

# THE HINDU

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## Foreign tour for farmers soon

Shankar Bennur

Mysore: In order to give fillip to the horticultural sector, the Department of Horticulture proposes to send at least 150 farmers abroad so that they get to know more about the best horticultural practices being practised there which they can replicate in India on their return. The visit will be organised under the National Horticulture Mission (NHM), a centrally sponsored scheme to promote holistic growth of the horticulture sector. It is unclear whether farmers would be taken to China, Israel and Netherlands or only to one of those countries because the authorities at the Karnataka State Horticulture Mission Agency said the tour itinerary will be decided only after the travel agencies submit the break up of tour expenditure.

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## 'Banks in Idukki denying educational and farm loans'

A Correspondent

*Sitting by banking ombudsman organised at Vazhathoppe*

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*'Denial of farm loans will affect economy' Repayment rate of educational loans low: banks*

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KATTAPPANA: The main issues raised at the sitting of the ombudsman for banking, F.R. Joseph, at Vazhathoppe, near here, on Friday were related to the sanctioning of educational and agriculture loans.

At the sitting, which was also attended by officials of various banks, people's representatives and customers, it was pointed out that there was reluctance on the part of the banks in the district in allotting educational loans and often students were denied educational loans without giving any valid reason. This affects the future of many students who could repay the loan when they get a regular-income job after their studies.

There were also complaints that farmers whose loans had been waived were denied further loans. Since the district's economy is based on agriculture, there should be a liberal policy on providing farm loans. If low-interest loans are not available to farmers, it will affect the economy of the district, it was pointed out. Banks should adopt a liberal policy in providing farm loans to farmers who own up to four hectares of land, the participants demanded.

Officials representing various nationalised, commercial and private banks said that a liberal criterion was adopted towards allotting educational loans. However, it was found that the repayment of educational loans was abysmally low. The officials also said that the rapport of the customer and his previous records were factors that influence the banks in allotting loans. The different rate of interest charged by banks while providing farm loans was also raised at the sitting.

The ombudsman suggested that banks should make improvements in two areas—allotting educational loans and loans to small-scale farmers. He said that the bank managers should understand that in rural areas their customers would mostly be small-scale farmers and people in the lowest economic strata.

He said that some issues came up at the sitting need policy changes at the management level and these would be taken up with the higher level of administration of the respective banks.

Farm production up

Earlier, presiding over the function, District Collector Ashok Kumar Singh said that there was eight percent growth in agriculture production in the district and more inflow of money into the

farm sector could augment the production level. He said that he had received lot of complaints regarding the denial of educational loans.

Lead bank in the district, United Bank of India, organised the sitting at the District Co-operative Bank Auditorium, Vazhathoppe.

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### **Performance awards given to farmers**

Special Correspondent.

HYDERABAD: Chief Manager of the NABARD P. Mohanaiah on Friday said the bank had promoted over 5,000 farmers' clubs across the State in collaboration with banks, voluntary agencies and Krishi Vignan Kendras.

At a function organised to give away Farmers Club Performance Awards, he said they had provided a platform in villages to facilitate adopting new technologies and sharing of experiences, apart from accessing credit from banks and receiving developmental support from government agencies. He added that the NABARD intended to take the number of clubs to 10,000 in the State.

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### **Budget should give relief to farmers: Patil**

Staff Correspondent

*'All problems of agricultural sector should be addressed'*

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*Chief Minister criticised for not eliciting views of farmers, experts on the matter*

*'Agricultural climatic zones should be set up to promote research and development'*

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BELLARY: Babagouda Patil, former Union Minister for Rural Development and leader of farmers, said on Friday that he was hoping that the separate budget for agriculture proposed by Chief Minister B.S. Yeddyurappa would address all problems of the agricultural sector and provide relief to farmers.

Addressing presspersons here he said, "We welcome Mr. Yeddyurappa's announcement. But he has not specified how he will cover all the aspects of agriculture in the budget and that gives scope to consider his statement as a political gimmick. However, now that he has already made the announcement, let us wait till the agriculture budget is presented. The Chief Minister has been claiming that he has great concern for farmers."

Taking exception to the Chief Minister not eliciting the opinion of experts and farmer leaders on the proposed agriculture budget, Mr. Patil said that he, along with other farmer leaders, had been touring the State to create awareness about the proposed budget and also to ascertain their views on it. We will submit their views in the form of a report to the Government, he said.

The Government could earmark the revenue accruing through direct and indirect taxes on agricultural produce, food processing, stamp duty related to sale and purchase of agricultural land and others for agricultural development.

"The revenue from molasses alone is put at around Rs. 6,000 crore. If the revenue from all other agriculture-related activities is taken into account, it will be much more. This can be used for making agriculture a more viable venture," he said.

The Government should set up 10 agricultural climatic zones with parks, where research and development activities could be taken up to improve local varieties of seeds and upgrade farm technology to minimise labour and overcome the labour problem.

Fixation of price for agricultural produce was another important area which the proposed budget should focus on as it would instil confidence among farmers. Stressing the need to keep a tab on the fluctuation of prices, he said otherwise it would hit both farmers and consumers hard.

Criticising Mr. Yeddyurappa for claiming that agricultural land was being acquired with the consent of farmers, he sought to know from the Chief Minister how he would ensure food security after allowing fertile, irrigated and cultivable land to be acquired for non-agricultural purposes. "Wastelands should be identified and used for non-agricultural purposes," he said.

Bellagurki Hanumanagouda, Lakshmikant Reddy, Veersangaiah, were among other leaders were present.

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## **Seminars on spices and medicinal plants**

Special Correspondent

Kozhikode: Seminars on cultivation of spices and medicinal plants are being organised on February 11 and 14 jointly by the Directorate of Arecanut and Spices Development and the Calicut Agri Horticultural Society. There will also be training classes by farm scientists on scientific cultivation and production technology. Farmers interested in attending the training sessions may send their application on plain paper with contact telephone number and address to the Director, Directorate of Arecanut and Spices Development, West Hill, Kannur Road, Kozhikode. Phone: 9809700013; fax 0495-2765777. Registration, though free, is restricted to first 100 applicants.

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**Inflation to be brought down to 7 % by March**

Special Correspondent

*'Current account deficit is one of the pressure points'*

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*Better agro-marketing facilities needed*

*to ensure better prices*

*Panel to look into losses of electricity distribution companies*

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PHOTO: SUSHANTA PATRONOBISH



**WEATHER VAGARIES:** Deputy Chairman of Planning Commission Montek Singh Ahluwalia being felicitated by Chairman Emeritus of RPG group R.P. Goenka at a function in Kolkata on Friday.

KOLKATA: Admitting that inflation was unusually high and is also abnormal at 17 per cent, Planning Commission Deputy Chairman Montek Singh Ahluwalia said here on Friday that by March, it was expected to come down to 7 per cent. He also said that current account deficit, was one of the pressure points of the economy and the 3.5 per cent level projected for the year was higher than what was comfortable.

Talking to the press after receiving a felicitation, he said that food price inflation over the last two months, led by non-cereal inflation, was reversible. The 2 per cent rate of growth in coal production, he felt was a more serious issue.

## Crop arrivals

“Traditionally, government focuses on foodgrain inflation — this is under control.”

He said that although the government had hoped to bring inflation down, unseasonal rains and its impact on prices of onions and vegetables like tomatoes had pushed up inflation.

He felt that the situation would improve once the new crop arrived.

To a question as to whether the government had failed to control inflation, Dr. Ahluwalia said that government could not rigidly fix prices as “we are in a modern economy.”

## High oil prices

He emphasised on the need for setting up adequate back-end facilities and better agro-marketing facilities to ensure better prices for the farmhands.

To another question on the impact of high oil prices and the situation in Egypt, he said there was an upward trend in oil prices but he hoped that this would be quickly controlled.

“I hope the turmoil in Egypt is a temporary phenomenon,” he said.

Responding to a question on the losses of electricity distribution companies, he said that a committee headed by former Comptroller and Auditor General V. K. Shunglu had been constituted to examine whether their losses were higher than what was reported.

“Without a healthy supply sector, it is not possible to have a healthy growth of the power sector,” he said.

Earlier, felicitating Dr. Ahluwalia, R. P. Goenka, Chairman Emeritus of the RPG group, said that he would be sorry if the Planning Commission Deputy Chairman took up an assignment at one of the global multilateral monetary agencies, as India would then lose one of its best intellects.

“It would be good for the world but I would like one of India's best brains to (be here and) help the economy grow.” The function was organised by the Indian Chamber of Commerce.

## Compensation for farmers

Staff Reporter

*Rs. 4,000 per hectare for monsoon-related crop losses*

PUDUCHERRY: The government has decided to provide Rs. 4,000 per hectare to farmers, who lost their crop in the northeast monsoon, Chief Minister V. Vaithilingam told the Assembly here on Friday.

Replying to motion of thanks to Lieutenant Governor Iqbal Singh's address in the Legislative Assembly, the Chief Minister said steps were being taken to provide the relief amount at the earliest.

Rebutting charges levelled by AIADMK and CPI members, he said the government in a limited period put the Union Territory on growth trajectory. Several projects such as Government Medical College, Women and Children Hospital, have been completed. Similarly, long-overdue works such as construction of a bridge across the Ariankuppam River, road overbridge along the Uppar drain and several projects under the Jawaharlal Nehru National Urban Renewal Mission have started, he said.

The "earlier government [led by N. Rangasamy] failed to take effective steps to collect tax and use funds allocated by the Centre. Hence, several projects were kept pending," he said.

Effective intervention of the government had led to collection of Rs. 645 crore as Sales Tax during 2010-11, which was only Rs. 365 crore in 2006-07. Likewise, excise collection went up to Rs. 370 crore during 2010-11 from Rs. 143 crore during 2006-07, he said.

**Trolleys introduced at farmers' market**



Staff Reporter

*Laying of platforms at bus stand inspected*



**COMES IN HANDY:**Kanyakumari Collector Rajendra Ratnoo buying vegetables using a trolley at the farmers' market in Nagercoil on Friday.

NAGERCOIL: Buying veggies in the Vadaserry 'Uzhavar Sandhai' will be a pleasant experience hereafter as shopping carts, similar to the trolleys in use in the airports to take heavier baggage without difficulty, have been introduced in the farmers' market.

After introducing the trolleys for the consumers' use on Friday, District Collector Rajendra Ratnoo, who took one of the shopping carts, started purchasing the vegetables much to the amusement of the other buyers there.

Moreover, he also formally launched the 'music service' of the farmers' market, where the consumers can buy vegetables even as listening to mild 'instrumental music'.

He later inspected the laying of concrete platforms being laid at Vadaserry Christopher bus stand.

When Mr. Ratnoo crossed Thalavaipuram ration shop, he got down from the car on seeing huge crowd gathered in front of it to buy kerosene.

After checking the kerosene stock in the shop, he enquired the cardholders whether they were getting the fuel and other essential commodities in right quantity and quantity.

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### **Parasitoids to control mealy bug infesting cocoa released**

Special Correspondent

*Mass production done at research institute at Kattuthottam*

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*Mealy bug attacks cocoa, tapioca, pigeonpea, cotton, okra, tomato and brinjal*

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THANJAVUR: Exotic parasitoids were released to biologically control papaya mealy bug infesting cocoa inter-cropped in coconut garden at Kondikulam and Alivalam villages of Pattukottai taluk in Thanjavur district recently.

Mass production of parasitoids was done at Soil and Water Management Research Institute (SWMRI) at Kattuthottam near Thanjavur for supply to farmers to control papaya mealybug disease on crops. Dr.B.Chandrasekaran, Professor and Head of SWMRI, inaugurated the first release programme of Acerophagous papayae, a parasitoid, for control of mealybugs in cocoa.

M.Selvaraj, Assistant Director of Agriculture, Pattukottai, M.Ganesan and R.Joseph, Assistant Managers of Cadburys India Ltd which propagates cocoa cultivation among farmers on contract basis also released the parasitoids on mealybugs on the occasion. M.Chandrasekaran, Assistant Director of Horticulture, Pattukottai participated in the programme.

Chandrasekaran said that mealybug is polyphagous attacking several agricultural and horticultural crops like cocoa, tapioca, pigeonpea, cotton, okra, tomato, brinjal, tak, silk, cotton, jatropha and Mulberry. As such it is having a host range of 70 crop plants and 40 weed plants.

Three parasitoids ie Acerophagous papayae, Pseudleptomastix mexicana and Anagrus loecki imported from Puerto Rico, Mexico by National Bureau of Agriculturally Important Insects (NBAII) Bangalore and Tamil Nadu Agriculture University (TNAU) Coimbatore through United States Department of Agriculture-Animal and Plant Health Inspection Services (USDA-APHIS) during September 2010 are mass produced by entomologists working in nine college campuses, 36 research stations and 14 Krishi Vigyan Kendras of TNAU across the state. They are supplied to farmers free of cost for eradication of this notorious pest, said a press release issued here by SWMRI.

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### **'Initiate dialogue with milk producers' association'**

R. Ilangoan

*Collectors of Salem, Coimbatore, Madurai and Tiruchi instructed*

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*They were told to convince milk producers to desist from the proposed agitation*

*'Ensure normal dairy activities in case the agitation materialises'*

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SALEM: Reiterating that Tamil Nadu is giving 'higher procurement prices' for both buffalo and cow milk than its neighbours, the Government has asked all Collectors in districts, especially of those in Salem, Coimbatore, Madurai and Tiruchi to initiate a dialogue with milk producers' associations, which have given a call for an indefinite 'Stop milk supply' strike from February 7.

In case the agitation materialises, the Collectors have been asked to ensure normal dairy activities in the districts on that day.

The Commissioner of Milk Production and Dairy Development, Apurva Varma, in his communiqué to the Collectors especially in the districts of Salem, Namakkal, Coimbatore, Tiruchi, Erode, Dharmapuri, Dindigul and Madurai where the associations are active, has told them to make use of their good offices to call the office-bearers of the producers associations and appraise the situation to convince them to desist from the proposed agitation.

The Chief Minister, he further notes, has recently announced the procurement price increase for cow milk by Rs. 1.10 per litre and buffalo milk by Rs. 2.20 per litre with effect from January 5, 2011.

By this increase in the procurement price paid to the milk producers in Tamil Nadu is more than their counterparts in other States such as Maharashtra, Andhra Pradesh, and Gujarat etc. Regarding the buffalo milk rate, the State pays second highest procurement price next only to Rajasthan.

He has asked the Collectors to inform him of the steps taken to ensure normalcy on February 7.

Some of the milk producers' associations which are active in western districts have given a call to stop the supply of milk to milk cooperative societies from February 7 demanding higher procurement prices such as Rs. 5 per litre on cow milk and Rs. 8 per litre for buffalo milk along with other demands.

#### Meeting

Salem Collector J. Chandrakumar conducted a meeting with office-bearers of various societies and officials concerned in this regard here on Friday.

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**Farmers seek waiver of loan**

Special Correspondent

Coimbatore: The Tamizhaga Vyavasayigal Sangam and The Western Ghats Development Thondamuthur Area Farmers Association have urged the Union Minister for Finance, Pranab Mukherjee, for waiver of agriculture loans availed from nationalised banks.

According to the Sangham's president Vazhukkuparai Balu alias Balasubramaniam and secretary P. Kandasamy, the State had waived the loan obtained from the cooperative banks and the Centre had waived the agricultural loans throughout India. But in the last 15 years only the farmers who possessed less than five acre of land were benefitted under the Centre's loan waiver scheme.

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### **Farmers submit petition**

Staff Reporter

COIMBATORE: Farmers affiliated to the Vivasayeegal Vazhvurimai Pathugappu Iyakkam have petitioned the Collector regarding the land to be acquired for Coimbatore Airport expansion.

In a release, they have said the district administration should take into account the prevailing market price while determining the compensation to be awarded and provide the compensation soon. The promise that the government would not acquire more lands than what had already been taken over should be issued as a government order. The farmers had also asked the Collector to compensate houses and coconut trees and issue no objection certificates for lands that remained with them after the acquisition.

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## **Improve agriculture output to combat food price inflation: C. Rangarajan**

Special Correspondent

COIMBATORE: "The primary answer to food price inflation lies in improved agricultural production," according to C. Rangarajan, Chairman of the Economic Advisory Council to the Prime Minister.

Speaking on 'Economic Growth and the Challenges Ahead,' at the Shri G.K. Sundaran Endowment Lecture organised by the South India Cotton Association here on Friday, he said there were some areas that needed immediate intervention of the policy makers. Managing inflationary risks, particularly food grain price inflation, was one of the biggest challenges.

While the food price inflation last year was triggered by the rise in food grain prices, this year, it was triggered by the rise in prices of vegetables, fruits, egg, meat and fish. As shifts in consumer demand occurred, agricultural production should also be more diversified, he said.

In order to sustain the high rate of growth achieved in recent years, "we must address some important challenges." The growth rate of agricultural sector should be stepped up to expand employment, generate broad-based growth and have sustained poverty reduction. Infrastructure needs of the economy were large because of the demand generated by economic growth. Fiscal consolidation was a pre-requisite for growth. "It is important that we initiate a process of fiscal consolidation. In the current year, fiscal deficit is budgeted to come down to 5.5 per cent."

Investment in social infrastructure, especially primary education and basic health, was important. Good governance was significant for economic growth, poverty reduction.

Mr. Rangarajan also released a book that contained speeches of G.K. Sundaram.

### **Challenges**

B.K. Krishnaraj Vanavarayar, Chairman of Bharatiya Vidya Bhavan, Coimbatore, said economic growth came along with challenges and opportunities. But, challenges should be converted to opportunities. C. Soundara Raj, president of the association, said this was the fifth lecture in the series.

Interacting with students after the meeting, Mr. Rangarajan advocated a balance between economic growth and environmental concern.

Referring to the closure of dyeing units in Tirupur, ordered by the Madras High Court, he said the intention was not just to close the units but to ensure that a river was not polluted. Therefore, economic growth should take place without environmental degradation.

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## Milk producers to go on strike from February 7

Staff Reporter

*Farmers will supply milk directly to people*

– Photo: N. Bashkaran



**M.R. Sivasamy (centre), State president, Tamizhaga Vivasayigal Sangam, addressing a meeting in Krishnagiri on Friday to discuss the indefinite strike planned from February 7.**

KRISHNAGIRI: Milk producers in the state will launch an indefinite strike from February 7 demanding a raise in procurement price, said Dr. M.R. Sivasamy, State president, Tamizhaga Vivasayigal Sangam, here on Friday.

He told reporters that 10 farmers' associations, including those of various milk producers, will participate in the strike.

## Direct supply

The farmers will not supply milk to societies instead will supply to poor people and the general public.

The fodder prices were increasing by the day. The recent raise of Rs. 1.10 a litre for cow milk and Rs. 2.20 a litre for buffalo milk was too meagre and hence was unacceptable.

The raise should be Rs. 5 a litre for cow milk and Rs. 8 a litre for buffalo milk matching the procurement price in the neighbouring states.

The producers were severely affected because of the low retail price of milk in the state. Considering this, the state government should sanction a special subsidy of Rs. 5 a litre of milk. The subsidy should be directly credited to the bank accounts of farmers.

The 54 per cent raise in wage announced by the state government recently for the employees of Primary Milk Cooperative Societies was nothing but a clear case of betrayal, Mr. Sivasamy said.

## Meagre

He said, the raise was meagre and hence, the association wanted the government to withdraw the announcement and do justice to the employees who were struggling to procure milk from farmers at odd times.

"The Federation of Milk Producers Associations and Farmers Federations want the state government to regularise the services of the employees attached to the cooperative milk producers' societies with a time scale of pay and retirement benefits," said Mr. K. Mohamed Ali, State president, Tamil Nadu Milk Producers Association.

Later, Dr. Sivasamy addressed a meeting to chalk out the indefinite strike. K.M. Ramagoundar, vice-president, Tamizhaga Vivasayigal Sangam, presided over the meeting. K.A. Senkottuvel, State president, Tamil Nadu Milk Producers Welfare Association, among others spoke at the meeting. Over 500 farmers participated in the meeting.

X. Irudayaraj, district secretary, Tamilnadu Milk Producers' Association welcomed the gathering.



R. Shankar, state representative proposed a vote of thanks.

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## Coal in dense forest areas can be declared 'strategic energy reserve': MoEF

Priscilla Jebaraj

*Mining will hurt biodiversity and discourage development of coal technology*

NEW DELHI: If coal mining is allowed in heavily forested areas today, it could deprive the country of a strategic energy reserve for the future, according to the Environment Ministry. It would also go against the Forest Conservation Act, invite judicial intervention, hurt biodiversity and discourage the development of coal technology.

These are among the arsenal of arguments unsheathed by the Ministry to counter the Coal Ministry's complaints, even as a Group of Ministers gets set to resolve the tussle over the "Go, No-go" classification of coal blocks in forested areas. The classification of nine major coalfields was the result of a study conducted jointly by both Ministries, but the Coal Ministry now objects to the Environment Ministry using the classification to ultimately declare about 18 per cent of coal blocks in the area out of bounds for mining.

In its comments – a copy of which is available with The Hindu – on the Coal Ministry's draft note submitted to the Cabinet Committee on Infrastructure last month, the Environment Ministry points out that it has already made major compromises to its original position.

The original classification meant that of the 582 coal blocks surveyed, 68 per cent of blocks – comprising 57 per cent of the area – fell into the "Go" category. However, "on the request of the Ministry of Coal and advice from the Prime Minister's Office," the classification was "re-examined." Under the revised parameters, an additional 29 blocks were moved out the "No-go" category, while 24 more blocks had been granted permission for mining even before the study. Redefining boundaries allowed 28 more blocks to come into the "Go" category.

At the end of this exercise, only 105 blocks – that is, 18 per cent – comprising about 23 per cent of the total area will be considered out of bounds, the note points out, adding that coal from “Go” areas may anyway be “sufficient to meet current demand.”

Environment Minister Jairam Ramesh has been insistent that considering proposals in “No-go” areas was impossible as it would amount to a violation of the Forest Conservation Act.

However, the language of his Ministry's note indicates a possible softening of that position, with an admission that the classification was merely a “prioritisation” without any “legal enforcement/basis”. It adds that it has been “initially agreed that as of now,” the Ministry will not consider proposals in the “No-go” areas.

Open to considerations

This seems to mean that the Ministry is open to such considerations in the future. Indeed, the note argues that “it may be prudent to declare the coal available in [No-go] areas as the strategic energy reserve – to be utilised in the last resort to meet urgent safety and security needs of the country, in a scenario where all other fossil fuel reserves have already been exhausted and alternate sources of energy are either not available or are inadequate to meet bare minimum energy needs for the country.”

The note also warns that setting a precedent in the case of coal to allow mining in heavily forested areas, and effectively issue forest clearances for entire coal fields in toto, may “open the floodgates” with other Ministries and sectors demanding the same. This would cause irreparable damage to the forest and wildlife wealth of the country and defeat the very purpose of the Forest Conservation Act, warned the Environment Ministry.

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*By NS Economic Bureau*

*05 Feb 2011 03:49:30 AM IST*

Prime Minister ties pay to price rise

NEWDELHI: Is India Shining to blame for the worrying increase in food inflation? Partly, economist-Prime Minister Manmohan Singh seems to say.

Addressing chief secretaries of states at the second annual conference here on Friday, Singh said much of the responsibility for checking price rise lies with the states.

“Much of what needs to be done ....lies in the domain of state governments... There seems to be a strong case for waiving mandi taxes, octroi and local taxes, which impede the smooth movement of essential commodities,” Singh said.

Singh talked about corruption, good governance, law and order, and also delivered a lesson in elementary economics – blaming the 17 per cent food price inflation in part to the success of his government’s policies.

His basic argument seemed to be this: More people can now afford to buy egg, milk, meat and fruits; more demand for these pushes prices up. But Singh also said, “Whatever be the cause, the fact remains that inflation is something, which needs to be tackled with great urgency.”

“Some of the increase in the prices of relatively superior food products like milk, eggs, meat and fish is partly attributable to rising income levels. This itself is a corollary of faster growth and the effectiveness of our programmes of social inclusion, which have succeeded in putting relatively more income in the hands of the poorer sections of the community,” he said.

“A year back the primary concern was the rising prices of cereals, pulses, edible oils and sugar due to drought. The prices were then brought under control by releasing more of these commodities through the public distribution system and through imports,” he said.

But the commodities which are now becoming dearer are not held in public stocks, he said. The lasting solution was to increase farm productivity and production.

Expressing confidence that the economy will do even better in coming years, he said, “But inflation poses a serious threat to the growth momentum. More importantly, it affects the poor and the vulnerable disproportionately harder.”

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THE HINDU  
**Business Line**

**Kenya, Lanka tea crop up sharply**

Coonoor, Feb. 4:

Kenya and Sri Lanka have posted a significant increase in tea production in 2010, while Malawi, Bangladesh and Indonesia have recorded lower output, an analysis of the latest statistics available with the producers and trading sources, has revealed.

“We have been able to compile the production data till December for five major producers. We are in the process of compiling detailed statistics in respect of South and North India, Uganda and Zimbabwe,” Mr Rajesh Gupta, Director, Global Tea Brokers, told *Business Line*.

Kenya has posted a massive increase of 84.80 million kg (mkg) in 2010, with production touching 399 mkg.

Sri Lanka's production increased by 38.25 mkg, to soar to 329.38 mkg.

Malawi's production dropped by 1 mkg to total 51.60 mkg. Indonesia reported a decline of 2.30 mkg, to add up to 72.20 mkg. Bangladesh lost 0.80 mkg to dip to 59.20 mkg.

(This article was published in the Business Line print edition dated February 5, 2011)

### **Spot rubber moves higher on short covering**

Kottayam, Feb. 4:

Spot rubber moved up creating yet another record on Friday. The market moved up on fresh buying and short covering, tracking global gains but the weakness in domestic futures kept it under pressure during closing hours. The early gains were surrendered partially on profit booking at higher levels. Among other reports, the key Tokyo rubber futures rallied to a record above ¥500 a kg catalysed by tight supplies and firm oil prices.

According to dealers, sheet rubber finished at Rs 238 (235) a kg after hitting an intraday high of Rs 240 in the morning session. The grade firmed up to Rs 239 (232) a kg both at Kottayam and Kochi, according to the Rubber Board.

RSS 4 declined with the February series slipping to Rs 235.50 (239.48), March to Rs 240.66 (245.06), April to Rs 249.51 (254.17) and May to Rs 254.20 (259.42) a kg on the National Multi Commodity Exchange.

RSS 3 (spot) closed firm at Rs 272.34 (267.71) a kg at Bangkok. The February futures for the grade improved to ₹504.7 (Rs 281.90) from ₹495 a kg during the day session and then to ₹506.5 (Rs 282.96) in the night session on the Tokyo Commodity Exchange.

Spot rates were (Rs/kg): RSS-4: 238 (235); RSS-5: 227 (225); ungraded: 223 (220); ISNR 20: 230 (227) and latex 60 per cent: 152 (151).

(This article was published in the Business Line print edition dated February 5, 2011)

### **Bright prospects for maize seen in TN**

Coimbatore, Feb. 4:

Farmers in the Tamil Nadu maize-growing belt have been advised to go for maize cultivation this season ( *Thaipattam*). Farm varsity economists, who made a study of the maize price movement, aver that the produce would fetch remunerative returns.

While confirming their predictions, the economists have advised farmers to sow bold seeded varieties / hybrids to ensure good returns.

Stating that the *Karthigaipattam*-sown (late kharif) maize had started arriving in the market and is expected to end by April, the experts said the maize crop in Tamil Nadu and Karnataka was estimated to be good this season. The area under maize in rabi 2010-11 swelled to 10.80 lakh hectares against 10.34 lakh hectares in the corresponding period of the earlier season.

Notwithstanding the increase in area, the demand for the produce increased in Tamil Nadu with the poultry industry looking to the commodity for feed requirement.

Maize is grown in Perambalur, Dindigul, Coimbatore, Salem, Erode and Virudhunagar districts.

Data collated by the National Agricultural Innovation Project-Domestic and Export Market Intelligence Cell (NAIP – DEMIC) of Tamil Nadu Agricultural University show the price of maize is ruling around Rs 920-940 a quintal. DEMIC had in November 2010 predicted that the price would prevail around Rs 925-975 a quintal till February 2011 and could increase further. It foresees the price to range between Rs 950 and Rs 1,150 a quintal between April and June.

(This article was published in the Business Line print edition dated February 5, 2011)

## **Seafood exporters move court for shipments' despatch from Cochin port**

Also want continuous power supply to marine containers

Kochi, Feb. 4:

The Kerala High Court, on Friday, admitted a writ petition filed by the Seafood Exporters Association of India and Mangala Seafood Exim Private Ltd, seeking a directive to the Cochin Port Trust (CPT) to immediately dispatch the 129 containers of marine/seafood products lying in the dock, due to the strike by a section of the employees of the Steamer Agents Association and United Stevedores Association.

Mr Justice P.N. Ravindran, while admitting the petition, also issued notices to CPT, the Union Government and other respondents.

### **Strike without warning**

According to the petitioners, a few days ago, a section of the workers belonging to the Stevedores and Steamer agents, went on a strike without giving any advance notice.

The strike had paralysed the functioning of the terminal at the port. Seafood sent by the producers to the terminal is still remaining at the port. They had brought consignments to the terminal after getting customs clearance.

Consignments of seafood, a perishable commodity, were kept in containers where a minimum temperature of 18 degree C has to be maintained. This will have to be done until goods are delivered at the destination.

Around 129 containers containing seafood worth Rs 39 crore could not be loaded on to waiting ships due to the strike. The power supply to the container had to be maintained until the goods were delivered into the ships.

The members of the association were facing a predicament. Not a single vessel has moved out of the terminal since the strike began on February.

In fact, neither did the Central Government nor the Port Trust authorities take any positive steps to settle the strike. The strike was launched because of some misgivings about certain issues which emerged in the wake of the Vallarpadom International Trans-shipment Container Terminal.

### **Possibility of sabotage**

The petitioners also said that there was possibility of the strike turning violent and striking employees indulging in sabotage.

Therefore, the Port Trust authorities should reinforce the security of the dock by employing more Central Industrial Security Force personnel.

### **Protection sought**

The petitioners sought a directive to the CPT to ensure uninterrupted power supply to the 129 seafood containers . They also sought a directive to the CPT to deploy the required CISF personnel to ensure protection against the possible sabotage.

Kitex Garments Ltd also sought a directive to the CPT to take steps to despatch their containers to the Colombo port.

### **Vallarpadam container terminal hopes to attract seafood cargo**

Scheduled to be commissioned on February 11

Kochi, Feb 4:

According to officials of the Seafood Exporters Association, this would be possible, provided Vallarpadam ensures adequate feeder services to and from the terminal.

There should be feeder services linking major ports in the West Coast to Kochi, they said.

Currently, most of the seafood consignments from outside Kerala, (from Goa, Mumbai and Mangalore) are transhipped through Colombo.

### **Seafood exports**

Seafood exports from Karnataka alone are 59,000 tonnes last year. These exports consignments can be attracted to Kochi once the feeder service from these ports is improved, the officials said.

Besides, there is also a possibility to attract marine consignments from Gujarat as the State has exported 1,83,000 tonnes last year. Gujarat is the largest exporter of marine products in term of quantity.

Almost 75 per cent of the cargo from Gujarat is for South-East Asian countries and transhipped from Colombo.

According to shipping agents, some of the cargoes now being handled at Mangalore and Tuticorin ports, can also be routed through Vallarpdam.

### **Raw cashew ships**

For example, according to shippers, raw cashew vessels from East and West Africa now call at Mangalore and Tuticorin besides Kochi port.

These vessels can make a single call at Vallarpadam, where the marine charges will be comparable to Colombo, and discharge cargo for Mangalore and Tuticorin at Vallarpadam and tranship them to Mangalore and Tuticorin.

### **Throughput**

“The incremental volumes from South Karnataka and southern Tamil Nadu and, possibly Hyderabad and southern Andhra Pradesh, will find its way to Vallarpadam”, said a leading shipping agent. The relay of export/import from/to Mangalore and Tuticorin via Vallarpadam will create the biggest increase in throughput at Vallarpadam, he said.

### **main line vessels**

Similarly if Vallarpdam gets direct mainline vessels to Europe and the United States at Vallarpadam, the export cargo from Mangalore and Tuticorin can be transhipped through Vallarpadam.



Even some of the containers cargoes coming to western ports such as Mumbai or JNPT can also be diverted to Kochi, provided the terminal cost at Kochi are comparable to Colombo or Dubai.

### *Transshipment terminal*

- *Currently, most of the seafood consignments from outside Kerala, (from Goa, Mumbai and Mangalore) are transhipped through Colombo.*
- *Export consignments can be attracted to Kochi once the feeder service from these ports is improved.*

### Higher arrivals cool onion prices

<b>TREND REVERSAL*</b>				
<b>Date</b>	<b>Arrivals</b>		<b>Price</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
Feb 1	2,000.7	1532.4	1,375	1,350
Feb 2	1,732.5	1702.7	1,250	1,300
Feb 3	1,962.2	1,612.2	1,050	1,300
Feb 4	2234.5	1222.4	900	1,200

\*Prices at Pune APMC in Rs/quintal; arrivals in tonnes  
Source: NHRDF

Chennai, Feb 4:

Onion arrivals flooded Maharashtra and Gujarat markets resulting in prices dropping to below Rs 1,500 a quintal in many places. The quality of arrivals is also reported to be good.

“There is a deluge of arrivals in the markets. In Nashik, prices have dropped to Rs 1,200-1,300 a quintal,” said Mr Madan Prakash, Director of Chennai-based Rajathi Group of Companies that trades in the bulb.

“The arrivals we see now should have happened in the middle of December. They got delayed, leading to rise in prices. The correction is happening now,” said Mr Rupesh Jaju, Director at the Nashik-based United Pacific Agro Pvt Ltd.

In fact, prices have dropped lower than what they were during the same period a year ago. Arrivals, too, are higher than the same period a year ago.

Throughout this week, arrivals in each market around Nashik and Pune were over 1,500 tonnes.

Kharif onion crop was hit by unseasonal rain in November. It also led to delay in arrival.

“Prices have now dropped to Rs 600-1,000 levels since they had surged too high,” said Mr Jaju.

However, in Gujarat, the late kharif crop arrival has led to drop in prices. “The crop arrival is on time. We are getting good and medium quality onions,” said Mr Jamanbhai Patel, a trader at Gondal, 100 km from Rajkot.

Prices could see further correction by Rs 200-300 a quintal, said Mr Jaju.

### **Exports to resume?**

The price drop could worry farmers and traders are of the view that demand to resume exports will crop up.

“If exports are to resume, then expect prices to increase Rs 400-500 a quintal,” Mr Jaju said.

Trading sources said despite ban on onion exports, clandestine shipments were taking place through the porous border with Bangladesh.

### **Rice exporters delay signing new contracts**



Karnal, Feb. 4:

Basmati rice exporters are delaying signing new contracts due to higher prices quoted by traders.

Exporters are not able to source at workable prices and because of this they are not signing the new contracts, said trade sources. Traders expect to sign a few new contracts around February 15 and also expect the market to witness an uptrend soon, said Mr Sharma.

After witnessing a good uptrend this week, prices of aromatic and non basmati rice ruled flat on Friday. Price of Pusa-1121 steam ruled at Rs 5,300-5,600 a quintal, Pusa-1121 sela quoted at Rs 4,300-4,550 and Pusa-1121 at Rs 5,300-5,350.

Basmati sela quoted at Rs 6,200-6,500 and basmati raw at Rs 7,300-7,500. Duplicate Basmati ruled around Rs 4,050-4,070 a quintal. The prices of brokens of 1121 variety were: Tibar was quoted at Rs 3,000-3,450, Dubar at Rs 2,200-2,525 and Mongra at Rs 1,800-2,030.

Sharbati sela sold at around Rs 2,750-2,775 and Sharbati steam around Rs 3,000-3,230 a quintal. Permal sela sold at Rs 1,900-2,220, while Permal steam sold at Rs 2,100-2,280 a quintal. For the brokens of Sharbati variety, Tibar quoted at Rs 2,520, Dubar at 2,060 and Mongra, Rs 1,450.

### **Paddy Trading**

Around 2,500 bags of PR sold between Rs 1,020 and Rs 1,050. About 2,800 bags of Sharbati ruled at Rs 1,500-1,550. About 3,500 bags of Sugandha-999 that arrived were quoted at Rs 1,550-1,650.

Around 2,500 bags of Pusa (duplicate basmati) quoted at Rs 2,000-2,250, around 8,000 bags of Pusa-1121 at Rs 2,000-2,480 and about 2,000 bags of pure basmati at Rs 2,200-2,600.

### **Sugar steady despite lack of fresh buying**



Mumbai, Feb. 4:

Spot sugar prices on the Vashi wholesale market continued to rule steady for the second day. S-grade normal quality sugar fell by Rs 5 a quintal, even as other grades ruled firm. *Naka* delivery rates declined Rs 5-10 on higher selling in resale as traders fulfilled their commitments on Friday.

Mills' tender rates for quality sugar moved between Rs 5 and Rs 7. Mills kept tender offer open on poor response. Freight rates quoted higher because of shortage of trucks in Kolhapur and Karad in Maharashtra.

Mr Harakhchand Vora, Vice-President of Bombay Sugar Merchants Association, said there was no improvement in local demand, as expected, and stockists were still offloading the old stock, keeping away from fresh buying. Millers are selling, but they are not ready to sell at lower rates. The volume is normal. Because of stagnant demand, prices have remained stable and volume unchanged in the last few days. Traders are staying away from bulk buying.

On Thursday evening about 14-15 mills came up with tender offer and sold about 65,000-70,000 bags of sugar at Rs 2,705-2,735 a quintal for S-grade and Rs 2,735-2,780 a quintal for M-grade. Resellers were busy fulfilling commitments for February 5-10. There was no demand from neighbouring States too.

**arrivals**

Arrivals at the Vashi markets were about 47-48 truckloads (each 100 bags), and local dispatches were about 44-45 truckloads. According to the Bombay Sugar Merchants Association spot sugar rates were: S grade — Rs 2,831-2,871 (Rs 2,836-2,871) and M grade — Rs 2,862-2,951 (Rs 2,862-2,951). *Naka* delivery rates were: S grade — Rs 2,770-2,810 (Rs 2,780-2,820) and M grade — Rs 2,820-2,890 (Rs 2,830-2,895).

### **Nizamabad sales hit Erode turmeric**



Erode, Feb. 4:

Spot turmeric sale decreased and the price of the commodity also witnessed a downward trend on Friday.

“The sale of Erode spot turmeric usually depends on the sale of the commodity in Nizamabad. On Thursday 13,000 bags of turmeric were sold in Nizamabad, so the buyers automatically kept away from purchasing the turmeric, as the North Indian buyers give first preference to the Nizamabad crop. On Friday, the sale of turmeric at Erode was affected,” said Mr R.V. Ravishankar, President, Erode Turmeric Merchants Association.

He said: “The price of spot turmeric has decreased Rs 200 a quintal and the farmers expecting increased price were disappointed”. The Salem variety also decreased Rs 150 a quintal.

In the Erode Turmeric Merchants Association Sales Yard, the finger variety of new crop fetched Rs 8,700-12,534 a quintal, the root variety fetched Rs 7,509-12,389.

The finger variety of old crop was sold at Rs 9,066-12,668, the root variety Rs 9,006-12,589. Totally 2,417 bags arrived for sale and 780 were sold.

The finger variety of Salem crop was sold at Rs 12,700-13,536, the root variety Rs 12,199-12,669. In Erode Cooperative Marketing Society, the new crop of the finger variety was sold at Rs 10,236-10,506. The root variety was sold at Rs 8,277-8,714.

The finger variety (old crop) fetched Rs 12,696-13,016, the root variety Rs 12,069-12,844. Out of 240 bags, 174 were sold.

In the Regulated Market Committee, the finger variety was sold at Rs 11,989 -12,721, the root variety Rs 11,796-12,359. Out of 1,224 bags that arrived for sale, only 490 were sold.

### **Forward markets panel inspects NMCE office**

Chennai, Feb. 4:

The Forward Markets Commission (FMC) has held inspections at the Ahmedabad office of the National Multi Commodity Exchange (NMCE) at least twice in the past month.

“We held inspections because they had appointed many consultants. The inspections were to find out why they cannot do the work in-house or why they cannot recruit their own staff,” said Mr B.C. Khatua, FMC Chairman.

“Yes, FMC officials had held inspections in our office,” said Mr Anil Mishra, Managing Director, NMCE.

But sources, who did not wish to be identified, said that the FMC had searched the NMCE Ahmedabad office with regard to a director of Neptune Overseas, the anchor promoter of the exchange. Neptune is allegedly trading in rubber and has licence for it from the Rubber Board.

According to sources, one of Neptune Overseas' directors, Mr Rajendrasinh Chudasama, also heads the surveillance department of the NMCE. This, according to sources, gives him access to all vital trade information such as open positions of each client and orders of clients.

When asked about this, Mr Khatua said: “We are looking into the complaints.”

Mr Mishra said: "Mr Chudasama is our employee. He does not trade in rubber."

NMCE launched futures trading in November 2002 and currently, it is dealing in 28 commodities.

Besides Neptune Overseas Ltd, the exchange has been promoted by the National Agricultural Cooperative Marketing Federation (Nafed), Central Warehousing Corporation, Punjab National Bank, Gujarat State Agricultural Marketing Board, Gujarat Agro Industries Corp Ltd and National Institute of Agricultural Marketing.

Reliance Money and Bajaj Holdings and Investment also have significant stakes in the exchange.