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Separate Ministry for fisheries need of the hour: K.V. Thomas

Special Correspondent

Central Minister releases Ornamental Fish Directory

The Hindu

BOOSTING THE SECTOR: K.V. Thomas, Minister of State for Consumer Affairs, Food and Public Distribution inaugurating 'Aqua Aquaria India 2011' in Chennai on Sunday. Leena Nair (right), Chairman of MPEDA and M.P. Nirmala, Secretary, Fisheries, are in the picture. Photo:S.S. Kumar

CHENNAI: The need of the hour is to have a separate Ministry for handling fisheries at the national level to provide focus attention to that sector, said Union Minister of State for Consumer Affairs, Food and Public Distribution, K.V. Thomas, on Sunday.

Delivering the presidential address at the first edition of ‘Aqua Aquaria India 2011' organised by Marine Products Export Development Authority (MPEDA), he said, “Though fisheries is a State subject, the multiplicity of organisations under various Ministries under the Central Government at times fails to have a focussed attention in the national interest.

This needs to be addressed by forming a separate Ministry."

Mr. Thomas said that though fisheries formed part of the agriculture department, many of the concessions given to the agriculture sector had not been passed on to the fisheries sector for several years and the Centre was taking steps to rectify the situation.

Releasing an Ornamental Fish Directory, the Minister said that greater R&D support with strong linkages between R&D agencies, increased investment in fish and shrimp hatcheries, diversified aquaculture species, establishment of aquaculture estates, feed mills and ancillary industries have been identified as important areas for maintaining the pace.

As part of the three-day international show on 'Aquaculture and Ornamental Fish,' the Minister inaugurated the exhibition, released a book on Green certification guidelines and presented MPEDA awards to 24 exporters for outstanding performance in 2009-2010.

In her address of welcome, MPEDA Chairman Leena Nair said, "The estimated production of cultured ornamental fish in the country is minuscule. However, there is huge potential. Currently most of India's ornamental fish production is used for domestic sales. A large quantity of captured ornamental fish is being exported. In order to promote the sector as well as preserve our environmental heritage, MPEDA is providing technical inputs and organising the sector with collaboration for funding with National Fisheries Development Board (NFDB)."

Ms. Nair said that with the introduction of Litopenaeus vannamei shrimp culture in the country, the cultured shrimp production was poised to reach new heights.

NFDB Chief Executive P. Krishnaiah urged the Centre to set up a mega Food Park for fisheries in the country and said it could be formed in Andhra Pradesh or Tamil Nadu.

NFDB was ready to give Rs.50 lakh to each State for the setting up of 'Disease Diagnostic Lab' to take care of seed, feed and diseases.

Orissa Minister for Agriculture Co-operation, Fisheries and Animal Resources Development, Damodar Raut, said his government was in the process of forming a Fishing

Harbour Management Authority and had drawn up a perspective plan to double fish production.

In this connection, he invited businessmen to make best use of the opportunity by investing in their State.

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Rabi: delta farmers hoping for best

G. Nagaraja

Their fate hinges on discharges from tributaries of Godavari

Administration criticised for lacking a ‘water policy'Western delta is currently receiving 4,000 cusecs a day

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Photo: A.V.G. Prasad

In action:Farm hands engaged in paddy transplantation in a field near Denduluru in West Godavari district.

ELURU: The delta farmers, who suffered extensive losses during kharif, are hoping for the best over the rabi prospects in West Godavari district. The district administration has stabilised the full ayacut of 5.30 lakh acres in the western delta for the rabi in a bid to help the farmers recover from the khariff shocks.

As the inflows in the Godavari river provided some silver lining, the farmers kick-started paddy transplantation all over the delta and the plantation process is near completion, according to M. Subramanyam, Joint Director, Agriculture department. The fate of the delta farmers in the rabi hinges on the discharges from the Sileru, Machkhund and Balimela, tributaries of the Godavari. The reports of a drop in the water releases from the Sileru while transplantation was in progress, sent the farmers in jitters.

M.V. Suryanarayana Raju of the Andhra Pradesh Rytu Karyacharana Samithi criticised the district administration for lacking a ‘water policy' which he held responsible for the water conflicts in the delta in rabi. The administration resorted to stabilising the ayacut depending on the water yields in the beginning of the season without taking into account the precarious condition relating to the discharges from its tributaries. If the water release was delayed by the authorities in the upper reaches of the tributaries, water crisis would hit the crop especially in the tail-end areas at the time of flowering and harvesting, Mr. Raju said.

The farmers in upper reaches and those at the tail end of the canal system in the Godavari delta will indulge in water wars almost every crop period due to the alleged failure by the authorities of the Irrigation department in managing the precious liquid. The unauthorised drawl of water through pipelines from the main and branch canals by a section of ‘wily' farmers allegedly by greasing the palms of a section of Irrigation personnel aggravates the situation, Mr. Suryanarayana Raju alleged.

K.A. Narasimha Rao, Executive Engineer, the Godavari western division, however, sought to allay the fears among farmers over water availability in the rabi. He said the western delta was currently receiving 4,000 cusecs a day as against the stipulated quantum of 3,800 cusecs and that there was no need for the farmers to feel panic. He also said there was no need for any turn system as of now as the water supplies were quite comfortable.

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Turning to the divine to save cow breed

C.S. Narayanan Kutty

The 'Kasaragod dwarf' breed is dwindling with fewer than 2,000 left.

Endangered breed:A 'Gomatha Thulabharam' being held at a place of worship near Perla in Kasaragod, throwing light on the threat of extinction faced by the 'Kasargod dwarf' breed of cow.

Kasaragod: Can divine intervention save a cow breed from extinction? People here seem to think so.

The breed in question has a tall reputation. It is the 'Kasaragod dwarf,' in the race for an entry in the Guinness Book of World Records as the smallest cow in the world but fast dwindling in numbers with fewer than 2,000 left.

At a two-day 'Gomatha Thulabharam,' nearly 150 people offered agricultural produce, such as areca nuts, coconuts, rice, vegetables, bananas, honey, ghee and spices, worth the weight of 120 cows and calves at Sree Shankara Sadanam at Bajakkudlu, near Perla, in the district. Some offered the value of the produce in cash.

The event was organised as part of efforts to protect the breed, whose milk is said to have medicinal value. B.G. Jagdish, working president of ‘Amritdhara Goshaala,' which organised the event, said the cow's urine and dung preserved the organic content of the soil, which, in turn, helped produce better agriculture produce. At the ritual, which concluded on Friday, 12 cows were donated to the ‘goshaala,' which already houses 120 cows of the breed. “Today, people are not interested in rearing this breed of cattle. It gives only two litres of milk a day and farmers are forced to turn to high-yielding varieties of cows for more returns,” he said. The ‘goshaala' is planning a Rs.1-crore project to rear this breed, considering its relevance in organic farming, Mr. Jagdish said. The funds from the ‘Thulabharam' would be utilised for the project. A centre to sell milk and ghee of ‘Kasaragod dwarf' was inaugurated on the sidelines of the ritual. Classes on cattle farming and ‘Panchagavya Ayurveda' treatment were also held.The ceremony was inaugurated by Manoj Kottaram from Kalpetta, a renowned farmer.

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Bumper crop

A Farmer of Lal Singh Karepalli Mandal in Khammam district has reaped a bounty with the taiyo hot chilli variety. Each plant has yielded around 300 to 350 chilies and if the weather continues to be favourable, he hopes to harvest 90 to 100 quintals from 3 acres.

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Coir exports touch all-time high

Staff Reporter

ALAPPUZHA: Export of coir products from the State has touched an all-time high, of 2,99,508 tonnes in 2009-2010 as against 71,334 tonnes in 2001-2002, Coir and Cooperation Minister G. Sudhakaran has said.

Inaugurating a Buyer-Seller Meet held alongside Coir Kerala 2011, an international coir festival, here on Sunday, Mr. Sudhakaran said the 319 per cent jump in quantity had resulted in rise in export revenue from Rs.320.58 crore in 2001-02 to Rs.804.05 crore in 2009-10.

The increasing domestic and international demand for coir and allied natural fibre products had injected fresh hope into the coir sector, which was going through one of its worse periods, the Minister said.

The government, as part of revitalising the sector, had taken steps to energize the coir cooperative societies, introduce modern and latest technology and improve the living conditions of coir workers through a number of welfare and healthcare schemes. Non-availability of fibre and yarn and consequent high prices were the only problems that remained to be addressed and the government was trying to tackle these through various initiatives such as the price stabilisation scheme and controlled mechanisation drive, he added.

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Upswing in oil, food prices

The standoff in Egypt and uncertainty about where it will lead is causing global economic jitters. It's already pushing up the price of oil and food, and there's no telling how long the turmoil will last.

The big worry is that popular uprisings and revolution will spread to Egypt's rich autocratic neighbours who control much of the world's oil supply.

How far will anti-government movements go? Will oil supplies be disrupted? Will the U.S. see its influence in the region decline and that of Iran and other fundamental Islamic regimes surge?

Right now, these are open questions. But there's no question that the crisis has created new risks for still shaky world economies and put a cloud over world financial markets. Instability in the Middle East, if prolonged, could jeopardise fragile recoveries in the U.S. and Europe. It could limit job creation and fuel inflation.

The situation remains tense after more than ten days of street demonstrations as protesters demanding President Hosni Mubarak's immediate resignation continue to skirmish with pro-Mubarak loyalists in the centre of Cairo. Such protests earlier brought down the government of Tunisia and have already spread in more modest ways to include Yemen and Jordan.

Oil prices have hovered at around $90 a barrel over the past week, with some analysts predicting the Egyptian crisis will lead to $100 a barrel prices sooner rather than later. Traders worry the unrest might spread to oil-producing countries in the region and even affect shipments through the Suez Canal. Egypt controls the canal and a nearby pipeline that together carry about 2 million barrels of oil a day from the Middle East to customers in Europe and the U.S. Several large Egyptian refineries near the canal have been the site of recent protests. The likelihood of the canal being shut or blockaded seems remote. It is a huge source of revenue for Egypt that the government will not want to lose, no matter who is in charge.Still, just the possibility could spook financial markets if tensions escalate.Meanwhile, rising food prices helped fuel the popular uprising in Egypt, where most of the population is poor. And the turmoil there and unrest in Somalia and other Arab nations now appear to be driving food prices even higher.

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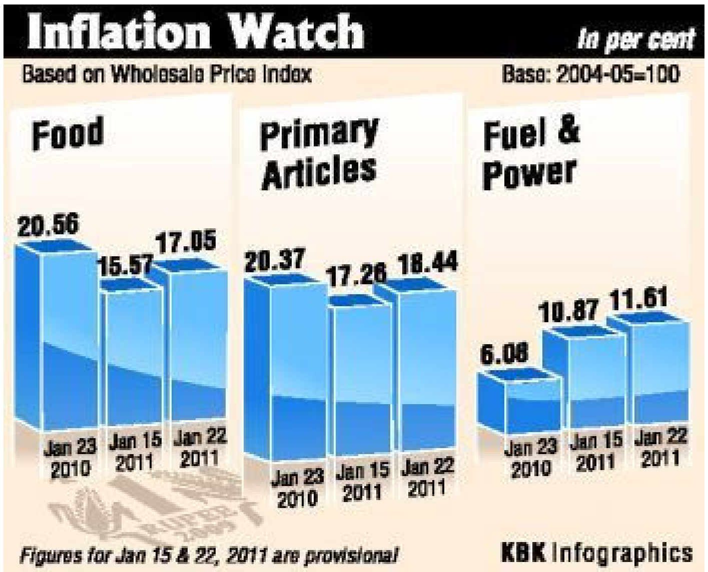
Baffling inflationary pressures

The uptrend may get reversed in the coming weeks



The monetary authorities and executives in the Finance Ministry have been at their wits end when endeavouring to check effectively inflationary pressures particularly those relating to food. The reliance has been mainly on the initiation of monetary measures as it was felt that they would be more efficacious than other non-monetary policies. It was not however been fully recognised that supply constraints have been mainly responsible for the persisting food inflation. Initially, the problem pertained to the availability of fine cereals and pulses. As there were no other major disturbing factors, the food index declined from the peak of 20.56 per cent in the third week of January last year to 10.15 per cent in the week ended November 13, 2010.

Food grain output up

This big drop was due to the unbelievably high output of 244.7 million tonnes of foodgrains and pulses in the 2010-11 season against the earlier estimate of 230 million tonnes. The revised estimate for the previous record 2008-09 season was 234.7 million tonnes despite a reduction in the output of rice by 8 million tonnes over the earlier peak.

The increase in aggregate production by 10 million tonnes as compared to 2008-09 will be on account of record wheat crop of over 82 million tonnes. The output of coarse cereals of 48 million tonnes and pulses of 16.5 million tonnes also will be at a new peak. However, even though both the fine cereals registered a decline in 12 months and prices of pulses also exhibited a downtrend, the food index has again been rising. It was as high as 17.05 per cent in the week ended January 22, 2011, registering a rise of 1.48 percentage point over the previous week. This big rise was perhaps due to the fact that the downtrend in prices of green vegetables and onions was not taken into account when the index was computed, since there has been a sharp decline in the prices of vegetables and onions latterly. It can be hoped that the uptrend will get reversed and the abnormalities will get corrected to a significant extent in the coming weeks.

Imported inflation

Even though the Indian economy is relatively better placed, it will have to reckon with imported inflation. Even in the past few months, the United Progressive Alliance (UPA) Government has pursued contradictory policies and permitted liberal exports of cotton for taking advantage of the relatively higher world prices for this natural fibre, and also marketing a bumper crop. In the process, there is a jumpy rise in internal prices for yarn, fabrics and garments. The textiles industry would have been in doldrums had it not been for the sharp rise in prices and demand for various items in the domestic market and a boom in exports. But the net result is reflected in an accentuation of inflationary pressures. Likewise, in respect of sugar, the Union Ministry of Agriculture itself has raised sharply fair prices for sugarcane in the 2010-11 crushing season. The States too have raised their dictated prices in the process.

These decisions were responsible for a noticeable rise in manufacturing costs and the sugar industry would have been obliged to suffer heavy losses and delay payments against cane purchases had it not been feasible to export sizable quantities out of record output of 250 lakh tonnes. The authorities have reversed their decisions to permit exports as they were worried about an increase in internal prices for sugar as happened in the case of the textile industry.

The decision in this regard cannot be delayed for too long as by the end of April, there will be heavy accumulation of stocks.

Similarly, iron ore prices are rising on account of an increase in internal demand as well as exports. This is again a case of imported inflation.

Oil inflation

While food inflation may not be disturbing in the coming months assuming that the agricultural sector will acquit itself admirably also in the 2011-12 season, non-food inflation may be worrisome as the UPA Government will have to reckon with imported inflation due to dearer oil, costly intermediary products and capital goods. Selling prices for petroleum products and aviation turbine fuel (ATF) are being revised as and when necessary because of the scope for free pricing. Petro-based products also are becoming dearer and it remains to be seen to what extent crude prices will rise in the coming months though it is hoped that there would not be a repetition of the happenings of 2007-08 when oil prices peaked to f $147 a barrel. The recent upsurge in crude prices to over $ 100 for Brent crude is due to the troubled situation in Egypt.

The aberration in this regard may not be in evidence after some weeks though the average prices for crude imports will be higher even in 2010-11 as compared to the previous year and to a greater extent in 2011-12. The above analysis will clearly indicate that supply constraints and external factors have been responsible for continuing rise in inflation.

The composite index has risen to 8.4 per cent in December from 7.4 per cent in the previous month. There may be a further rise in this rate in January and it will be a welcome development if there can be a decline to 7 per cent in March. The monetary authorities have earlier assumed that the composite inflation rate would decline to 5.5 per cent. In a period of rising inflation, it cannot be asserted that monetary measures have no role in checking inflation unless there is preparedness to slow down the growth process which is not desirable.

Monetary measures

With a view to tightening conditions in the money market and discouraging speculative credit expansion, the repo and reverse repo rates have been periodically raised. The latest decision of the RBI pertain to an upward adjustment by 0.25 percentage point in the repo rate to 6.5 per cent and a similar hike in the reverse repo rate to 5.5 per cent. As there was no adequate appreciation of the emerging squeeze in the money market the cash reserve ratio also was raised in two stages to 6 per cent in January last year.

The Governor of RBI is aware of the heightening liquidity in the banking system and reduced the statutory liquidity ratio (SLR) by one percentage point to 24 per cent and also agreed to purchase Government securities upto Rs.67,000 crore for injecting funds into the banking system. There will also be an additional liquidity support to scheduled commercial banks under the liquidity adjustment facility (LAF) to the extent of up to one per cent of their NDTL (net demand and time liabilities) and also a daily second LAF up to April 8. These measures cannot be continued on ad hoc basis as the economy is functioning vibrantly and there is no dearth of demand for food products, consumer durables and the like.

Indirect tax receipts

The rising receipts from indirect taxes are also an indication that dutiable products are being absorbed in increasing volume and the industrial sector will have to maximise its output if supply constraints are not allowed to rise in new directions. The variations in the WPI index in recent months are misleading to a certain extent as the meagre rise of 2.7 per cent in December is somewhat perplexing. This is because the core and infrastructure industries have actually raised their output and it is widely reported that the textile, automobile and the consumer electronic industries, to mention the more important industries, are faring extremely well.

The growth in cumulative industrial output in April-November however can be considered satisfactory at 9.5 per cent (7.4 per cent). As the uptrend will be sustained in the next four months, the growth for the whole year may be easily 10 per cent. If the GDP has to rise to over 10 per cent in the XII Plan, the industrial sector will have to play an even more important role along with the services sector. At the same time agriculture and allied industries should function creditably for ensuring balanced growth.

The working results of almost all companies including banks and other financial institutions for the three months ended December 2010 and cumulatively for nine months have been impressive. This experience is expected to be in evidence in 2011-12 though it is felt that there may be a contraction in profit margins on account of cost-push inflation. It is imperative therefore that the industrial and services sector should be helped with the necessary financial sustenance from banks and other sources if increasing demand in the domestic as well as overseas markets has to be met. That the earlier calculations in respect of growth in exports have turned out incorrect. This will be borne out by the impressive performance on the foreign trade front.

Pool of resources

Despite the caution expressed in some quarters that the appreciation in the external parity of the rupee will have a discouraging influence on the export effort, the progress in April-December has been laudable. Exports in these nine months have risen by 29.5 per cent to $164.70 billion from $127.18 billion and imports by only 19.01 per cent to $246.72 billion from $207.32 billion. The increase in imports is on account of crude and petro products to the extent of 17.7 per cent to $72.55 billion ($61.66 billion) and in respect of non oil imports by 19.58 per cent to $174.17 billion ($145.65 billion). Had it not been for the dearer oil import bill, the increase in aggregate imports could have been easily financed by incremental exports. Nevertheless, the trade deficit for the period under reference has risen only marginally to $82.02 billion from $80.13 billion.

The uptrend in exports has been sustained in December with a rise of 36.4 per cent. It is emphasised that the sustained rise in exports is due to larger shipments of textiles, engineering goods and the like. The rise in industrial output has thus to be even more pronounced in 2011-12 as it is postulated that the growth in GDP will be higher at 9 per cent against 8.75 per cent and 8 per cent in the two previous years. It will also be necessary to step up outlays on ongoing and new schemes in the core and infrastructure sectors if the economy is not to become overheated and the raised target for the XII Plan have to be realised. In a changing dynamic situation, the main emphasis will have to be on augmenting substantially the pool of resources with the grant of necessary incentives for stimulating savings. There will also have to be a copious inflow of FII (foreign institutional investor) funds, foreign direct investments and even debt receipts.

Unfortunately in spite of a commendable rise in exports, the current account deficit for April-September has risen to $34.9 billion from $22.9 billion mainly on account of reduced net invisible receipts. There will be a repetition of the same experience in October-March and the total deficit may be even $60 billion. The desired growth in foreign exchange assets has not taken place in April-December in spite of larger FII inflows. There has, off course been a slowdown in FDI which may be only temporary.

The monetary authorities will thus have to ensure an improvement in liquidity in the banking system with a reduction in the cash reserve ratio, as stated above.

The Finance Minister for his part will have to formulate the budget estimate for 2011-12 imaginatively as he will be on a comfortable wicket with a significant improvement in the budgetary position in 2010-11 even with a big rise in non-Plan and to a certain extent in Plan revenue expenditure.P.A. SESHAN

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Sericulture farmers urged to improve quality of mulberry crop

Special Correspondent

SALEM: The regional sericulture research station, Central Silk Board, Salem organized a sericulture farmers' enlightenment programme.

Organized jointly with Krishi Vigyan Kendra, Tamil Nadu Agricultural University, Sandhiyur near here recently, the programme was presided over by R.Balakrishna, Scientist-D Regional Sericultural Research Station, Salem.

In his address, he said farmers should follow the latest sericulture technologies to improve the silk worm crops and get good returns. He advised the farmers to go for organic farming and testing of soil of their mulberry gardens.

Sam Devadass, Deputy Director, Department of Sericulture (HQ), Salem said that farmers should follow the latest technologies to control mulberry pest.

Particularly, he asked the farmers to control papaya mealy bug. He asked the Research Station and KVKs to produce more ‘paracitiod' to release in the fields for the benefit of famers.

Subsidy schemes

S. Gopalasamy, Regional Deputy Director (I/C), Department of Sericulture, Trichy and G. Chandran, Assistant Director, Department of Sericulture, Namakkal explained the details of subsidy schemes available. Further, they told the farmers to take up sericulture on top priority for better returns.

S. Manickam, Programme Coordinator, KVK, Salem spoke about coordination with Central Silk Board for the interest of farmers in this region.

He advised the farmers to utilise the facilities available in KVK as already extended facilities for using the video conferencing facilities in transfer of sericulture technology. P. Udayakumar ADA, (Agri), Department of Agriculture, Salem also participated.

Control measures

In the technical session, C. A. Mahalingam, Professor, Department of Sericulture, TNAU, Coimbatore presented control measures for papaya mealy bug especially the method of release of ‘parasitoid' in the field.

N. Ravi Scientist-C, S. Rajakumar, Scientist-C and J.Ravikumar Scientist-C, Regional Sericultural Research Station, Salem and Geetha, Assistant Professor, KVK, TNAU, Sandhiyur spoke on sericulture technologies. The farmers also had interaction with scientists. An exhibition was also organised during the programme in which leading sericulture product companies and representatives of ‘chawkie' rearing centres participated.

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Incentives distributed to dairy farmers

Special Correspondent

Coimbatore: Minister for Dairy Development U. Mathivanan on Friday distributed Rs. 4.15 crore as incentive to 20,469 dairy farmers in Coimbatore District at a function held at the Coimbatore District Co-operative Milk Producers' Union.

Speaking at the function, Mr. Mathivanan said that during the year 2001-06, the then Government had only increased the procurement price of cow's milk by Rs. 1.50 and buffalo's milk and it did not take any initiative to hold talks with the farmers.

However, Chief Minister M. Karunanidhi had held talks with the dairy farmers four times in five years and had hiked the procurement price of cow's milk by Rs. 6.60 and Rs. 12.70 for buffalo's milk in different strokes.

He said that Rs. 34.43 crore from the Aavin funds was being used for expansion and modernisation of the milk unit.

Minister said that the government had increased the wages of causal labourers, though it did not regularise their services.

Referring to a plea for promoting the employees in the Union, Mr.Mathivanan said that the decision would be announced in a day or two.

He urged the dairy farmers to continue their support to the Government for enabling it to deliver more welfare schemes for them.

District Collector P. Umanath said that till date incentives were given only out of the corpus created by retaining a portion of the procurement price due to the dairy farmers. But for the first time, the union had given incentive using the profits earned by the union over and above the corpus created by retaining the procurement price due for them. It was made possible only because of the dairy farmers who stood by the Union at all times by supplying milk. Next to Chennai, Coimbatore Union is making the highest profit.

Mayor R. Venkatachalam, Aavin General Manager S. Siraj, Patron of the Dairy Farmers Association S.R. Rajagopal took part.

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Food inflation will moderate by March: Montek

Gargi Parsai

NEW DELHI: Planning Commission Deputy Chairman Montek Singh Ahluwalia has said that the high food inflation situation was “tough” but will get better by March.

“It is tough,” he said when asked about the high rate of food inflation on the sidelines of the 49 {+t} {+h} Convocation of the Post-Graduate School of the Indian Agriculture Research Institute. Food inflation rose to 17.05 per cent for the week ended January 22 driven by high prices of vegetables, fruits, milk and eggs.

On the occasion Dr. Ahluwalia was conferred an honorary doctorate degree of science. “As we move from foodgrains to perishables, we have to avoid the inefficient system of distribution which leads to spoilage. We have a situation where consumers are paying high prices, farmers are getting low prices and there are intermediaries who get a high margin of profit. We have to focus on a system that gets the best out of farming and makes it profitable,” he said in his address.

Pointing out that agriculture lost momentum in the mid-90's when the growth rate slipped from about 3.6 per cent to two per cent, he said the 11 {+t} {+h} Plan objective was to increase the farm growth rate to four per cent but it may not happen during this Plan. The four per cent growth rate in agriculture was achievable in the 12 {+t} {+h} Plan (2012-17) and that too not from foodgrains but from allied sectors like horticulture, animal husbandry and dairying. “The critical factor is how much we can increase land productivity.” Stressing on the need for more investment in agriculture research, Dr. Ahluwalia said it should be about two per cent of the agriculture Gross Domestic Product which ranges from 0.5 to 0.6 per cent at present. “But this may not happen in the budget,” he said in a lighter vein.

Expressing concern over the relatively low agriculture productivity in India than the developed countries, Dr. Ahluwalia said with innovative methods institutes like the IARI could break the barrier.

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AIKS to hold ‘Chalo Delhi' to protest against fertilizer policy

Staff Reporter

It is unfortunate that the Centre is planning to reduce its subsidy burden, its says

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ONGOLE: Farmers under the banner of the CPI(M)-affiliated All India Kisan Sabha will march to Parliament in March to press for scrapping of the alleged ‘anti-farmer' nutrient-based fertilizer pricing policy and restore the old policy of supplying subsidised fertilizers at a fixed cost irrespective of cost of production, to stop trend of suicide among peasants.

AIKS national Vice-President S Malla Reddy told a press conference here that the fertilizer subsidy component had come down from Rs 1.03 lakh crore in 2008-09 to Rs 53,000 crore in 2009-10 and Rs 50,000 crore in 2010-11. “It is unfortunate that the Union government is planning to reduce its subsidy burden further to Rs 25,000 crore in 2011-12 and slowly shirk its responsibility of providing subsidized fertilizers at a time when one farmer or another committing suicide,'' he said.

“We will embark on ‘Delhi Chalo' programme coinciding with the Budget session of Parliament on March 12 for revival of the system of supply of fertilizers at a fixed cost whether production cost went up or down'', he said.

Under the present policy, the subsidy borne by the Centre was only Rs 500 per bag of 50 kg of nitrogenous fertilizer produced by naptha-based plants and the farmers were forced to shell out Rs 1250 for each bag last year, he said.

The AIKS state unit would lay a siege to revenue offices in mandals in last week of this month for release of rs 6000 per hectare announced as compensation by the Kiran Kumar Reddy government as against the demand of rs 25,000 by farmers who had suffered a loss of Rs 12,000 crore due to untimely excessive rains. "Only Rs 520 crore had been released by the state government so far as against Rs 1016 crore required for providing Rs. 6000 per hectare as compensation,'' he alleged. Expressing concern over gradual reduction in allocation for agriculture in the Central and State budgets, AIKS State general secretary S Rama Rao pressed for at least 10 per cent of budgetary allocation for agriculture on which over 70 per cent of the nation's population was depended upon.

Coinciding with the Budget session of the State legislature, tenant farmers would embark on 'Hyderabad Chalo' programme demanding all benefits due to peasants to tenant farmers also, AIKS State President V Subba Rao said. It took 3-1/2 years for the Congress Government to initiate the process of identifying tenant farmers in November, after issuing the G.O. in 2008. The process had once again been put on hold on the pretext of coming out with a piece of legislation in the Budget session, he lamented.

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Rajasthan to supply fortified wheat through PDS

Special Correspondent

JAIPUR: Rajasthan Chief Minister Ashok Gehlot on Sunday announced distribution of the fortified wheat flour through public distribution system in several phases across the State. The seven divisional headquarters and four district headquarters would be covered in the first phase.

Addressing a review meeting of the Food and Civil Supplies Department here, Mr. Gehlot said the State Government would generate public awareness about the benefits of fortified wheat flour through a campaign on the lines of a similar drive for iodised salt. Laboratories would also be established for testing the flour.

Mr. Gehlot gave instructions for opening new laboratories in both public and private sectors for ensuring quality control of flour. The meeting also deliberated on making the laws against adulteration more stringent by bringing the offence into the non-bailable category punishable with life imprisonment.

The fortified wheat flour will be distributed under the PDS in the first phase shortly at Jaipur, Jodhpur, Ajmer, Udaipur, Bikaner, Kota and Bhartpur divisional headquarters and Nagaur, Barmer, Churu and Bhilwara district headquarters. He said action would be initiated shortly for preparing new ration cards for consumers after studying the procedure of their issuance in Chhattisgarh and in southern States, where the process is stated to be fast and hassle-free. He also noted that the “Shuddh Ke Liye Yuddh” (war for purity) drive had turned out to be a big success.

Mon,07 Feb 2011

Weather

Chennai - INDIA

Today's Weather

Clear

Monday, Feb 7

Max Min

31.3° | 20.8°

Rain: 00 mm in 24hrs

Humidity: 83%

Wind: Normal

Sunrise: 6:34

Sunset: 18:11

Barometer: 1012.0

Tomorrow's Forecast

Cloudy

Tuesday, Feb 8

Max Min

30° | 21°

Extended Forecast for a week

Wednesday	Thursday	Friday	Saturday	Sunday
Feb 9	**Feb 10**	**Feb 11**	**Feb 12**	**Feb 13**
27° | 20°	28° | 20°	28° | 21°	28° | 23°	28° | 22°
Cloudy	Cloudy	Cloudy	Rainy	Cloudy

express buzz

By Akshatha Shetty

07 Feb 2011 12:24:41 AM IST

The hanging gardens of Bangalore

BANGALORE: Walking amidst the ambrosia of humanity, a draught of wine in air gently unfurls the knotty vines. As the requiem wind murmurs through the rose-hued cluster, they radiate in an unadorned sliver of sanctity. While I strolled through the cave of pristine beauty luminously covered in Bangalore Blues, a romantic appeal transcended woody perennials. And, I would not have dared imagine the numbing of senses partly by its aesthetic magnificence. When I set foot into the vintage gardens, one summer morning in rustic Bangalore, a pang of admiration rose immeasurably.

Philosophers have heralded the extraordinary Vitis labrusca for centuries. This time-honoured addition to indulgence has often been appreciated for its healing powers. Multiplied exclusively by the rooting of hardwood cuttings, this variety of grape is grown predominantly in Karnataka. The marriage of honey-like flavour and the moistened ruggedness in texture makes Bangalore Blue a consumable delight. While each cluster waits patiently to flourish, a symphony of little orchestras breathes the farm into life. With each scratch manifesting into strands of unique melodies, I cherished an experience close to beauty and divinity. As a soft breeze gently rustled through the multi-coloured conglomeration, the grape farm in its raw contour had molded into fascination.

Kachamaranahalli village off Sarjapur Road is the humble abode of grapes, and a destination that would leave an ineffable imprint on your mind. A rendition of the Aesop's fable, the farm houses a mesmerising flower nursery. The bursts of bold colours ornate the grapevines with pure elegance. Evoking seduction with the acerbic aroma of plump ripe berries, the invigorating essence of harvest can be felt in air. With the fragrance of luscious grapes permeating through your senses, there eventually arrives a moment of dreaded realisation. Forty acres of unprecedented beauty, lurking in between skyscrapers and the infamous Bangalore pollution, longs for attention.

“This farm is 15 years old. We grow the native variety of Bangalore Blue. The climate in Karnataka is suitable for this variety. The produce is generally used for both wine-making as well as consumption. We have a very wide range of clientele. However we deal with brokers only," said Anand, the owner of the farm. On being asked if he was tempted by the government's proposition of `1.5 crore for his land he said, "Over the past couple of months, the land rates have skyrocketed here. But this piece of land is what keeps my family united. I cannot imagine selling it. This farm is a result of fifteen years of hard work and dedication. And, no one can put a price on that."

Goliaths of mundane framework tumble through the open fields. And, there in the vicinity of Anand's modest grape farm, I discovered the miracle of harvest season. Enticed by the stunning expressions of nature in the form of a picturesque surrounding, the exotic flora and fauna of Venkataswamy's farm blew me away. Dressed in bright ensemble, the chirpy harvesters gathered succulent grapes that were now ready for their journey across the states of India.

"Normally, it takes around five to six years for the vines to flourish. Since, our harvesting techniques revolve around traditional hand-picking, this makes it a labour intensive process. Also, red soil is extremely beneficial for Bangalore Blue. This, being an adaptive variety requires fewer chemicals for maintenance. However, care must be taken all times to keep the plant disease free," said Venkataswamy.

As darkness befalls the metropolitan city of blazing wonders, and as vision succeeds to dreams, my pride is shattered. For, what I had witnessed in the humility of existence was far more resplendent than the beauty of vineyards. Amidst mankind, there are indeed those whose lives thrive on the allure of nature's finest creation.

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the pioneer

Haryana to soon have an agriculture policy, says Hooda

February 07, 2011 11:42:23 AM

PNS | Jind (Haryana)

Haryana Chief Minister Bhupinder Singh Hooda on Sunday said that his Government has asked the State Farmers' Commission to formulate an agriculture policy that will better the lot of farmers.

Addressing a farmers' meeting, organised by the Association of Agriculture Development Officers at Jind, Hooda directed the Commission to give recommendations to enable farmers get all the information and technical guidance at their fields itself rather than going to different offices.

"I have already assigned the job to the best agricultural scientist of the world, Dr RS Paroda. I have requested him to take up the job of chairman of the State Farmers' Commission and recommend some measures for improving the lot of state farmers," he said.

Hooda, who is also the chairman of the national working group of Chief Ministers on agriculture production, said that the group has submitted its recommendations for securing a better future for farmers. Among its recommendations is that the Minimum Support Price should include 50 per cent profit on the production cost.

The Chief Minister also directed the officers of agriculture department to conduct study tours of farmers to the Centre of Excellence for Vegetables, set up with Israeli collaboration at

Gharaunda in Karnal district, and recommend new agriculture techniques to farmers for better output.

Gaur translocation: MP Forest Dept accused of violating norms

February 07, 2011   11:39:48 AM

Vivek Trivedi | Bhopal

Bringing yet another controversy to the recent trans-location of gaurs from Kanha to Bandhavgarh Tiger Reserve, a wildlife volunteer organisation on Sunday accused the State Forest Department of violating norms in awarding the coverage rights of the exercise.

Seeking a high level probe into the matter, the organisation complained of the misdemeanour to the State Chief Secretary and Union Minister of State for Environment and Forests Jairam Ramesh.

In the complaint, secretary of the volunteer organisation Prayatna, Ajay Dubey, refers to media reports to claims that the State Forest Department (SFD) recently trans-located gaurs in collaboration with two African companies — & Beyond (previously known as CC Africa) and KZN Wildlife.

“We have come to know about major irregularities committed the process of giving rights of filming and photographing exclusively to & Beyond,” claimed Dubey.

The wildlife volunteer further said that that information sought from SFD revealed that CWLW HS Pabla allowed & Beyond to film and photograph the gaur translocation in contravention of norms, guiding such an exercise.

“Surprisingly the SFD awarded these rights without the required process. They have not invite tenders for the selection of the party. & Beyond and Taj Safari have already photographed and videographed the process of translocation,” claimed Dubey.

Casting aspersions, he said that the process seems to be dubious, as the SFD’s wildlife unit has repeatedly issued contradictory replies to RTI queries, over the tendering process of the gaur translocation.

“First the wildlife wing denied having the desired information, later the unit replied that Kanha field director’s office has the required information, but recently came up with a mail forwarded by representative of & Beyond to CWLW and claimed that Kanha FD’s office did not have any such record,” alleged Dubey. He stated that the contents of the e-mail suggest that the private company concerned has declared themselves in self-style manner as the co-owner of the footage of the gaur project, along side the SFD.

He further alleged that in between three national dailies have reported that the SFD and ‘& Beyond’ would share proceeds from the sale of video footage and photographs of gaur translocation and also that the income accrued from the sale of coverage would be shared between them equally.“Till date, the SFD has not denied it,” claimed Dubey.Dubey in the complaint charged that the information obtained through RTI reflects the fact that the process of assigning coverage rights was biased.“We request you to please conduct a high level inquiry into the matter, by considering the sensitivity of the matter and the interest shown by the foreign companies and guilty should be punished,” demanded Dubey.

THE HINDU Business Line

Business Daily from THE HINDU group of publications

Tuesday, February 07, 2011

Spice oils, oleoresins demand rising

Export has ranged between 6,600 and 6,850 tonnes in the last three years.

February 6, 2011:

Given the varied agro-climatic conditions — tropical to sub-tropical to temperate — India is home to a wide variety of spices, the production of which is currently estimated at over 3.2 million tonne valued at over $4 billion. Most parts of the country grow one or other spices. While the ISO has notified as many as more 109 spices, a total of 52 have been brought under the purview of the Spices Board. That India, perhaps the world's largest producer, consumer, exporter and importer of a wide range of spices, is of course known. A significant part of the export is raw material in bulk form. Much of the processing takes place outside the country as a result of which the origin does not get the full benefit of value-addition.

While attempts for promotion of more and more processed and value-added spices continue, the country's presence in the world spice oils and oleoresins market is unmistakable. These value-added products enjoy excellent demand in the developed economies where they are used as food ingredients to enhance value and aroma of many foods. Importantly, they are standardised products, hygienic and of consistent quality.

Spice oils are volatile components present in most spices and provide the characteristic aroma of the spice. The oil is extracted by steam distillation and is often made to the specifications stipulated by the buyer depending on the varied end-use requirements of buyers. Spice oils are mostly used in food, cosmetics, perfumes and personal hygiene products such as toothpaste, mouthwash and aerosols, in addition to a variety of pharmaceutical formulations.

Wide-ranging applications

Mint oils are important value-added products that India produces and exports. India is the largest producer of mint oil and its derivatives. Because of its cooling effect, the product has wide-ranging applications including toothpaste, mouthwash, chewing gum, candy, hair oil, perfume, cigarettes and cosmetic products. Spice oleoresins represent the complete flavour profile of the spice.

Climate-resilient agriculture is the way forward

THE HINDU VIJAYAWADA (AP) TUESDAY, 07/12/2010: A farmer shows the harvested paddy that suffered damage in the fields due to rains on Tuesday, at Kesarapalli near Vijayawada. PHOTO: V_RAJU (DIGITAL MAGE)

February 6, 2011:

Will the weather Gods smile benevolently in 2011 unlike in the previous year? This vexing question is uppermost in the minds of Governments, agri-businesses and investors around the world.

A lot of uncertainty surrounds what's in store for the world over the coming months. It is for this reason that policymakers, especially in agrarian economies and food-importing countries, should have their ear to the ground and be ready with contingency plans.

No doubt, weather has always been a key driver of agri-markets, but 2010 proved it beyond doubt.

In a few short months, it caused production setbacks, slashed inventory built in the previous two years, spiked food prices and worse, left the world's poor facing elevated levels of food inflation, which many Governments are still fighting with limited success.

Weather events

The quick transition from El Nino to La Nina last year wrought havoc to many crops in different parts of the world. Experts assert that ENSO (El Nino/La Nina southern oscillation) weather events are caused by warming or cooling of the surface temperature of the Pacific Ocean.

Following extreme weather such as floods, droughts and other disturbances, farm output and quality was adversely affected.

It started with too much wet weather in Canada, followed by drought in Russia and the Black Sea region. Pakistan faced devastating floods and India experienced extended monsoon. Later in the year, weather disturbance moved to the southern hemisphere where La Nina-induced dry conditions started to affect planting in Argentina.

More recently, floods in Australia and Brazil, and closer home in Sri Lanka, have caused consternation. It is a matter of concern that in many agricultural commodities, the world has entered 2011 with extremely tight stock levels. This makes the food markets rather vulnerable to sharp price swings in the event supplies once again underperform.

Clearly, with the global stock-to-use ratios for commodities such as grains, sugar, natural rubber and cotton at historically low levels, these markets cannot afford further supply disruption.

ENSO models

The latest ENSO models, weather experts assert, show that the current La Nina will begin to weaken by the second quarter of 2011 and head towards neutral status (or La Nada) by the summer.

However, even with a mid La Nina, drier than normal weather can be expected in Southern America, a development that would threaten yields of soyabean, corn and sugarcane. In the event, prices of the commodities will continue to stay at elevated levels, if not rise higher.

At the same time, prolonged monsoon in Southern and Eastern Asia, as well as wet conditions in Australia and Central America, heighten the supply-side risks of commodities. While cotton, rice and natural rubber in Asia run weather-related risks, wheat in Australia and coffee in Central America can potentially get into trouble in terms of quantity and quality of output.

2010 saw prices of many commodities reach record levels. For instance, cotton touched an unprecedented 175 cents a pound, while sugar prices at about 34 cents a pound reached 30-year highs. Palm oil and soyabean oil are trading at elevated levels of over $1,200-1,300 a tonne.

Rabid financialisation

To be sure, one of the factors driving agricultural prices higher has been the rabid financialisation of the market. Too much speculative capital chases crops with limited supplies which drives up derivative prices on the bourses, which in turn raises physical market prices.

Cash markets and futures markets feed on each other and create a bullish spiral.

It is argued that it is impossible at this point of time to know whether La Nina will re-strengthen or continue to head towards an El Nino. A return to El Nino would trigger wet weather patterns in South America, but not in time to replenish soil moisture levels for the 2011 season's crop, it is believed.

Worse, El Nino-related weaker monsoon in Asia would hit next year's rice, sugarcane and palm oil harvests, exacerbating the current crop shortfall and risk raising food prices even more.

Inflation

Analysts believe, Governments in food importing countries will have a hard time controlling agricultural price inflation (known as agflation). They could engage in destabilising protectionists trade policies in order to prevent domestic prices from escalating further and avoid socio-political upheaval.

Negative use of trade polices (such as ban on export) started with India two years ago. Russia placed an embargo on grain export last July following drought. Nothing prevents other countries from picking up the cue.

Even as high food inflation is now a near-global phenomenon and Governments are using every trick in the book to contain rising prices, if weather Gods don't smile, 2011 could turn out to be a really nasty year.

Already the global policy environment is turning increasingly complex. Governments are in a dilemma, struggling to judiciously balance domestic political compulsions and international obligations.

Often, the former override the latter. Protecting the poor from the ravages of food inflation is extremely critical for a country such as ours.

Instead of taking the weather for granted, all stakeholders have to start working towards making agriculture weather-proof. It is known that tropical countries such as India are more vulnerable to the adverse effects of global warming and climate change.

So, climate-resilient agriculture is the way forward.

It is critical to evolve and implement policies that would ensure agriculture sector demonstrates robust growth rates in a sustained manner, so that the fruits of overall economic growth are equitably distributed.

Need to increase efforts todevelop high-yielding varieties

THE HINDU A file picture of unprocessed tur dal being graded and cleaned at the Gulbarga Agricultural Produce Marketing Committee yard . Arun

February 6, 2011:

Red gram also called the pigeon pea (Cajanus cajan) is commonly known as *arhar* or *tur dal* in Hindi. The crop is believed to have originated in Asia 3,000 years ago and travelled to the east Africa through the European slave trade route. The crop is produced primarily in India and mostly in areas which are rainfall-deficient and in areas where lands are degraded.

Red gram is multi-purpose crop with the grains being used for food, leaves being used for fodder while the woody stem is used as domestic firewood, thatching of roofs, fencing etc. The dry matured grain is used for preparation of Dal and the green pods or seeds are used as vegetables. Tur dal contains 20-22 per cent protein content, making it an important source of protein.

The crop, a medium to long-duration crop maturing in 150-280 days, is traditionally grown in less endowed regions of the world as an intercrop with sorghum and cotton in order to provide a cushion against income shocks arising due to failure of the main crop.

Red gram is produced in about 20 countries across the world. Global production stood at 4.1 million tonnes. India is the leading producer of this crop in the world. In the year 2008, the country produced 75 per cent of the total global production, while Myanmar produced 15 per cent. Other countries with meaningful production levels are Malawi, Uganda, Kenya and Tanzania.

In the last couple of decades, global acreage grew by 41 per cent from 3.3 million hectares to 4.6 million hectares. During this period, global productivity has increased by about 7 per cent from about 696 kg a hectare to about 742 kg a hectare.

In addition to being the largest producer, the country is also the largest importer of red gram and accounts for about 85-90 per cent of global imports. It is estimated that about 3.1 million quintals were imported in 2007-08 by India and 90 per cent of this import was supplied by Myanmar, making it the largest exporter in the world.

Tur is an important pulse in India. The crop occupies 6.5 per cent of the total area under pulses and 5.5 per cent (ranked 6th among pulses) of the total pulse production. The crop is cultivated in an area of about 3.5 million hectares with a productivity of about 710 kg a hectare. While the area under tur cultivation has increased by about 21 per cent over the last two decades, productivity has remained low primarily on account of the crop being growing in rain-fed areas.

Tur was a major crop in Uttar Pradesh in the early 1970's. However, the advent of irrigation to this State during the green revolution period resulted in migration of farmers from cultivation of tur to paddy (which became comparatively more remunerative than tur in irrigated conditions) thus limiting red gram cultivation to semi-arid tropical regions.

Production trends

Consequently, production trends in India indicate intense fluctuations with productivity dropping by up to 25 per cent in case of severe drought conditions. Currently, major producers of tur in India are Maharashtra (35 per cent), Karnataka (16 per cent) and Uttar Pradesh contributing 11 per cent). Andhra Pradesh and Gujarat contribute 10 per cent each These five States account for more than 80 per cent of the country's total tur production. While there is tremendous demand for tur dal in India, focus on increasing production and productivity in the country is extremely low. There is a need to significantly increase public and private efforts to develop high-yielding or drought-resistant varieties. It is essential for the Government to promote research and development to come out with drought-resistant and high-yielding varieties so as to improve domestic red gram production – which would not just reduce the demand-supply gap of pulses in the country but also improve revenue generation of farmers in rain-fed regions.

Firm trend in select grades at Kochi tea auction

Kochi Feb. 6:

While there was general weakness at the CTC dust tea auction in Kochi, firm trends were in evidence at the orthodox dust sale. In a similar pattern, orthodox leaf auction witnessed strong demand and higher prices, while demand was muted at the CTC leaf auction and prices remained subdued. There was 10,47,500 kg of dust tea and 2,47,500 kg of leaf tea on offer at the auction. As prices of CTC dust fell by Rs 3-5 a kg, there were several withdrawals from the auction.

Only good liquoring grades were able to withstand the price plunge. The Kerala State Civil Supplies Corporation and loose tea traders lent fair amount of support, while AVT, Hindustan Unilever and Tata Global remained subdued.

Leaf Auction

There was strong demand for high-grown strong and medium grades at the orthodox leaf auction and prices gained smartly. Medium orthodox bolder broken and whole leaf grades quoted higher following quality. Smaller broken and fannings moved in value. There was strong demand from HUL and exporters to Russia. There was fair amount of support from exporters to Tunisia. Upcountry demand was noticed on select whole leaf orthodox grades and fannings. HUL and exporters were selective and subdued at the CTC leaf auction. Upcountry buyers entered at lower levels.

Top Prices

Corsley BOPD fetched the top price at the dust auction at Rs 149 followed by Pasuparai SFD at Rs 140, Pasuparai FD (Rs 136) and Kilkotagiri BOPD (Rs 125). At the leaf auction, Pascoes green tea fetched the top price at Rs 377 followed by Chamraj OP at Rs 218, Sutton FOP at Rs 217 and Chamraj FP at Rs 215.

Coonoor tea prices ease

Business Line A file picture of workers plucking tea at an estate near Coonoor in Tamil Nadu. Coonoor, Feb. 6:

Homedale Estate tea, auctioned by Global Tea Brokers, topped Sale No: 5 of the auctions of Coonoor Tea Trade Association fetching Rs 146 a kg. “Our Broken Pekoe (BP) and Broken

Orange Pekoe (BOP) grades got Rs 146 each. In all, our seven grades got Rs 120 and more," Homedale Managing Partner, Mr Prashant Menon, told *Business Line*.

Darmona Estate and Vigneshwar Estate topped the CTC dust market at Rs 145. "Our Red Dust (RD) fetched this price. In all, our seven grades got Rs 107 and more," Mr Dinesh Raju, Darmona Managing Partner, said. "Our Pekoe Dust (PD) got the highest price of Rs 145. In all, our five grades got Rs 132 and more", Vigneshwar Managing Partner, Mr Ramesh Bhojarajan, said.

Sree Tea Supreme got Rs 139, Shanthi Supreme (Rs 137), Hittakkal Estate (Rs 135) and Deepika Supreme (Rs 133). In all, 89 marks fetched Rs 100 and more.

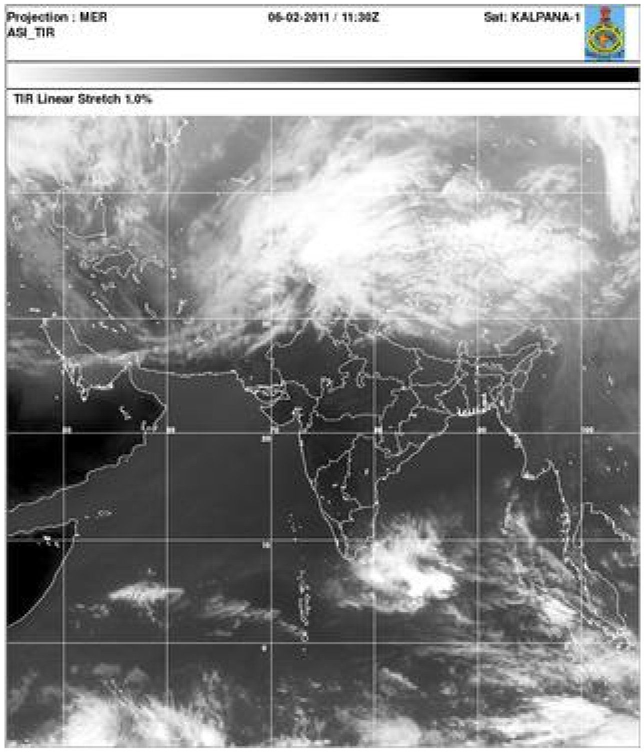
Among orthodox teas from corporate sector, Chamraj got Rs 180, Highfield Estate (Rs 175), Sutton (Rs 171), Curzon (Rs 163), Quinshola clonal (Rs 157), Kairbetta (Rs 156), Havukal and Prammas (Rs 155 each). In all, 28 marks got Rs 100 and more.

Although the volume of 8.99 lakh kg offered was among the lowest in over a year, 19.5 per cent was withdrawn for want of buyers despite shedding Rs 3 a kg resulting in teas worth Rs 1.75 crore remaining unsold.

"Orthodox dusts eased Rs 5-10 a kg. High-priced CTC dust lost Rs 2-5, better mediums Rs 1-2 and plainers Rs 2-3. Primary orthodox leaf, however, got Rs 5-10 more. High-priced CTC dusts gained Rs 2-5, but others lost Rs 2-3," an auctioneer said.

Export purchases were weak. Pakistan bought selectively in a wide range of Rs 61-94 a kg and the CIS, Rs 48-63. Quotations held by brokers indicated bids ranging Rs 50-54 a kg for plain leaf grades and Rs 80-136 for brighter liquoring sorts. They ranged Rs 61-64 for plain dusts and Rs 90-146 for brighter liquoring dusts.

Wet session in north India may last for two more weeks



Thiruvananthapuram, February 6:

Ongoing western disturbance activity has brought overnight scattered rainfall over Jammu and Kashmir on Sunday. Wet session in north India may last for two more weeks

The wet session for northwest India may last until February 22, according to short-to-medium outlook by the US National Centres for Environmental Prediction and the European Centre for Medium Term Weather Forecasts.

The week ending February 22 would see the rains of varying spells east India, northeast India and even the coastal regions of West Bengal, Orissa and even parts of Andhra Pradesh.

A concurrent build-up over southern peninsular India oriented to the east would mean that an incoming Bay of Bengal circulation would set up a union with westerlies originating from the opposite direction from northwest India with the ensuing rains showing a bias to spread along the southeast coast but mainly along the Andhra Pradesh coast and further north as mentioned earlier.

The southern peninsula also should have some isolated to scattered rain in the bargain, as per these forecasts.

Pepper may rule firm till arrival of Vietnam crop

Kochi, Feb. 6:

Pepper market appears to remain firm in the coming days and is likely to stay so till the arrival of new Vietnam crop in the market in two to three weeks time. However, the futures market continued to remain highly fluctuating because of the ‘tug of war' between the bull and bear operators and as a result of which prices are likely to be unpredictable, market sources told *Business Line*.

The bears propagate that the new arrivals would pick up in the coming days and there won't be anybody to take delivery of February contract. Besides, as the new crop in Vietnam will start arriving in the international market after two weeks there won't be any demand for Indian pepper. Bulls spread the news that the crop is poor and arrivals have not yet picked up even after crossing the middle of the current season.

Availability at the exchange platform is also not much and there would be people to take delivery of February contract because of the tight supply position, they claim. Various other factors such as shortage of material, zero tax in Tamil Nadu, north Indian buyers not having accounts wanting to buy on “cash and carry” system also promote direct afloat sales, they said.

Shrinkage in area under pepper coupled with low productivity in Kerala led to sharp fall in output in recent years. The current strike at Kochi port is also affecting exporters badly. There are estimated to be 20-25 containers stuffed with pepper and other spices worth about Rs 10 crore held up at the port. By the time the shipping crisis is cleared and pepper gets shipped out, Vietnam's new crop will become available in the market, they said.

After high volatility during the week, the market closed above the previous weekend close. February, March and April contracts increased by Rs 546, Rs 403 and Rs 259 respectively to close at Rs 22,854, Rs 23,094 and Rs 23,389 a quintal. Total turnover during the week went up by 7,259 tonnes to close at 42,309 tonnes.

Total open interest also moved up by 2,696 tonnes to close at 13,803 tonnes showing good additional buying. Spot prices increased by Rs 500 on good buying support and in tandem with the futures market trend to close the weekend at Rs 21,700 (ungarbled) and Rs 22,500 a quintal. If spot prices ruled above Rs 200 a kg, small and medium farmers might come forward to sell as for them prices would be remunerative, trade sources said. Indian parity in the overseas market is at $ 5,175- 5,200 a tonne (c&f) and almost competitive with other origins, they said.

According to the overseas report, at present the black pepper market appears to have stuck to a “holding pattern”. India, Indonesia and Brazil continue to hold their levels steady, awaiting developments as well. There are conflicting sentiments about which direction the market will move once quantities are more freely available, with correspondingly different positions being taken.