N. Tamilarasan (right) explaining the theme of his paintings to Additional**

**Commissioner for Central Excise, Customs and Service Tax R. Saravana Kumar. Principal of Selvam Arts and Science College K.S. Arulsamy (left), is in the picture.**

Namakkal: Forty-four-year-old artist N. Tamilarasan has been travelling across the State on a 46-day tour with a heavy baggage of paintings to create awareness among students on the ill effects of global warming and how school and college students could play a pivotal role in curbing further damage to the ozone layer.

On reaching Namakkal on Thursday after touring 16 districts across the State since he started the tour in his native district Cuddalore on January 10, Tamilarasan told The Hindu that he would be concluding the tour in Kanyakumari on February 24 after covering the other 15 districts in the State.

Conducting the free eco-awareness tour for the second successive year, he noted that last year he conducted a similar awareness campaign in all the 32 districts with a set of 30 portraits drawn by him with the concept of global warming and solutions.

It drew the attention of more than one lakh students and received tremendous positive response from them, which motivated him to go on a second trip this year.

He said that the concept behind creating eco awareness was sparked due to distress over animal and bird species getting extinct owing to extensive use of chemical fertilizers, pesticides and global warming over a very long period.

“Replacement of cow dung by urea in our village has brought an end to commonly-seen pond fish and crabs in cultivable land during the rainy season,” he lamented.

This year he has started his mission with a set of 40 paintings with the title, “Saving earth and mankind.”

He said that unless we start saving the earth, it would not be surprising if humans became extinct like any other dying species.

All the paintings are interlinked - covering issues such as global warming and environmental pollution and how students could prevent such damage - in a story-like sequence to easily pass the message to students, he said.

Too many concepts taught verbally would not get registered in the minds of children but anything in the form of images would have a lasting impact, he added.

“We think that the Earth is in our hands and protecting it is our privilege, but the truth still remains that we are at the mercy of Earth and Mother Nature,” he concluded.

The exhibition in Namakkal was inaugurated by Additional Commissioner for Central Excise, Customs and Service Tax R. Saravana Kumar at Selvam Arts and Science College.

More than 6,000 school and college students visited the exhibition.

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## **Now, hybrid desi chicken**

M.K. Ananth

Namakkal: To help rural poultry farmers with poor infrastructure to earn a decent income the Veterinary College and Research Institute (VC&RI) here that is part of the Tamil Nadu Veterinary and Animal Science University (TNVASU) has developed a hybrid variety desi chicken.

Named as Namakkal Desi Chicken - 1 (NDS-1) the hybrid variety can lay up to four times more eggs annually compared to normal desi chicken, says VCRI Dean Dr. C. Chandrahasan. He told The Hindu that this chicken also has high disease resistance and requires only one vaccine annually against the 12 to 14 required by normal country chicken.

NDS-1 is a 25 per cent combination of four breeds of chicken that includes two Indian native birds – Naked Neck and Kadaknath – and two American and English cross varieties – White Leghorn and Rhode Island Red. These birds were handpicked after carefully studying their unique characteristics and traits, he said.

The new breed was arrived after three levels of multiple and planned crossing. A male White Leghorn and female Rhode Island Red were crossed while a male Rhode Island Red and female White Leghorn were simultaneously crossed in the first level. In the second generation a

male Kadaknath was crossed with a female White Rhodo while a male Naked Neck was crossed with a female Rhodo White.

The third and final level of crossing was between a Kadaknath White Rhodo and female Naked Neck Rhodo White that resulted in NDS-1. The reasons why normal desi chicken stop with around 60 to 65 eggs a year is because they start brooding (sitting on eggs to hatch them by warmth of the body).

NDS-1 can lay up to 240 eggs a year because it possesses the traits of White Leghorn, which lays eggs and never cares to brood.

Dr. Chandrahasan said that the fowl was developed by the Department of Poultry Science about three years ago and has been long tested. It is now awaiting approval from the Technology Releasing Committee functioning under the TNVASU for a formal release.

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## **Paddy procurement centres to be opened**

Staff Reporter

*Paddy up to 17 per cent moisture would be procured at DPCs*

KARUR: The Tamil Nadu Civil Supplies Corporation (TNCSC) has proposed to open Direct Purchase Centres (DPCs) in nine places in the district for procuring samba paddy from farmers.

The DPCs would function at Nangavaram, Nachalur, Panikkampatti, Kulithalai, Kulithalai Andharapatti Salai, Lalapet, Kovakulam, Sivayam godown and Karur godown at Industrial Estate. For the paddy procured from the farmers in addition to the minimum support price guaranteed by the government, incentive would be given as Rs. 1,100 per quintal for A grade paddy and Rs. 1,050 per quintal for general quality. Paddy with up to 17 per cent moisture would be procured at these centres, an official press release of the District Collector J. Uma Maheswari issued by on Thursday said.

Usually paddy is being raised in 17,000 hectares in Karur district of which the Cauvery delta region accounts for more than three fourths.

## Rajnath for farmer-friendly crop insurance policy

Special Correspondent

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*'Compensation should help farmers take up cultivation without any hassle'*

*Agriculture has turned out to be a loss-making sector in India, says the BJP leader*

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MYSORE: The former president of the Bharatiya Janata Party (BJP) Rajnath Singh has stressed the need for formulating a farmer-friendly crop insurance policy to address the agrarian crisis in the country.

The premium should be fixed on the basis of the area of cultivation and average scientific value of the crop grown in seven consecutive years by the farmer, he said on Thursday.

Presiding over a Krishi Mela organised in Suttur as part of the annual jathra, he said compensation should commensurate with the crop loss and facilitate farmers to take up cultivation without any hassle. Premium should be borne by the Union Government and farmers in the ratio of 75 and 25 per cent, he said.

Comparing the agriculture scenario in China and India, he said while agriculture was a profitable venture in China, it had turned out to be a loss-making sector in India because of the lack of support by successive governments. "While the rate of subsidy for agriculture in China is 85 per cent, it is only 25 to 30 per cent in our country," he said.

However, appreciating the "farmer-friendly" programmes envisaged by the BJP Government in the State to support agriculture, he observed that Chief Minister B.S. Yeddyurappa was doing his best to help farmers.

Though he had sought suggestion from the party on reducing the interest rate on farm loans to 4 per cent, finally he brought down that to 3 per cent. "I hope he will further reduce the interest rate to 1 per cent in the budget to be presented shortly," Mr. Singh said.

Lauding the effort of Suttur Math for evincing interest in community development, especially the farming community, he noted that Suttur was a confluence of "rishi and krishi" (saints and farming). The country would prosper if others follow the path laid by Suttur seer Shivarathri Dehsikendra Swami, he said.

'Meagre step'

Terming the arrest of the former Telecom Minister A. Raja in connection with the 2G spectrum scam as a "meagre step", he said that it had become inevitable for the Central Bureau of Investigation to arrest Mr. Raja.

Defending Mr. Yeddyurappa, he said that there was no need for the Chief Minister to quit in the wake of "baseless" allegations.

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## **Jairam ready to fight States for wetland protection**

Priscilla Jebaraj



**Jairam Ramesh**

BHARATPUR (Rajasthan): Environment Minister Jairam Ramesh is prepared to go on the warpath yet again. His latest battleground: the endangered wetlands.



Over the next few months, he intends working proactively and aggressively with States to implement the Wetlands (Conservation and Management) Rules, 2010.

“Why should we wait one year for the States to take action and identify wetlands for notification?”

“We will prepare a list of wetlands with the information we already have and the help of World Wildlife Fund and other organisations, and send it to the States.”

The Minister was addressing a consultation of State officers on the Rules, meeting at the Keoladeo bird sanctuary here on the occasion of World Wetlands Day.

“The States will have to respond within two months.”

Considering that in many States, wetlands are identified as wasteland in land revenue records — a fact that industries seeking land are quick to exploit — it is unlikely that State governments will be happy about his ultimatum. “States may not want to notify any of the wetlands that we identify,” Mr. Ramesh admitted.

Power to notify

“But we have got the Central rules, and we have the power to notify the Central rules. There will be a little bit of tension with the States, but I am prepared for confrontation with the States because we have reached a stage when we cannot allow the wetlands to be taken over in the name of development.”

Mr. Ramesh listed various recent threats. “There is the Nirma plant in the wetlands of Kutch in Gujarat, there are the power plants in Srikakulam [in Andhra Pradesh], and there are high-rises threatening the wetlands of Coimbatore...Wetlands have an environmental and social value that must be protected.”

When several State officials pointed out that many communities depended on wetlands for their livelihood, the Minister promised them that the existing claimants would be protected. “But this is only for livelihood, there can be no commercial activities permitted in the wetlands,” he said.

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### Food inflation soars

NEW DELHI: Food inflation rose to 17.05 per cent for the week ended January 22, driven by higher prices of vegetable, fruits and eggs.

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### Water released from Pambar Dam

Staff Reporter

*It will irrigate 4,000 acres in 15 villages*

Photo: Special Arrangement



**For rich yield: Water flowing from the Pambar Dam after the sluice gates were opened on Thursday. —**

KRISHNAGIRI: Collector V. Arun Roy released water from the Pambar Dam on Thursday for irrigation at Marampatti panchayat in Uthangarai union in the presence of P. Dillibabu, Harur MLA.

A total of 4,000 acres of agricultural land in 12 villages in Uthangarai block and three villages in Harur block will benefit from the Pambar water.

The water release will help increase the ground water level in the adjoining canal area in Uthangarai and Harur blocks.

The water will be released for 10 days from 0 to 11.725 km through three branch canals for five days from Thursday and from 11.725 km to tail-end for the next five days.

After a gap of five days, the water will be released on a rotation basis for 75 days, the Collector said after opening the sluice gates.

He advised the farmers to use water judiciously so as to benefit the tail-end farmers.

As on Thursday, the water level in Pambar was 17.38 ft as against its full height of 19.68 ft. and water storage is 236.2 mcft as against its full capacity of 280 mcft.

The villages that will benefit in Uthangari block are Mittapalli, Obagavalasai, Potharajanpatti, Moonrampatti, Kottukaranpatti, Pavakkal, Kariaperumavalasai, Puliampatti, Ettipatti, Kuppanatham, Nallavanpatti and Nadupatti. In Harur block, Thambal, Vedakattamaduvu and Melsengambadi villages will benefit from the water release. V. Samraj, Assistant Executive Engineer, PWD, Harur and R. Singaravel, Assistant Engineer PWD, Pambar Dam, and Uthangarai Tahsildar Giridharan was present on the occasion. Presidents of the Water Users Association Ayothi, Shankar and Saminathan also participated in the function.

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**2.60 lakh tonnes of paddy yield expected: Collector**

Special Correspondent

*Direct Purchase Centre inaugurated at Kallanai*



**Buying point:Collector C. Kamaraj at the inauguration of a Direct Purchase Centre at Kallanai near Alanganallur in Madurai district on Thursday.**

MADURAI: With harvest of paddy being taken up in full pace in different pockets, the district administration has started procurement through Direct Purchase Centres (DPCs), said Collector C. Kamaraj here on Thursday.

After inaugurating a DPC at Kallanai near Alanganallur, he said that 2.60 lakh tonnes of paddy was the expected output.

The yield was likely to be higher this season as water for irrigation was available well on time and RR 1000 technique had been introduced in over 25,000 hectares.

The availability of fertilizers was expected to contribute to a higher paddy output, he said.

Out of the 32 DPCs planned in the district, 23 were functioning. So far, 2000 tonnes of paddy had been procured in just about a week.

“We are going as per schedule in opening DPCs,” he said and appealed to farmers not to succumb to any pressure to sell their produce through middlemen.

The government was committed to protecting the interests of farmers and there need not be any apprehension, he clarified after handing over the cash for their supply.

Apart from the DPCs opened by the Tamil Nadu Civil Supplies Corporation, the Department of Cooperation had been told to keep its outlets open. The Regional Joint Registrar of Cooperatives, K.V.S. Kumar, said that so far their DPCs had been functioning in 10 places in the district.

“This is the right time for us to intervene as it will benefit the farmers,” he added.

Mr. Kamaraj warned of stern action against any violators/erring officials who indulged in malpractice or mismanagement. Farmers should cooperate with officials which would discourage middlemen from making profits, he said.

While the farmers at Kallanai welcomed the opening of DPC, they urged the government to pay a higher price for their produce.

The officials had been procuring paddy at Rs 11 per kg, they added.

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## Wetlands Day celebrated with salute to Vembanad Lake

Staff Reporter

*Pledge taken to protect the lake and adjoining wetlands*

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*February 2 is celebrated as World Wetlands Day Various contests organised as part of the event*

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ALAPPUZHA: The World Wetlands Day was celebrated with a special salute paid to the Vembanad Lake and the adjoining wetlands, a key Ramsar site of the State, here on Wednesday.

The programme, organised by the Samyukta Kayal Samrakshana Samithi, the Vembanad Nature Club and the Ashoka Trust for Research in Ecology and the Environment (ATREE), saw over 150 members of the lake protection forum along with fishermen and families who depend on the lake for their livelihood getting together on the banks of the Shraithode in Muhamma panchayat here.

Muhamma grama panchayat president Deepa Ajithkumar inaugurated the event and E.M. Manoharan, president, Samyukta Kayal Samrakshana Samithi, presided over it.

Winners

A number of contests, including a swimming competition for men, was organised as part of the event.

Kiran Kumar of the Ambalakadavu lake protection forum won the first prize in the contest in the 'young men' category while Thilakan of Anjuthaikkal won the prize in the 'middle-aged men' category.

N.K. Ravi of Anjuthaikkal won the first prize for holding his breath underwater for the maximum time.

Later, at a public meeting, ATREE programme officer T.D. Jojo explained the significance of the Wetlands Day, celebrated on February 2 every year, while Ms. Ajithkumar distributed working funds and grants for construction of two fish sanctuaries in the lake to the Federation of Lake Protection Forums.

Environmentalist K.V. Dayal delivered the 'Wetlands Day' message.

As dusk fell, lamps were lit and set floating on the lake as part of a lake salute, after which a pledge was taken to protect the lake.

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## Water diverted to Dharmavaram canal

Staff Reporter

*It will solve drinking water problem up to Tadimarri mandal in the district*

Photo: R.V.S. Prasad



**Elixir of life: Minister S. Sailajanath, MP Anantha Venkatarama Reddy, ZP chairperson Kavitha**

**and Rappathu MLA Paritala Sunitha watching the release of water into Dharmavaram canal at PABR Dam site on Thursday.**

Anantapur: Minister for Primary Education S. Sailajanath and the Member of Parliament Anantha Venkatarama Reddy formally launched the diversion of 2.3 tmc of water into the Dharmavaram canal on Thursday.

The water will cater to the drinking water requirements of those down the line in Dharmavaram canal up to Tadimarri mandal in the district. The water will also fill 44 irrigation tanks in the region, according to T.B. Ravi, the Superintendent Engineer, Anantapur Irrigation Circle.

According to a G.O issued by the government PABR dam should have received 10 tmc of water but due to problems relating to poor inflows into the KC Canal from Tungabhadra river, only 5 tmc of water was flowing into the PABR dam. Anantha Venkatarama Reddy and Dr. Sailajanath stated that there was nothing wrong in Congress having a tie-up with PR as it was the original idea of Y.S. Rajasekhara Reddy to strengthen the Congress party.

On the verbal attack by Congress veteran leader Venkata Swamy against AICC president Sonia Gandhi, Venkatarama Reddy stated that a senior and experienced leader like Venkata Swamy should not have stooped to such a level. He however, added that wisdom should prevail over him. The MP opined that the Central government should take full control of water resources in the country and administer them as per the requirement of all states by and large.

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### **Farmers demand fair price**

Staff Correspondent

Bidar: Members of the All-India Kisan Sabha took out a protest rally here on Thursday demanding remunerative prices for farm produce.

They took out the rally from Ambedkar Circle to the Deputy Commissioner's office. Sabha district president Saibanna Hasaragundagi said that the biggest challenge was not dealing with vagaries of nature but rather getting remunerative prices for crops.

Leader Baburao Honna said that everything in agriculture was dictated by multinational companies.

In the past, seed companies had supplied spurious seeds to farmers causing them huge losses.

However, the Government had not taken any action, he alleged.

Their demands included monthly pension of Rs. 2,000 for farmers who are over 58 years and a ban on machines while implementing works under the MGREGA.

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### **“FDI in agro-processing fine, but not in farming”**

Gargi Parsai

*Not required as there are about 82-86 per cent farmers with land-holdings below two hectares:  
Pawar*

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*“National Initiative on Climate-Resilient Agriculture a noteworthy step”Pawar confident of a bumper rabi crop this year*

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NEW DELHI: Even as the Centre is mulling over allowing Foreign Direct Investment (FDI) in the retail sector, Union Agriculture and Food Processing Minister Sharad Pawar has categorically ruled out the possibility of FDI in farming. “FDI in agriculture is not required. We have about 82-86 per cent farmers whose land-holding is below two hectares. In this type of a situation where the land-holding is small, we should not think of encouraging FDI in the agriculture sector,” Mr. Pawar told journalists after inaugurating the annual general meeting of the Indian Council of Agricultural Research (ICAR) Society, of which he is the president.

Mr. Pawar was categorical in his assertion that FDI in the agriculture sector was not welcome. “I can understand FDI in agro-processing. We will welcome FDI in cold chains and in agro-processing, but not in farming,” he said. Expressing confidence about a bumper rabi crop this



year, the Minister said the sown area under wheat, pulses and sugarcane was higher than last year.

Earlier, addressing the ICAR meeting, which included State Agriculture Ministers, Mr. Pawar said the challenges of food production, malnutrition, poverty, population growth, and environment were more acute in present times. The national agriculture research system, through its cutting-edge technologies and human resource, gave confidence to the nation to meet these challenges. Pointing out the initiatives taken by the ICAR system, Mr. Pawar mentioned the National Initiative on Climate-Resilient Agriculture as a “noteworthy step” to address abiotic and biotic stresses affecting agriculture.

Addressing farm scientists, Human Resource Development and IT Minister Kapil Sibal emphasised the need for synergy of the ICAR, science and technology, and biotechnology with the university system to meet the challenge of feeding a growing world population. For this, he urged Mr. Pawar to convene a conference of vice-chancellors of universities with the ICAR. He suggested inclusion of a “skills development course in agriculture” as a subject in the CBSE system to empower rural youth and open up employment opportunities so that migration from villages to cities could be stemmed. ICAR Director-General S. Ayyappan described 2010 as an “agriculturally rewarding” year which recorded one of the highest growth rates of over four per cent in the July-September quarter.

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### Meet draws up road map to check food prices



**Against the price spiral: Union Minister of State for Consumer Affairs, Food and Public Distribution K.V. Thomas chairing a conference of Food Ministers and Food Secretaries from Southern States in Thiruvananthapuram on Thursday. Kerala Food Minister C. Divakaran is seen.**

THIRUVANANTHAPURAM: The Union and State Food and Civil Supplies Ministries will jointly work out a road map to check seasonal price rise of essentials and open farmers' markets in metropolitan cities as part of their complementary efforts to contain inflation.

Briefing reporters about the decisions of the south zone regional conclave of Food Ministers and Central government officials held here on Thursday, Kerala Food and Civil Supplies Minister C. Divakaran said the meeting decided in principle to form a South Zone Consultative Committee on Food and Civil Supplies to decide on issues such as inflation and shortage of food grains. After assessing each situation, the committee would put forward suggestions on regulating export and import of various commodities.

The road map has been envisaged to take precautionary market intervention steps to check seasonal price rise of essential commodities. The proposed farmers' markets are intended to supply agriculture produce at affordable rates to the public and ensure fair price to the farmers.

Helpline

The helpline linking Delhi to redress complaints of inflation will be streamlined. Storage facilities for 17 million tonnes will be developed all over the country. This will include facilities of the Central and State governments and also the private sector. The Centre will examine the positive and negative impact of forward trading. Due changes will be made in the Essential Commodities Act. Stringent action will be taken against hoarding.

With the piloting of the Food Security Bill in Parliament, instead of Above Poverty Line (APL) and Below Poverty Line (BPL) categories there will be general and priority sectors. Marginalised sections such as the fisher folk will be included in the priority sector. The regional meetings are being organised to elicit the views of the State governments. The Centre was favourably considering a proposal of the State government to renovate the ration shops and strengthen the Public Distribution System (PDS). "Kerala can boast of having the best PDS in the country. The

meeting decided to set up a laboratory of Bureau of Indian Standards on 50 cents of land in the State,” Prof. Thomas said.

‘Kerala worst-hit’

Mr. Divakaran said that being a consumer State, Kerala was the worst affected by inflation in the country. The State government demanded the powers for fixing APL and BPL limits.

Even when Prof. Thomas adopted a positive approach towards the State's demands, it had decided to make a substantial budgetary allocation for market intervention, Mr. Divakaran said.

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## Focus on eco-friendly farming

Staff Reporter

*District panchayat plans Rs.52-crore worth schemes*

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*Rs.10 crore for agriculture development Plan to promote village tourism projects*

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Thrissur: The Thrissur district panchayat will carry out Rs.52 crore-worth development projects this year with a special focus on eco-friendly farming.

Development standing committee chairman Anil Akkara said that thrust would be to make Thrissur an eco-friendly district.

“An amount of Rs.10 crore will be used for integrated agriculture development in 52 grama panchayats in the first year. Each panchayat will be given an amount of Rs.5 to Rs.10 lakh for promoting eco-friendly cultivation of paddy, coconut and vegetables,” Mr. Akkara said. The project will be extended to all the 88 panchayats next year, he said.

A high-level district committee will be formed to conduct awareness and training programmes for the grama panchayats on eco-friendly farming. Successful models will be introduced to them.

As an integrated project, the grama panchayats would also get the service of block-level and district-level agriculture experts in their farming initiatives, Mr. Akkara said.

Conservation of rivers and hills would be included in the project in the coming years, he said.

The district panchayat has also approved a Rs.3 crore project for irrigation projects. Agriculture festivals, awareness seminars and marketing melas for farm products will be held at the district and taluk levels.

The district panchayat will earmark Rs.1 crore for water literacy programmes this year. The money will be utilised for rainwater harvesting, watershed management and awareness programmes.

Renovation of the district hospital will be another priority of the district panchayat. The Thrissur Government Engineering College has been asked to prepare a master plan for the development of the hospital, the district panchayat sources said.

Village tourism projects will be developed in 10 panchayats with an estimated cost of Rs.1 crore. The Kudumbasree Mission will be encouraged to run milk collection and distribution centres.

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## **Stress on impact of global warming**

Staff Reporter

TIRUNELVELI: To highlight the adverse impact of 'global warming' on mankind, students of St. Ignatius College of Education at Palayamkottai displayed tableaus on the college premises on Thursday.

Registrar of Manonmaniam Sundaranar University S. Manickam inaugurated the event. Divided into five groups — Daffodil, Rose, Poppy, Jasmine and Lotus — the students showcased the effect of the phenomenon in a creative manner.

The various concepts included the role of non-degradable plastic products in global warming, evil effects of deforestation, natural disaster and conservation of nature, environmental pollution, and terrorism.

They performed on issues such as harmful pollutants being generated by the industries without any check and forest fire. Principal of the college Rev. Sr. Nirmala Sundararaj and coordinator of the programme and faculty member C.R. Gladys Stella Bai made arrangements for the programme.

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**<http://www.thehindu.com/2011/02/04/stories/2011020465060300.htm>**

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### **Support for bill on tenant farmers**



**ZPTC Killo Surendra giving suggestions at the zilla parishad general body meeting in Visakhapatnam on Thursday.**

VISAKHAPATNAM: Supporting the intent of the government to make an act to provide loan and other incentives to tenant farmers, suggestions at the Zilla Parishad general body meeting on Thursday ranged from making budgetary allocation to adopting the self-help

group approach to giving more to farmers in the form of inputs.

The meeting on the draft AP Loan and Allied Benefits Eligibility Card (Permitted Cultivators) bill , 2011, pursuant to the recommendations of Koneru Ranga Rao Committee was presided over by ZP Chairman G. Ramamurthy Naidu. He said fears of land owners should be allayed so as to safeguard the interests of tenant farmers.

DRO incharge UCG Nageswara Rao said tobacco was also included to the other crops in the proposed bill after representations. ZP Chief Executive Officer P.A. Sobha spoke.

#### Compensation

Lauding the government's effort, Payakaraopeta MLA G. Babu Rao said depending upon the nature of the tenancy, compensation should be paid to the owner of the land and the tenant in case of crop loss. Pendurthy ZPTC Reddi Narayana Rao citing the reluctance of bankers to lend and the growing number of tenant farmers said budgetary provision must be made for the loans.

Anakapalle Rural Electric Co-operative Society Chairman Boddeti Prasad suggested that a document between the owner and the tenant be used as a basis for lending by banks. Also to overcome the reluctance on the part of bankers, the self-help group approach should be adopted.

Araku ZPTC Killo Surendra wanted the tenant farmers to be identified at gram sabhas and the card validity to be fixed at three years. Also crops in the agency like rajma should be included. An extensive campaign should be carried out as earlier only two tenant farmers were identified and a nodal officer should be appointed for the purpose.

Munagapaka ZPTC M. Sanjiva Rao suggested that the tenant should be directly given farm inputs like fertiliser and seed so that it benefited him and government should pay the crop insurance premium.



**HT Correspondent, Hindustan Times**

Email Author

New Delhi, February 03, 2011

First Published: 22:44 IST(3/2/2011)

Last Updated: 22:46 IST(3/2/2011)

## **Food inflation soars to 17.05%**

India's wholesale price index (WPI)-based inflation climbed to 17.05% for the week-ended January 22 — up from the previous week's 15.57% — reflecting price shocks in essential commodities, data released on Thursday showed.

Finance minister Pranab Mukherjee termed the rise in food prices as a matter of “grave concern.”

“Price rise always, particularly, the commodity price and food items are matter of grave concern,” he told reporters.

He said efforts are being made both from the demand and supply side to moderate it.

Making matters worse, crude oil prices have inched up to a 28-week high amid mounting political tension in Egypt is impacting global crude oil prices. Oil firms see this as “a worrying trend” that could lead to another petrol price hike.

The under-recoveries — the difference between the cost and sale price of fuel —on petrol is R3 and for diesel, R8 per litre. On January 15, oil firms increased petrol prices by R2.50 per litre.

In India, which imports two-thirds of its crude oil requirements, government's macroeconomic managers are groping for options to tame prices without upsetting the growth momentum.

Vegetables as a whole became dearer by 77.05% on an annual basis followed by fruits (15.47%), egg, meat and fish (15.05%) and milk (11.41%).

<http://www.hindustantimes.com/StoryPage/Print/658233.aspx>

Rome, February 03, 2011

First Published: 16:10 IST(3/2/2011)

Last Updated: 16:12 IST(3/2/2011)

### **World food prices hit new record high: UN food agency**

World food prices hit a new record high in January, rising for a seventh consecutive month, the UN's Food and Agriculture Organisation (FAO) in Rome said on Thursday.

The FAO Food Price Index, which monitors monthly price changes for a basket of commodities, averaged 231 points in January -- up 3.4% from December and its highest level since FAO started measuring food prices in 1990.

<http://www.hindustantimes.com/StoryPage/Print/658092.aspx>

New Delhi, February 03, 2011

First Published: 15:23 IST(3/2/2011)

Last Updated: 17:03 IST(3/2/2011)

### **Uptick in India food prices part of fluctuations: Pranab**

A pick up in food inflation in the latest data is part of inflationary fluctuations, the finance minister said on Thursday, in a further attempt to calm market jitters over soaring food prices.

"Just yesterday I said that these types of fluctuations take place, sometimes weekly fluctuations, sometimes monthly fluctuations," Pranab Mukherjee said.

"Price rise is always, particularly of the essential commodities and food, are a matter of grave concern."

Mukherjee had said on Wednesday that he expected inflationary fluctuations in the next three months or so, but the overall trend for prices was to moderate.



Food price index rose for a second straight week to 17.05 % and the fuel price index climbed 11.61 % in the year to Jan. 22, government data on Thursday showed. In the prior week, annual food and fuel inflation stood at 15.57 % and 10.87 %.

Food inflation, which has remained mostly in double digits for the past one year, has been the main driver of headline inflation in Asia's third-largest economy.

The central bank last month raised interest rates by 25 basis points to clamp down on resurgent inflation, which stood at 8.43 % in December, and warned of persistently high food prices unless steps are taken to boost supplies.

Under pressure over its inability to stem soaring food prices for much of the past year, the government has missed many of its own projections on inflation. Mukherjee's second mention of fluctuations in as many days may be a way of tempering expectations of a swift drop in prices.

<http://www.hindustantimes.com/StoryPage/Print/658058.aspx>

New Delhi, February 03, 2011

First Published: 11:59 IST(3/2/2011)

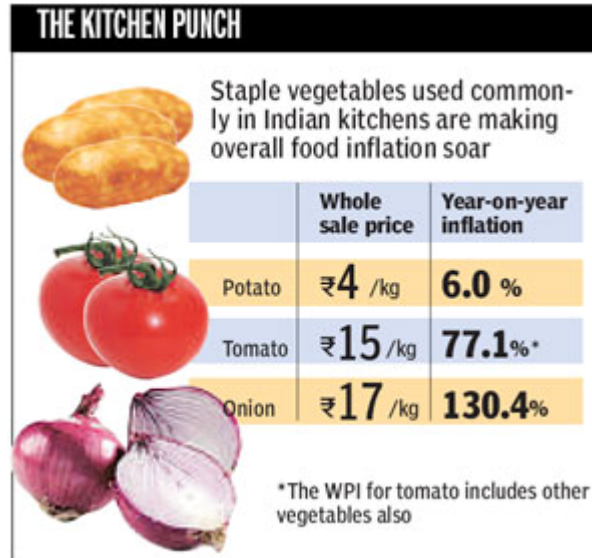
Last Updated: 01:41 IST(4/2/2011)

### **Food inflation accelerates for 2nd straight week**

Food inflation accelerated for the second straight week on rising prices of onions and petrol, putting pressure on headline inflation and reinforcing expectations of more monetary action this year to tame inflationary expectations.

Food inflation accelerated to its highest level since Dec. 25 on high prices of onions and petrol in the week. Onion and petrol prices were up more than 6.5% and 4.5% on the week.

The food price index rose 17.05% and the fuel price index climbed 11.61% in the year to Jan. 22, government data on Thursday showed. In the prior week, annual food and fuel inflation stood at 15.57% and 10.87%. The primary articles price index was up 18.44% in the latest week, compared with an annual rise of 17.26% a week earlier.



Headline inflation had accelerated in December to 8.43% after food inflation reached a one-year high of above 18% in late December.

That prompted the Indian central bank, the Reserve Bank of India, to revise its end March inflation projection to 7% from 5.5% earlier.

Bond yields and overnight indexed swap rates rose after the food inflation number as the continuing rise in food prices kept fear of fresh monetary action from the central bank alive.

The most traded 8.08%, 2022 bond rose 2 basis points to 8.21% after the data.

The one-year benchmark swap rate rose 2 bps to 7.38% and the benchmark five-year swap rose 3 bps to 7.99% after the data.

"I think onion prices are peaking off and that has been reflected in today's inflation numbers. I think for the week ended January 29, you would see moderating food inflation on the back of easing onion and vegetable prices", said N.Bhanumurthy, economist with Delhi based policy think-tank, National Institute of Public Finance and Policy.

Unseasonal rains during the October-November harvesting season for onions in key growing states of Maharashtra, Andhra Pradesh, Karnataka and Tamil Nadu spoilt much of the summer crop which led to a supply shortage.

Other food crops such as potatoes and tomatoes, which are grown around the same regions, also suffered.

The Indian central bank has raised rates seven times since March to tame inflationary expectations but with little effect.

In a sign that the hikes by the Indian central bank have led to price pressures in the economy, the input price index rose to 66.14 from 64.85 in December, latest data from the HSBC Markit Purchasing Managers' Index showed. Supply side bottlenecks which cannot be fixed overnight have long been blamed for the high food inflation which many policy makers have described as 'structural' as increasing disposable income led to a shift in demand to more protein based food items.

Analysts have called for sweeping reforms in agricultural pricing, storage and marketing as well as land reforms to address the bottlenecks and the forthcoming budget may see increased investment in these areas to increase availability of food crops.

#### FUEL PRICE RISK

The government will also be closely watching the political situation unfolding in Egypt and the middle east. India imports marginal quantities of crude from Egypt so no immediate impact on India's oil supplies is expected as of now.

However, with tensions brewing in the Middle East, negative sentiment could push up global crude prices and upset India's fiscal calculations through greater outgo on account of fuel subsidies if the situation were to worsen.

India's biggest oil retailer Indian Oil Corp on Wednesday said it would wait for global crude oil prices to ease before deciding on raising petrol prices, a move aimed at softening the blow of high global oil prices to consumers amid high inflation rate.

However, petrol prices increased almost 5% on the week on the back of a recent increase in petrol prices in January. Indian firms raised the retail prices of petrol by about 4.5% from Jan 16.

<http://www.hindustantimes.com/StoryPage/Print/657957.aspx>

# Weather

Chennai - INDIA

## Today's Weather



Partly Cloudy

Rain: 00 mm in 24hrs

Humidity: 70%

Wind: Normal

## Friday, Feb 4

Max Min  
30.8° | 21.8°

Sunrise: 6:35

Sunset: 18:10

Barometer: 1013.0

## Tomorrow's Forecast



Cloudy

## Saturday, Feb 5

Max Min  
30° | 22°

## Extended Forecast for a week

Sunday Feb 6	Monday Feb 7	Tuesday Feb 8	Wednesday Feb 9	Thursday Feb 10
26°   20°	27°   21°	27°   22°	26°   19°	26°   20°
Cloudy	Cloudy	Cloudy	Cloudy	Cloudy

## *Global food prices hit record high*

Feb 04 2011

Feb. 3: Mr Hosni Mubarak and Mr Zine El Abidine Ben Ali are not the world's foremost experts on food prices, but they are well versed with its effects. One of the strong men has already lost his presidency while the other is hanging on, at least at the time of writing. High food prices, along with widespread unemployment, was one of the reasons that had brought thousands of protestors to the streets — first in Tunisia and then Egypt. Going by the current trend, this unrest could spread as food prices around the world have touched a new historic high. Even worse, from a consumer's point of view is that experts feel prices will remain high for months to come.

The United Nations Food and Agricultural Organisation, which compiles a global food price index, says that food prices for January 2011 were at a historic high. The value of the index at 231 was 3.4 per cent higher than the figure for December, and is at the highest level ever since 1990 — when FAO started to measure these prices. Compared to the last year, the index has gone up almost 30 per cent. This index measures prices of a variety of food items include cereals, dairy products, edible oil, meat and sugar.

“The new figures clearly show that the upward pressure on world food prices is not abating,” said FAO economist and grains expert, Mr Abdolreza Abbassian.

“These high prices are likely to persist in the months to come,” he added. “The only encouraging factor so far stems from a number of countries, where — due to good harvests — domestic prices of some of the food staples remain low compared to world prices,” he added. Specific items such as dairy products, edible oils and sugar are either at or close to record high levels. Factors that have pushed up food prices include a severe drought in Russia in 2010 and floods in Australia. Both the countries are important exporters of agricultural products. Apart from poor harvests, other factors are also at work.

Growing incomes in countries such as India and China has led to consumption of better quality food items. There has also been upward pressure because of rising biofuel production —to which quite a bit of agricultural land has been diverted.

Prices this time have already crossed the levels of 2008 — the last time food prices had become painfully high, and had led to food-riots in some countries.

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**Source URL:**

<http://www.deccanchronicle.com/business/global-food-prices-hit-record-high-879>

***Hit by cyclone, farmer gets Rs 108 aid***

Feb 04 2011

Feb. 3: In a dramatic gesture, the Telugu Desam MLA of Rajahmundry (rural), Mr Chandana Ramesh, set fire to a cheque of Rs 108 given to a farmer saying it was an insult to allot such a meagre amount as compensation for crop loss.

Mr Ramesh had reached Kadium village in East Godavari on Thursday to attend the Rachchabanda programme held at the panchayat office along with MLCs Kandula Durgesh and B. Indira. As the programme was underway, some farmers who suffered crop loss in the rains of last October reached the spot and showed the MLA the cheques for meagre amounts they had been given as compensation.

A paddy farmer, Mr Manni Veeranna of Kadium village, handed over the cheque for Rs 108 to the MLA.

“It cannot even meet his expenses to reach the bank to encash it,” said the angry MLA, who set fire to the cheque and left the venue in a huff.

“I lost the crop in a major portion of my five acre land, but authorities gave me only this much,” said Mr Veeranna. “They are treating us like beggars. I am very upset.” Several other farmers also returned their cheques worth ` 100 to the Congress MLC, Kandula Durgesh, in protest.

"No proper survey was done and officials are minimising the crop loss to give lesser amounts," said the Kadiam sarpanch, Mr Dasari Seshagiri.

Unnerved by the protest, officials promised to provide more relief after rectifying lapses in assessment of damage.

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buzz

*By PTI*

*03 Feb 2011 12:30:13 PM IST*

### **Food inflation up, Pranab worried**

NEW DELHI: Providing no respite to the common man, food inflation rose to 17.05 percent for the week ended January 22, as Finance minister Pranab Mukherjee expressed "grave concern" and assured steps to moderate it.

Driven by higher prices of vegetable, fruits and eggs, food inflation increased for the second week in a row, soaring by 1.48 percentage points from 15.57 percent in the previous week.

"Price rise always, particularly, the commodity price and food items are matter of grave concern" Mukherjee told reporters when asked to comment on the rising inflation.

Mukherjee said efforts are being made both from the demand and supply side to moderate it.

Food inflation had stood at 20.56 percent during the same period a year ago.

Although the vegetable prices are likely to moderate in the coming weeks, protein-based food items like milk, fish and egg are expected to remain firm.

"Real stubborn components are the fibre items, milk, egg and fish. We need to improve production, storage facility and processing," Crisil's Principal Economist D K Joshi said.

Moreover, he added, the impact of political crisis in Egypt and other middle-east countries on global crude oil prices may cast a shadow on headline inflation, which shot up to 8.43 percent in December from 7.48 percent a month ago.

Inflation in "Fuel and Power" segment showed an increase of 11.61 percent year-on-year following an increase of petrol prices by Rs 2.50 per litre in January.

Among vegetables, onion prices on annual basis rose by 130.41 percent in the third week of January, although they have moderated considerably in the recent days.

Vegetables as a whole became dearer by 77.05 percent on an annual basis followed by fruits

(15.47 percent), egg, meat and fish (15.05 percent), milk (11.41 percent) and potato (6.22 percent).

The uptick in latest food inflation figure is likely to put further pressure on the government to provide relief to the common man in the coming budget.

Both the government and the Reserve Bank have been grappling with high inflation and slowing industrial growth that dipped to the 18-month low of 2.7 percent for November.

Experts feel the RBI, which has raised key policy interest for the seventh time since March 2010, may go in for yet another hike in its mid-quarter monetary policy review next month. The review is scheduled for March 16.

Deloitte's Principal Economist in India Shanto Ghosh said the government needed to take steps to remove supply bottlenecks and plug leakages in the distribution system to tame price rise on a sustained basis.

As regard the expectations in the short-run, he said, "I expect the rising trend to be reversed within the next few weeks."

According to the government's estimates, India loses agri products, fruits and vegetables to the tune of Rs one lakh crore annually due to want of adequate cold chains and back-end infrastructure.

Last evening Finance Minister Pranab Mukherjee had said that in large economies like India, periodic fluctuations in inflation "are not unusual".

In the remaining three months of the fiscal, he added, "there may be some fluctuations".

The RBI has increased the year-end headline inflation forecast to 7 percent from earlier estimate of 5.5 percent.

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## THE TIMES OF INDIA

### Food inflation spurts again, crosses 17%

TNN, Feb 4, 2011, 01.00am IST

NEW DELHI: Food inflation surprisingly shot up in late January due to high prices of onions and vegetables, piling fresh pressure on the UPA government which is already battling a string of corruption allegations.

Data released by the commerce and industry ministry on Thursday showed the food price index rose 17.05% in the year to January 22, rising from previous week's 15.57%. Food inflation stood at 20.56% in the same period last year.

Economists said the latest spurt in food inflation was surprising as vegetable and onion prices had shown some signs of moderation since December when food inflation shot up to 18.32%. Retail prices of vegetables and onions have eased in the past two to three weeks.

"Prices of vegetables and onions have moderated and this will be reflected in the data in the coming weeks. But overall inflation will remain high for the rest of the year as non-food inflation will dominate in the months ahead," D K Joshi, chief economist at ratings agency Crisil, said.

Unseasonal rains had damaged vegetable and onion crop which impacted supplies leading to a sudden spike in food prices. The government was forced to import onions from Pakistan to ease the situation.

On Thursday, finance minister Pranab Mukherjee played down the increase in food inflation in late January and said the government was taking steps to moderate price pressures. "Just yesterday, I said that these types of fluctuations take place, sometimes weekly fluctuations, sometimes monthly fluctuations," Mukherjee told reporters.

"Price rise is always, particularly of the essential commodities and food, a matter of grave concern."

He said efforts were being made both from the demand and supply side to moderate price pressures. The government had banned export of onions and pulses and cracked down on hoarders to calm food prices. Mukherjee will present the 2011-12 Union Budget on February 28 and economists expect more steps to ease supply bottlenecks and shore up the country's farm infrastructure. The UPA government has been under attack from the Opposition over rising prices.

Thursday's data showed the fuel price index also rose to 11.61% in the year to January 22, rising from previous week's 10.87%.

Food inflation has remained stubborn for almost a year and now economists say there is evidence of it spilling into overall inflation. The widely watched wholesale price index, the main measure of inflation in the country, rose to 8.43% in December, rising from November's 7.48%, largely driven by high food prices.

The Reserve Bank of India has raised interest rates seven times since March 2010 to tame inflation and has flagged it as a major concern. It has raised its March-end inflation estimate to 7% from the previous projection of 5.5%.

"On balance, overall WPI inflation is expected to be fairly rigid in January as compared to the provisional estimate of 8.4% inflation in December 2010," Aditi Nayar, economist at ratings agency ICRA, said.

Crisil's Joshi said high WPI inflation would continue to attract monetary policy action in the months ahead.

The index for food articles group rose by 0.7% due to higher prices of arhar (4%), masur, condiments & spices, fish-marine, barley and fruits and vegetables (2% each) and maize, wheat, jowar, gram, moong and urad (1% each). Milk prices declined 1%, data showed.

The index for non-food articles group rose by 1.4% due to higher prices of castor seed (19%), flowers (11%), safflower (kardi seed) (8%) and raw rubber (5%).

BOX: Cabinet discusses milk powder: Concerned over the scarcity of milk powder in the country, the Cabinet Committee on Prices which met on Thursday discussed the overall price situation. It also discussed whether there was a need to import milk powder to ease supplies and avoid any price spike, sources said.

<http://timesofindia.indiatimes.com/business/india-business/Food-inflation-spurts-again-crosses-17/articleshow/7421598.cms#ixzz1CxpWNVkM>

## THE ECONOMIC TIMES

Fri, Feb 04, 2011 | Updated 10.43AM IST

4 Feb, 2011, 01.07AM IST, Shyamal Gupta,ET Bureau

### **'Tendering' a bigger farce in commodity trade**

Commodities worth billions of dollar are transacted all over the world through tenders, which look transparent yet remain citadels of corruption. There cannot be a bigger farce in the transaction economy than a tendering process in the 21st century.

From presidents of various countries to a peon of a government department, everyone knows that the tender system is corrupt, farce and irrelevant. Then why are we continuing with such a system? The system of tendering has gratified the greed of so many powerful and influential persons all over the world (including international multilateral institutions) that an alternative transaction mechanism of commodities and services has not been allowed to emerge.

In times of crisis, government has encouraged import tenders (for pulses and edible oil) through public sector undertakings. While the process has remained transparent, the collusive practices of the supplier have caused price bids to remain at a high level. Army procurement, crude procurement by oil companies, state civil supplies, Commonwealth Games and NHAI all work under a tender system, which has become useless over the years. Not only crores of rupees are lost by way of sub-optimal price discovery, the corrupt goes scot-free while honest officials (at

times) gets embroiled in false charges. Transnational companies in commodity-rich African countries have developed it into an art form where tender processes are always followed but spirit is suffocated.

The objective of any transaction is to achieve the best price at that point of time. However, the tender process has focussed more on the objectives of accountability (in the spending of public money) and transparency (in the steps of the decision-making processes). A best available price in the real world cannot be ascertained. If the best price cannot be ascertained, then the loss to the exchequer cannot also be conclusively proven. Government procurement is often carried out by the process of tendering. Commodities do not work on a fixed price and therefore the 1991-92 case of palmolein oil import in Kerala was a game of oneupmanship to score a political point rather than addressing a fundamental issue.

The guidelines of the Central Vigilance Commission on the tendering process make an interesting reading. It says "as post-tender negotiations could often be a source of corruption, it is directed that there should be no post-tender negotiations with L-1, except in certain exceptional situations." Nothing wrong except that the guideline forgets that the cornerstone of price discovery is the interactions that take place between sellers and buyers.

In actual life, that an inadequate knowledge of the available commodities or services is made up for by the experience with the persons or firms supplying them is one of the most important facts which enable one to solve the immediate problems. The function of competition is here to teach who will serve well: which company and which supplier. Thus tender conditions are often made to suit those who are actually known. On the other side, these companies will ensure that the pre-bid conditions are also made to suit their own interest.

3 Feb, 2011, 11.53AM IST,PTI

### **Cardamom futures tumble 2.33 pc on profit taking**

NEW DELHI: Cardamom futures prices plunged by Rs 34.30 to Rs 1,438.20 per kg today after speculators booked profits at higher levels amid sluggish demand in the spot market.

Adequate stocks following increased arrivals in the spot market from southern producing regions also put pressure on cardamom prices at the futures market here.

At the Multi Commodity Exchange , cardamom for delivery in April traded Rs 34.30, or 2.33 per cent lower at Rs 1,438.20 per kg, with a turnover of just single lot.

Similarly, the spice for delivery in February contract plunged by Rs 19.40, or 1.40 per cent, to Rs 1,367.90 per kg, with a business turnover of one lot.

Market analysts said apart from profit booking by speculators, sluggish demand in the spot market pulled down cardamom prices at futures trade.



### **Fair price shop owners want higher commission**

February 04, 2011 10:55:13 AM

#### **MANOJ KUMAR | DEHRADUN**

The commission on food grains received from Regional Food Controller (RFC) Godown under Public Distribution System should be increased upto ten per cent of total cost, said Uttarakhand Fair Price Ration Shopkeepers Association (FPRSA) General Secretary BD Sharma while talking to The Pioneer on Thursday.

Sharma said that the Public Distribution System (PDS) shopkeepers are not getting adequate rations including rice, wheat, kerosene oil and sugar under the PDS from RFC Godown on time for the last many months.

Shopkeepers have been receiving 30 per cent less food grains including rice, Kerosene Oil, Wheat and Sugar for Above Poverty Line (APL) as well. They also received 50 per cent less Kerosene oil from Godown in last month. In addition to that, we are getting Rs six per sack as commission for the last 30 years, which is insufficient.

He alleged that RFC Godown officials are charging more than actual weight of the food grains in sack. Despite paying more money they found two to three kg less food grains in each sack, which they receive from the RFC Godown. The association has raised this demand before Uttarakhand Food and Civil Supply Minister and secretary but yet to see any action.

Our demands included ration should be received from RFC Godown on time, weight of the food grains should be correct and the State Government should either give commission on food grains received under PDS be upto ten per cent of the total cost or Rs 5, 000 should be paid to the PDS Shopkeepers as salary each month.

“The association has decided that neither we will pick up nor distribute cheaper food grains from Godown unless the State Government issue government order about their commission,” he added.

The State Government has announced that cheaper rations will be given to APL and BPL — wheat @ Rs 2 per kg and Rice @ Rs 3 per kg to BPL card holder and wheat @ Rs 4 per kg and Rice @ Rs 6 per kg to APL card holder.

### **Dairy farmers in Punjab milked dry by co-ops**

February 04, 2011 10:54:42 AM

### **Monika | Chandigarh**

The cooperative houses in Punjab are milking dry the dairy farmers, who are now finding more

profitable to sell their milk directly to the consumers. On an average, producing a litre of milk costs Rs 17 to a dairy farmer while the Milkfed is paying them Rs 18 per litre.

“We are running into losses while working with the cooperatives as others are selling their milk at the rate of Rs 30-40 per litre. Because of high input costs and high rates of interests, we virtually left with nothing,” said Harcharan Singh, the owner of Kamaljit Dairy Farm in Gadanga village in Mohali district.

The development is significant as the cooperative movement in the State might be back on the backburner with discontentment simmering among the dairy farmers. They are still selling their produce to the cooperatives at much lesser rates than they can fetch from the market, alleging that the cooperative houses are increasing their own profit without passing on the benefits to them.

The dairy farmers do not get more than Rs 18 per litre from the cooperative houses, while a consumer is willing to pay almost double the price. Punjab’s milk cooperative—Milkfed—is asking customers to shell out more because of paying higher prices to the dairy farmers, the reaping benefits are not reaching the producers.

“Recently, Milkfed hiked rupee one per litre, from which only 10 paise was given to us while the rest 90 paise was being earned by them only. Only Rs 2 is incurred by the Milkfed in processing and packaging milk per litre. They are increasing prices but benefits are not reaching us,” said Balvinder Singh, another dairy farmer of Mohali district.

The Pioneer spoke to several dairy farmers randomly, who are selling their produce to the milk cooperative houses. They alleged for not getting expected benefits. “We are not getting as per our expenditure. We unlike agriculture farmers are paying 10 per cent interest rate on loans we have taken for setting up dairy farms. The increasing rates of cattle feed, hired labour etc is too much to handle,” said Harinder Singh Balli, a small scale dairy farmer near Kharar.

Accusing the middlemen for swallowing up all benefits and increasing price burden on consumers, the farmers want the Government to intervene. “Similar to agriculture, the State Government should provide subsidies and low rates of interest to dairy farmers. They should

formulate a proper policy to decide rates and should also involve the farmer as representative in the committee for the same,” said Consortium of Indian Farmers Associations (CIFA) Punjab unit president Satnam Singh.

A senior Milkfed official said: “The technical input cost is increasing and the milk availability is lowering. Thus, giving rise to the business of adulterated milk. For having good quality milk, the people have to shell out more. Earlier a quintal of fodder was available for Rs 50 to Rs 60, which is now costing not less than Rs 150 per quintal now.”

“We agree that the Government assistance is needed at a large scale, but we at our own level are providing milk machines at 50 per cent less rates, generating awareness regarding breed improvement and other critical inputs. The direct monetary assistance should come from the State Government,” added the official.

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## **PM calls for global action to deal with climate change**

February 04, 2011 10:51:57 AM

**Pioneer News Service | New Delhi**

Prime Minister Manmohan Singh on Thursday called for a coordinated global action to deal with the challenge of climate change and stressed the proper enforcement of regulatory standards to prevent green damage. He said the country has set a broad objective to reduce the emissions intensity of GDP by 20 per cent between 2005 and 2020.

He was addressing the 11th edition of the Delhi Sustainable Development Summit, organised by The Energy and Resources Institute (TERI) on Thursday.

Leaders from various countries including Afghan President Hamid Karzai, President of the Dominican Republic Leonel Fernandez Reyna and President of Seychelles James Alix Michel are participating in the summit based on the theme of “Tapping Local Initiatives and Tackling



Global Inertia.”

President of Afghanistan Hamid Karzai, in his address pointed out time has come for the much discussed regional energy projects to become a reality. He emphasised on more effective collaboration to tap renewable sources of energy, which the region has in abundance.

According to Leonel Fernandez, the world of the future should not be one of irresponsible development at the cost of fossil fuels, uncontrolled logging and other predatory actions, but sustainable progress through the use of renewable resources”.

### **Nitish discusses flood control strategies with Nepal President**

February 04, 2011 10:52:01 AM

#### **PNS | New Delhi**

Bihar Chief Minister Nitish Kumar on Thursday met visiting Nepal President Ram Baran Yadav in New Delhi and discussed strategies to contain the damages caused by frequent floods in Bihar.

Nitish later told reporters that flood affects both the countries, sharing the borders and hence has to be tackled unitedly. He said the Nepal President has assured to cooperate with India and work towards reducing risks of floods and boost emergency responses in the event of a disaster.

Nitish broached this subject with the visiting dignitary as over 3.3 million people were affected in Bihar in the 2008 Kosi floods, which had occurred following a breach in the embankment of Kosi river at Kusaha in Nepal. About one million people were evacuated and about 4,60,000 of them were provided temporary shelter in relief camps.

Bihar, which shares a 726-km porous border with Nepal, also faces problems of infiltration, smuggling of narcotics, fake currency and human trafficking from across the border.

# Business Standard

Friday, Feb 04, 2011

**India becomes hot destination for global pepper trade**

George Joseph / Kochi February 4, 2011, 0:54 IST



India is now becoming the most attractive destination for global black pepper trade. This is mainly due to the shortage of the spice in other leading producing countries. This market condition is expected to remain for the next five-six weeks, according to leading exporters here.

Exporters told Business Standard that there is an increased interest from buyers from all over the world, especially from Europe and the US as India is having huge stocks. Vietnam and Indonesia, the major producers, are not having much stocks to offer currently.

India is offering MG1 grade at a price tag of \$5,000-5,100 a tonne. Vietnam is not quoting any prices and Indonesia's FoB price is \$5,100 a tonne. Brazil, which had some brisk sales last week, offers B-Asta grade at \$4,850-5,000 a tonne, but inferior quality is a concern for importers.

Due to rain, harvesting in Vietnam is delayed by two weeks and it is expected to commence only by the mid of February. The crop size is estimated at 100,000 tonnes and exports will be active by the end of February.

This global production scene creates an advantageous position to the Indian market, though India is also having low stocks. Though harvesting has begun, it is estimated that production would be lower than the earlier estimations this time.

According to growers, production may fall 50 per cent due to a marked shift in the climatic conditions. Kochi-based traders said supply of fresh pepper to the terminal market is very low this time and during the last couple of weeks, only two-three tonnes were brought into the market from the southern districts.

The overall production in Kerala will be lower by 30-40 per cent this time and market sources expect that this loss would be compensated partially by the supply from Karnataka. Harvesting in Karnataka will commence by the end of March. The domestic production is estimated to be 40,000-45,000 tonnes this season against a normal crop of 55,000 tonnes.

#### **Oil mills see better margins as copra prices likely to fall**

**Dilip Kumar Jha & George Joseph / Mumbai/kochi February 04, 2011, 0:53 IST**

Coconut oil mills may soon get a reprieve with industry insiders estimating a 20-25 per cent fall in copra prices over the next two months.

Things have been difficult for millers this year owing to a sharp rise in copra prices. However, analysts expect a good harvest in the new season beginning mid-February and subsequently an increase in supply.

“We had been working on a very thin margin ranging between 5-10 per cent. Although, prices of coconut oil increased, margins remained under pressure due to high copra prices,” said Deepak Sharma, vice president (marketing & sales) Raj Oil Mills Ltd (ROML), the producer of the Cocoraj brand.

Kerala Ksheera Karshaka Sahakarana Federation (Kerafed), the state apex co-operative federation of the farmers co-operative societies and the owner of the popular coconut oil brand (Kera) also feel that copra prices may decline. According to a senior federation official, they were forced to raise coconut oil prices by 10-15 per cent last month, but will pass on the benefits to the consumer once copra prices come down.

Most branded coconut oil producers in Kerala, including KPL and Nirmal, had increased oil prices last month. The expected fall in copra prices could help them increase their margins. Prices of coconut oil has almost doubled in the last one year, surpassing the level of Rs 9,000 a quintal a week ago. According to M.J. Kuriakose, director and former president of the Cochin Oil Merchants Association (COMA), large quantities of coconut are expected to reach the market wiping out the current shortage within a couple of weeks.

“Coconut oil prices may come down by 25-30 per cent and the market is likely to stabilise at around Rs 6,500 a quintal. The next coconut production season in Kerala will be active within a couple of weeks,” said Kuriakose.

However, Saugata Gupta, CEO (consumer products division) of Marico – the producer of the Parachute brand – said: “It is very difficult to predict price trends at this point in time.” With the estimated price fall of copra, leading coconut oil brands are planning to tap new markets.

Raj Oil Mills (ROML) has roped Krushnaa Patil – the youngest woman to conquer Mount Everest – as the brand ambassador for Cocoraj.

ROML plans to enter West Asia with a marketing tie-up with a local player by June. “Gradually, we will rebrand all our edible oil products to increase our market share,” said Arif I Tharadra, a senior company official. Bomi Doctor, ROML’s marketing consultant, said the company plans to invest Rs 100 crore on re-branding and re-packaging of edible oil brands over the next 15 months.

### **Global price spike revives demand for sugar exports**

**Sanjay Jog / Mumbai February 4, 2011, 0:48 IST**

Prices see a sharp rise due to cyclone in Australia.

Sugar prices in the global market scaled a new high on Thursday at \$851.5 per tonne in London trading, a 10 per cent high in the past 10 days trading sessions, though it moderated later in the day.



The surge was largely due to fear of a heavy fall in Australia's sugar production due to the Yasi cyclone crossing into northern Queensland, a region accounting for a third of the country's cane output. There have been adverse climatic conditions in other producing countries such as Brazil, Thailand and China and prices in recent weeks have been at a 30-year high.

Although the rise in global sugar prices is not expected to have any direct impact on the Indian industry, it has created hopes for more export opportunities. India has a surplus in sugar, while prices are remunerative enough to allow exports and help mills improve margins, which are presently thin.

Anticipating export permission, sugar companies' share prices went up sharply on Thursday. Leading companies' shares were up by three to nine per cent on Thursday, when the broader market was up a little less than two per cent.

The industry has made a fresh appeal to immediately get going to resolve the procedural blocks to commencing 500,000 tonnes of exports under Open General Licence. The central government had a plan to allow export of 1.5 million tonnes, in three installments of 500,000 tonnes each under OGL in January, February and March. It allotted mill-wise export quotas and they were advised to finalise the contracts and apply for release orders.

However, say sources at the Indian Sugar Mills Association (Isma) and the National Federation of Cooperative Sugar Factories, representative organisations of private and cooperative mills, respectively, told Business Standard, "The process is halted and we are not aware why. As a result, India has so far lost the opportunity of earning foreign exchange and thereby help the ailing industry to improve their realisation and pass the benefits to farmers."

The two bodies note India is the only country expected to have surplus production. Initial estimates were of 25 mt of production, now revised to 24.5 mt. There is also a carryforward stock of 4.5 mt, while domestic consumption is expected at 22 mt.

**Maharashtra govt plea** The Maharashtra government has swung into action and written to the Union finance minister, commerce minister, agriculture minister and minister of state for food, with a plea to immediately permit the first instalment of 500,000 tonnes of exports and allow another million tonnes in February itself.

Prakash Naiknavare, managing director of the Federation of Cooperative Sugar Factories in Maharashtra, said: "If the fresh efforts meet success, millers can at least cover their production cost of Rs 2,700 a quintal and keep the same price commitment to farmers." The present ex-mill price is Rs 2,620 per qtl.

Manik Borkar, managing director of Anuraj Sugar Mill, a Pune-based private mill, argued the Centre should consider allowing OGL exports of five million tonnes. This would benefit the industry a lot in the current scenario.

Yogesh Pande, founder president of the Maharashtra Sugar Traders & Brokers Association, said: "There is still panic among traders and millers. There is a problem of surplus, a huge quantity of sugar with no takers. The industry is eagerly waiting for OGL export permits to be cleared by the central government."

Angel Commodities in a recent report said Indian sugar prices were not expected to decline much, as the possible opening of exports under OGL may support the prices.

"If revised production estimates are above 25 mt, then the government may allow more sugar exports under OGL to the extent of 1-1.5 mt. In the medium term, prices are expected to remain bullish due to opening up of exports in the domestic market, amidst supply tightness across the globe," the report added.

## THE HINDU Business Line

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Tuesday, February 01, 2011

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**[Back](#) Cotton export policy requires a new spin**

*Indiscriminate issue of quotas will be counter-productive over time.*

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*Sticky policy*

*Most of the export contracts are at least 20 per cent lower than international prices.*

*Quantitative restriction and quota allocation have done more harm than good.*

*Changes in tariff in accordance with world market prices will keep exporters alive to evolving market conditions.*

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G. Chandrashekhar

Mumbai, Jan. 31

The cotton export quota allocation policy followed by the Directorate-General of Foreign Trade (DGFT) may be consistent with the country's liberalised trade policy of recent years, but it is doing nothing to advance the brand building exercise that was started by traditional exporters some time ago.

If anything, the liberalised policy of seeking applications from all and sundry, and indiscriminate issue of quotas to many with no track record is likely to prove counterproductive over time.

Steep discount

Two issues are worth noting. One is the steep discount at which India cotton has been traded or, some say, thrown away.

According to trade representatives, most of the export contracts are at least 20 per cent (equivalent to about 30 cents a pound) lower than international price.

While overseas buyers may only be too happy to receive goods at discounted prices, such sales are not going to enhance the image of Indian cotton.

Buyers are obviously not going to complain about the quality of cotton shipments from India this season simply because of the cheap price at which goods have been sold.

“If we wish to pitch our cotton in the premium segment, then it should be sold at a price commensurate with its quality,” commented a traditional exporter. It is in this context that the DGFT could be faulted for ignoring global cotton market conditions while formulating its policy that some traders sarcastically described as ‘grand clearance sale’.

What prevented the Government and indeed the Ministry of Commerce from ensuring higher unit value realisation at a time of record global prices remains a mystery. There are ways and means by which the country can realise higher unit value for goods in line with global market conditions.

Why not MEP?

Imposition of Minimum Export Price (MEP) is one such. Basmati rice export is a good example to follow.

While rice (non-basmati) exports are banned, basmati (an aromatic premium rice variety) is exportable without quantitative limits subject to a specified MEP. The system is said to be working well.

To those genuinely keen to promote Indian cotton, valuable lessons are available in this year's cotton export policy and performance.

The very idea of releasing a limited ceiling and quota allocation deserves to be reviewed. Quantitative restriction and quota allocation have done more harm than good to Indian cotton, going by this season's experience.

Without tinkering with the export policy in terms of imposing quantitative controls, it may be possible to allow exports under open general license and, yet, monitor and moderate exports through a system tariffication, depending on exigencies of the situation.

Work in coordination



The Central Government and, in particular, the Commerce and Finance Ministries should work in close coordination to ensure that the tariff mechanism is used effectively to regulate export shipments. Changes in tariff in accordance with world market prices will keep exporters alert and alive to evolving market conditions. Windfall gains would be eliminated.

Tariff changes (especially a hike in Customs duty) hanging like Damocles Sword is the answer to invoice manipulation.

The Government has already lost revenue following unimaginative procedural changes and poor implementation of cotton export quotas. One hopes these are not repeated.

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**<http://www.thehindubusinessline.com/2011/02/01/stories/2011020151692200.htm>**

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**[Back](#) Record domestic cotton prices lower than global rates**

*Small, medium mills may face problems as they carry low stocks.*

M.R. Subramani

Chennai, Jan.31

While cotton prices have run up to a record Rs 50,000 a candy (of 356 kg), they are still lower than the rates in the global market for the comparable quality produce.

And, with small and medium mills having stocks that can last not more than a month, prices could come under further pressure.

On Monday, raw cotton in Rajkot was quoted at Rs 5,375 a quintal, down Rs 575 in the last two sessions on higher arrivals.

“Cotton prices, after touching Rs 51,000 a candy for Shankar-6 in Gujarat, have now dropped to below Rs 50,000. In comparison, global prices are higher,” said Mr A. Ramani, cotton analyst.

While Shankar-6 is quoted at 155-160 cents c&f for exports, comparable cotton from other destinations is quoted at 180-200 cents.

Former Cotton Corporation of India's Chairman-cum-Managing Director, Mr M.B. Lal, said domestic cotton prices are lower by Rs 15,000 a candy compared with global prices.

“Domestic prices have eased in the last two days as arrivals have picked up,” he said.

“People are talking about higher cotton prices in the domestic market. But are farmers paid price on par with global prices?” asked Mr Manickam Ramaswami, Managing Director of Loyal Textiles.

“The problem for spinning mills is that they are not able to procure cotton at these prices. Small and medium mills have stocks that can last between 15 days and a month. Big mills may have stocks that can last them two months,” said Dr K. Selvaraju, Director-General of Southern India Mills Association.

Arrivals lower than CAB estimates

A short calculation on the arrivals, carryover stocks and exports shows that mills could, on an average, have stocks that can last them two-and-a-half months. However, it is likely that well-to-do mills could have higher stocks, leaving others with a hand-to-mouth situation, said trade sources.

According to sources, cotton arrivals till last weekend are estimated at 185 lakh bales.

Usually, 62-65 per cent of the crop arrives by January 31 and going by the Cotton Advisory Board (CAB) revised production estimate of 329 lakh bales (of 170 kg each), at least 210 lakh bales should have arrived by now.

“The crop is lower than CAB estimates. I see it around 323 lakh bales,” said Mr Lal.

“The crop could be around 310 lakh bales,” said Mr Ramani, while Dr Selvaraju also pegged it around this level.

“Unseasonal rain has affected the crop in Maharashtra, Gujarat and Andhra Pradesh,” said Mr Ramani.

“Maharashtra crop could be around 80 lakh bales only against CAB estimates of 92 lakh bales,” said Dr Selvaraju.

Andhra Pradesh crop is being seen around 48 lakh bales against CAB estimates of 55 lakh bales, while Gujarat crop is also seen around 95-98 lakh bales against estimates of 103 lakh bales.

This, according to trade sources, will see the crop some 24-27 lakh bales lower than CAB estimates. It also would mean that the carry-forward stocks for the next season will be much lower than CAB's projection of 44.50 lakh bales.

“Stocks may hardly last one month if our fears turn true,” said a trade source.

“Even if we go by CAB estimates, scope for further exports does not exist,” said Mr Lal.

It is the crop estimates that is now proving to be an issue for the industry, trade and policy makers.

January-February is the peak period for procurement by spinning mills. During this period, their buying will be to build inventories that can last them until the new crop arrives in October.

“High prices are creating problems of working capital for us,” said Dr Selvaraju.

The current situation means any correction could be short-lived.

“We may witness a scenario that was enacted last June when prices began to flare up this year too,” said Mr Ramani.

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**[Back](#) Cardamom prices drop on low demand, higher supply**

G.K. Nair

Kochi, Jan 31

Cardamom prices declined last week, on bearish sentiments resulting from reports of increased availability at auctions.

“It might have dropped on correction after ruling at moderately higher levels. An artificially created over supply situation also aided the price decline,” dealers in Bodinayakannur said.

Upcountry demand was low as nobody was interested to buy from the declining market, Mr P.C. Punnoose, General Manager, CPMC, told Business Line.

#### Declining phase

The average price at the individual auctions dropped to Rs 1,220 on Sunday from Rs 1,282 last week at the KCPMC auction, he said.

There had been gradual decline from Rs 1,352.62 on Tuesday. Severe cold wave conditions in the north Indian states coupled with unconfirmed reports of arrival of Guatemalan cardamom in the upcountry markets led to a slow down in buying activities.

The market will improve from next week as the wedding season in north India is to begin, traders said. At the same time, arrivals also declined to about one-third of it during the peak time of the season. Besides, the quality of material arriving at the market is also inferior which the trade attributed to holding back by growers hoping the prices would move up in the coming days, they said.

On account of the Republic Day, there was no CPMC auction on Wednesday, Mr Punnoose said.

Total arrivals at the KCPMC auction on Sunday stood at 42 tonnes and the entire quantity was sold out. Maximum price fetched was at Rs 1,498.50 a kg and the minimum was Rs 850 a kg. Auction average was at Rs 1,220 a kg, he said.

The high prices had reduced exports of small cardamom to 700 tonnes during April–December from 1,190 tonnes in the corresponding period a year ago.

The average unit value shot up to Rs 1,159.54 a kg against Rs 745.75 a kg in April–December 2009, according to the Spices Board sources.

“The current negative trend is only a temporary phenomenon and indications are that the average price may touch Rs 1,500 a kg,” Mr Punnoose claimed.

Prices for 8 mm green colour bold declined by Rs 50 to Rs 1,550 a kg, while bulk is being sold at Rs 1,175-1,275 a kg, Bodi trade sources said.

Arrivals at the auctions held in Vandanmettu and Bodi last week stood at 162 tonnes and of this, around 4 tonnes were withdrawn, trade sources said.

Individual auction average prices ranged between Rs 1,200 and Rs 1,350 a kg during last week from Monday to Sunday. Total arrivals during the current season from Aug 1, 2010 to Jan 30, 2011 stood at 6,689 tonnes.

Of this 6,547 tonnes were sold. Arrivals and sales in the same period of the previous season were 6,760 tonnes and 6,630 tonnes respectively.

Weighted average price as on Jan 30 was Rs 1,078 a kg, up from Rs 745 a kg same day last year. Prices for graded varieties in Rs/kg in Kumily on Monday were: AGEB 1,365-1,380; AGB 1,285-1,295; AGS 1,260-1,270 and AGS1 1,210-1,235.

Bodinayakannur open market prices in Rs/kg were: AGEB (7-8 mm) 1,350-1,375; AGB (6-7 mm) 1,275-1,300; AGS (5-6 mm) 1,250- 1,260 and AGS 1 1,200-1,225.

Dry weather prevails in the growing areas for the past couple of weeks. Growers said that they were hoping for summer rains in February.

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**<http://www.thehindubusinessline.com/2011/02/01/stories/2011020152212300.htm>**

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**[Back](#) Marginal rise in pepper futures**

G. K. Nair

Kochi, Jan. 31

Pepper futures on Monday moved up marginally on buying support and bullish sentiments. Good additional buying of March was seen. The market, as usual, remained highly volatile. It opened on a weak note, moved up and down and eventually closed marginally above Saturday's close.

Leading exporters were showing interest in covering new good quality pepper at Rs 215-216 a kg.

High moisture new pepper mixed with old pepper traded at Rs 203-206 a kg. Jharkhand- and Bihar-based dealers were reportedly buying it.

#### Steady arrivals

Meanwhile, one to two tonnes of new pepper have been arriving almost daily at major cities in North India by rail, directly from the primary markets of Kasargode in northern Kerala and Nagarcoil in Kanniyakumari district of Tamil Nadu, market sources told Business Line.

Domestic demand, however, was slow as the buyers were covering for only the minimum requirement because of the high prices. As they have not been maintaining any inventory and this being the ideal time for the grinding industry to buy, the buyers may be entering the market eventually, some of the traders felt.

Meanwhile, multinational companies with multi-origin operations were reportedly taking forward positions too. February contract increased by Rs 92 to close at Rs 22,400 a quintal. March went up by Rs 84 to close at Rs 22,775 a quintal, while April declined by Rs 32 to close at Rs 23,098 a quintal.

#### Higher turnover

The total turnover increased by 2,118 tonnes to 7,250 tonnes. Total open interest went up by 285 tonnes to close at 11,392 tonnes, indicating additional purchases.

February open interest declined by 29 tonnes to 8,638 tonnes while that of March increased by 279 tonnes to 2,161 tonnes indicating additional purchases. April moved up by 17 tonnes to 439 tonnes.

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Back Old turmeric crop prices drop sharply

Our Correspondent

Erode, Jan. 31

Old turmeric crop price dropped Rs 1,000 a quintal on Monday on lack of demand.

“The price of new turmeric is stable, but sales improved due to demand for the new turmeric. But there is no demand for old turmeric and so the price decreased by Rs 1,000 a quintal at Erode,” said Mr R.V. Ravishankar, President, Erode Turmeric Merchants Association.

He said: “Growers are having limited stock of old turmeric and because of heavy arrivals of new turmeric, demand for the old turmeric has decreased drastically. No one is ready to buy the product at Rs 12,000-12,500 a quintal, as the new crop is available below that price”.

“We are expecting from next week huge stock of new crop, like Number 8, Mysore variety and also Erode variety will arrive heavily to the market. But limited sales would be done and the price will remain unchanged,” he said.

In Erode Turmeric Merchants Association sales yard, the finger variety (new crop) fetched Rs 9,010-11,766 a quintal, root variety Rs 8,160-10,689. Of the 1,812 bags received, 500 were sold.

The Finger variety (old crop) was sold at Rs 9,201-12,579 and the root variety Rs 9,100-12,296. Out of arrival of 277 bags 100 were sold.

In Erode Cooperative Marketing Society, the finger variety was sold at Rs 9,241-13,369, the root variety Rs 7,089-13,045. 352 bags of old and new varieties received, 260 were sold. In the Regulated Market Committee, the finger variety of the old turmeric was sold at Rs 12,467-13,249, the root variety Rs 12,467-13,215.

The finger variety of the new variety fetched Rs 9,010-11,766, the root variety Rs 8,166-10,689 a quintal.

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[Back](#) **Edible oil steady on lower offtake**

Our Correspondent

Mumbai, Jan. 31

Edible oils ruled steady on Monday due to less-than-expected demand despite report from the Malaysia's of higher closing. Poor local demand kept volumes at a bare minimum. Groundnut oil, palmolein and sunflower oil and cotton oil prices ruled steady. Soya refined oil rose marginally by Rs 2. Rapeseed oil declined by Rs 7 per 10 kg. According to market sources, in palmolein, only about 80-100 tonnes were traded in resale in the Rs 585-588. Liberty quoted palmolein at Rs 607-610. Ruchi's rates were Rs 600 for palmolein, Rs 630 for soya refined oil and Rs 715 for sunflower refined oil. In the Saurashtra-Rajkot market, groundnut oil was Rs 1,135 (Rs 1,130) for telia tin and Rs 735 (Rs 730) for 10 kg.

Total arrivals of groundnuts in Gujarat, Rajasthan, Andhra Pradesh and Karnataka were about 1.45/1.50 lakh bags. There was no demand for other indigenous oils. Brand makers are also keeping away from fresh buying.

Malaysia's crude palm oil February contracts closed at Malaysian ringgit (MYR) 3,840 (3766) and March at MYR 3,832 (3,743). Mumbai commodity exchange spot rate (Rs/10 kg): Groundnut oil 760 (760), soya refined oil 627 (625), sunflower exp. ref. 675 (675), sunflower ref. 730 (730), rapeseed ref. oil 645 (652), rapeseed expeller ref. 615 (622), cotton ref. oil 613 (613) and Palmolein, 585 (585).

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[Back](#) **Sugar rules steady on robust trade**



Our Correspondent

Mumbai, Jan. 31

Spot sugar prices on the Vashi wholesale market ruled steady on Monday with buying and selling remaining at nominal levels. Retail buying witnessed at the beginning of a new month lent support. The Centre on Monday declared 16.23 lakh tonnes of sugar as free sale quota for February.

Spot sugar prices were down Rs 5 in M-grade. Naka prices due to resale selling declined Rs 10-20. The February free sale quota of 16.23 lakh tonnes includes 13 lakh tonnes as normal, 0.23 lakh tonnes as sugar processed from imported raw sugar and 3 lakh tonnes of carry forward from January. With the start of new month and expected fresh retail demand, freight rates firmed up by Rs 5 a quintal in some producing areas. On Saturday evening, about 12/14 mills floated tender offers and sold about 35,000-38,000 bags of sugar in the range of Rs 2,710-2,750 for S-grade and Rs 2,740-2,790 for M-grade a quintals. Arrivals in the markets for two days were about 48-50 truckloads (each 100 bags) and local dispatches were about 52-53 truckloads. The Bombay Sugar Merchants Association rates were: Spot S-grade Rs 2,850-2,871 (Rs 2,850-2,876) and M grade Rs 2,872-2,931 (Rs 2,886-2,931). Naka delivery rates: S-grade Rs 2,790-2,820 (Rs 2,810-2830) and M-grade was Rs 2,820-2,880 (Rs 2,850-2,880).

**Date:01/02/2011 URL:**

**<http://www.thehindubusinessline.com/2011/02/01/stories/2011020151732200.htm>**

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**[Back](#) Soya oil subdued on limited inquiries**

Our Correspondent

Indore, Jan. 31

Notwithstanding strong global cues, demand for soya oil in the domestic market continued to remain subdued on Monday. Deriving strength from bullish palm oil futures, soya refined in the morning opened at Rs 610 for 10 kg and went up to Rs 615 but apparently weak and scattered demand from the domestic market pulled prices down and most of the trading in refined was done at Rs 610-612. Traders hope that prices of soya refined is unlikely to go below Rs 605-

610. In resale, it was quoted at Rs 606-608. Soya solvent also ruled firm on subdued demand. In the spot, it was quoted at Rs 570-574 for 10 kg. According to oil traders, demand for soya oil continues to be sluggish. On the other hand, soya oil futures traded on positive note. On the NBOT, soya oil February contract, closed Rs 1.80 higher at Rs 655.80. Compared with the past few days, the gain in soya oil futures in the domestic market has turned out to be limited with continuing weak demand.

Soyabean ruled firm on weak arrival and comparatively weak support to soya meal in the export market. In the state mandis, soya seeds quoted Rs 10-15 up at Rs 2,270-2,325 a quintal, while in Indore mandis, it was quoted at Rs 2,260-2,335 a quintal.

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### Back Mills' buying keeps prices high

Our Correspondent

Rajkot, Jan. 31

Aggressive demand from mills has put cotton prices at a record level and a similar trend was seen on Monday. However, compared with Friday's situation prices were ruling lower but showed an uptrend during the day.

Cotton was traded at Rs 48,000-48,500 a candy of 356 kg on Monday with a gain of Rs 500 in Gujarat. Raw cotton was also traded higher by Rs 10-20 at Rs 1,130-1,135 for 20 kg. .

A Rajkot-based broker Mr Mayurbhai said, "Overall sentiments are positive for cotton as demand continues in the market."

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### Back Delayed data lead to additional exports

Chennai: The Centre has been saying that it will review the cotton export cap of 55 lakh bales (of 170 kg) after February 10. But the fact is that it has already allowed 58 lakh bales of cotton for exports.

According to sources, initially the Textiles Commissioner Office had reported that of the 55 lakh bales that were to be exported by December 15, 36 lakh bales had been shipped out.

Based on the Textiles Commissioner Office's data, the Directorate-General of Foreign Trade has allocated 19 lakh bales of the unutilised cotton for shipments abroad.

However, data collated now by the Government show that by December 15, 39 lakh bales were exported.

A Cotton Advisory Board source differed with the data and said 38.4 lakh bales were shipped by December 15.

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### Back Coir Board to help TN coir industry

Our Bureau

Kochi, Jan. 31

The Coir Board will extent all possible help for the speedy mechanisation of the coir industry in the neighbouring Tamil Nadu which has helped generate more employment among the rural women, and contribute to the faster growth of the export trade.

The industry, coming under the Micro, Small and Medium Enterprises (MSME) sector, and spread over 22 districts of Tamil Nadu, provides employment to over 200,000 people, majority of whom are women. The export earnings was worth Rs 200 crore last year, Mr V.S.Vijayaraghavan, Chairman, Coir Board, has said.

Expo

Inaugurating the three-day Agri Expo-2011, organised jointly by the Pollachi Chamber of Commerce and the Coir Board at Pollachi, he exhorted the industry to concentrate more on value addition in exports, rather than confining to export of raw materials like coir fibre and yarn. In this context, strengthening a closer relationship between the coir industries of Tamil Nadu and Kerala would vastly benefit both the domestic and export market, while overcoming the raw material and labour requirements of the industry in general, he said.

About 70 stalls, showcasing the growth of the industry in the recent past, contributed by the latest technological developments, and helped by the centrally aided schemes available for the benefit of the industry, are the main attraction of the expo .

A seminar on coir and coir industry and a buyer-seller meet involving the coir yarn and fibre exporters of Tamil Nadu and Kerala's export-oriented coir sector, would also be held as part of the three-day expo.

CFC opens

The Chairman also launched the Common Facility Centre (CFC) under the Scheme of Fund for Regeneration of Traditional Industries (SFURTI) at Gudiyatham in Vellore for the five coir clusters located at Gudiyatham, Pattukottai, Salem, Cuddalore and Periyakulam.

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**Back Coonoor tea prices ease on poor demand**

P.S. Sundar

Coonoor, Jan. 31

In the CTC market of Sale No: 4 of the auctions of Coonoor Tea Trade Association, Darmona Tea Industry topped at Rs 148 a kg. "Our red dust (RD) fetched this price. In all, our six grades got Rs 106 and more," Mr Dinesh Raju, Darmona Managing Partner, told Business Line.

Homedale Estate, auctioned by Global Tea Brokers, topped the CTC leaf market at Rs 144. "Our broken orange pekoe fannings (BOPF) got this price. Our broken pekoe (BP) and broken

orange pekoe (BOP) grades got the second highest price of Rs 140 each. In all, our five grades got Rs 140 and more”, the Managing Partner, Mr Prashant Menon, said.

Vigneshwar Estate got Rs 146, Shanthi Supreme Rs 136, Hittakkal Estate Rs 134, Deepika Supreme Rs 133, Kannavarai Estate and Professor Rs 130 each. In all, 79 marks fetched Rs 100 and more.

Orthodox

Among orthodox teas from corporate sector, Curzon got Rs 173, Havukal Rs 166, Kairbetta Rs 165, Highfield Estate Rs 164, Prammas Rs 161 and Quinshola clonal Rs 160. In all, 25 marks got Rs 100 and more.

Although the volume of 8.21 lakh kg offered was the lowest in over a year, 16 per cent was withdrawn for want of buyers despite shedding Rs 3 a kg resulting in teas worth Rs 97 lakh remaining unsold.

“Orthodox leaf market eased Rs 2-4 a kg. High-priced CTC leaf lost Rs 2-5, better mediums Rs 2-4 and plainers Rs 5-7. Orthodox dusts were firm. CTC medium dusts eased Rs 3-4 and others up to Rs 4”, an auctioneer said.

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**<http://www.thehindubusinessline.com/2011/02/01/stories/2011020151742200.htm>**

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**Back Spot rubber declines further**

Aravindan

Kottayam, Jan. 31

Physical rubber prices moved down further on Monday. The market lost ground following the sharp declines in domestic futures on the National Multi Commodity Exchange. According to sources, selling from dealers kept the commodity under pressure during the day. The markets in general seemed to be moving under the grip of speculators, they said. Certain tyre companies bought RSS 4 up to Rs 225 a kg on early trades, an observer said.

Sheet rubber slid to Rs 221.50 (224.50) a kg, according to dealers. The grade moved down to Rs 223 (226) a kg, as quoted by the Rubber Board.

Futures weak

The February series for RSS 4 weakened to Rs. 217.99 (223.21), March to Rs 222.60 (228.38), April to Rs 231.36 (238.16) and May to Rs 239.25 (244.78) a kg on the NMCE. RSS 3 (spot) improved to Rs 262.46 (261.42) a kg at Bangkok. The February futures for the grade slipped again to ₹478.7 (Rs 267.44) from ₹479.3 a kg during the day session but then remained unchanged in the night session on the Tokyo Commodity Exchange. Spot rates were: RSS-4: 221.50 (224.50); RSS-5: 215 (216); Ungraded: 210 (213); ISNR 20: 219 (220) and latex 60 per cent: 149 (151).

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**<http://www.thehindubusinessline.com/2011/02/01/stories/2011020151632100.htm>**

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**Back Steady trend in rice market** Karnal, Jan. 31

The rice market witnessed a steady trend, with the prices of aromatic and non-basmati rice ruling firm on the previous levels, on Monday. The market witnessed an uptrend last week and trade inquiries are supporting the market at current levels, said Mr Amit Kumar, a rice trader. With arrivals of paddy being low, the market is likely to witness another rally soon, he said. Pusa-1121 steam ruled at Rs 5,300-5,500 a quintal, Pusa-1121 sela at Rs 4,300-4,500 and Pusa-1121 at Rs 5,300. Pusa (sela) ruled around Rs 3,250 and Pusa (raw) around Rs 4,300. Basmati sela quoted at Rs 5,700-5,750 and basmati raw at Rs 6,750. Duplicate Basmati ruled around Rs 4,000 a quintal. The prices of brokens of 1121 variety were: Tibar was quoted at Rs 3,000-3,400, Dubar at Rs 2,200-2,500 and Mongra at Rs 1,800-2,000. Around 2,000 bags of PR sold between Rs 1,030 and Rs 1,050. About 3,000 bags of Sugandha-999 that arrived were quoted at Rs 1,550-1,650. Around 1,200 bags of Pusa (duplicate basmati) quoted at Rs 2,000-2,150 and about 2,000 bags of pure basmati, Rs 2,200-2,600.

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