

# THE HINDU

Online edition of India's National Newspaper

Friday, April 08, 2011

Date:08/04/2011 URL: <http://www.thehindu.com/2011/04/08/stories/2011040864892000.htm>

---

## Food inflation eases to 9.18 %

Special Correspondent

NEW DELHI: Remaining in single digit for the second consecutive week, food inflation eased further to touch its four-month low at 9.18 per cent for the week ended March 26 from 9.50 per cent in the previous week, mainly owing to a fall in the prices of pulses.

The Wholesale Price Index (WPI) data on primary articles released here on Thursday show that despite the fall in food inflation — the lowest since the week ended November 27 last year when it stood at 8.69 per cent — the statistical base effect had a part to play as the food price spiral was pegged at a high of 21.15 per cent during the like week in March 2010. The positive aspect is that food inflation is expected to moderate further in the coming weeks in view of the prospects of a record crop output this year. However, the fear is that the surge in international crude oil prices is likely to exert inflationary pressures on overall prices even as other edibles such as fruits, vegetables, milk and protein-base items continue to rule at higher levels. Already, during the week, while the prices of pulses slipped by 5.39 per cent, other food articles such as rice, wheat, milk as also fruits and vegetables continued to cost more.

Date:08/04/2011 URL: <http://www.thehindu.com/2011/04/08/stories/2011040856590700.htm>

---

## Farmers attack substation

Staff Reporter

*Irked at frequent power cuts they also stage rasta roko*

SANGAREDDY: Irritated over frequent power cuts, a group of farmers attacked the substation at Alladurg in Medak district on Thursday and destroyed the furniture.

According to sources, the farmers of Reddypally village in Alladurg mandal were facing frequent power cuts and repeated appeals did not yield any result.

Worried over the withering of the paddy crop, some farmers attacked the substation and burnt some wires and other material at the premises.

Later they held a dharna and staged a rasta roko demanding solution to their problems. Sub-Inspector Seshu Ram Naik pacified the agitating farmers by promising to take the issue to the notice of higher officials and get it addressed.

Meanwhile, the workers of the TDP held dharna before the sub-stations across the district protesting over power cut being imposed by the government.

Demanding the government to roll back increase in power charges, the CPI(M) also held dharna before the Collectorate and latter submitted a memorandum to the officials. The agitation was led by CPI(M) district committee member B. Mallesham.

Date:08/04/2011 URL: <http://www.thehindu.com/2011/04/08/stories/2011040853510700.htm>

---

## **Core agriculture issues remain unaddressed**

Karthik Madhavan

*Farmers' associations come out with a model election manifesto*

---

*Ban import of agriculture products cultivated in the country; create special agriculture zones*

*Nationalise rivers; desilt canals and remove encroachments; protect native cattle breed*

---

COIMBATORE: Freebies promised, achievements or the absence thereof or political rhetoric have thus far dominated the election campaign. Core agriculture issues that are not only of interest to farmers but also to lakhs of voters, who are consumers of agriculture products, have not gained the prominence they deserve.

The election manifestoes of the two leading parties – the Dravida Munnetra Kazhagam and the All India Anna Dravida Munnetra Kazhagam – have not much to say on agriculture, says Tamil Nadu Vivasayigal Sangham (non-political organisation) leader in Coimbatore Vazhukkuparai Balu. And whatever is there has more to do with subsidy, post-harvest management, loan waiver, etc.

#### DMK

The DMK's manifesto says if the party is voted to power, it will open farm service centres at primary agriculture cooperative banks, lend farm equipment at a reasonable rate, offer interest-free loan for capital expenditure in agriculture, open consumer markets in urban areas to bring about direct sale of agriculture products and introduce green vehicle services to sell farm produce at a reasonable price.

It also says that the party will fix procurement price keeping in mind the production cost, encourage establishment of food processing zones by offering tax holidays, extend freebies to farmers cultivating coconut and horticulture crops and increase drip irrigation subsidy from 65 per cent to 90 per cent. Perhaps the most important announcements from the DMK are that it will ban genetically modified crops in the State and establish a separate department for promoting organic farming.

#### AIADMK

The AIADMK manifesto promises that the party will strive to boost rice production from 8.6 million tonnes to 13.45 million tonnes, bring about micro irrigation on 30,000 ha, and increase sugarcane production from 475.5 tonnes to 1,000 tonnes by extending sugarcane cultivation to over one lakh ha.

The party also talks about increasing milk production and restructuring milk farms. Farmers say the political parties do not really understand their needs and any manifesto they prepare will not reflect the reality. It is more to win votes than address agricultural issues.

Mr. Balu says the political parties are more or less silent on desilting ponds, removing encroachments from irrigation canals and protecting native cattle species. He says Gujarat government has managed its water resources in such a manner that the state does not suffer from either floods or drought. Other farmers only agree with him.

Referring to the frequent floods during monsoon in delta districts, the farmers say that if only the irrigation canals have been desilted and removed of encroachments, those farmers will not suffer.

They say that no party is keen on spending on improving or maintaining agriculture infrastructure. Only if that is done, will the production improve. And only if the production improves the investments in cold storage or other post-harvest facilities will gain meaning.

The farmers also want the political parties to concentrate on increasing the area under millets, minor-millets, and native varieties of crops.

To voice their demands, the Confederation of Farmers' Associations of Tamil Nadu has come out with a model election manifesto.

Its demands include ban on import of agriculture products that are cultivated in the country, nationalisation of rivers, pollution control, fair procurement price, complete waiver of all agriculture loans, beneficial farm insurance scheme, efforts to protect nature, special agriculture zones, protection of native cattle breed, ban on sand quarrying to protect rivers and promotion of alternative energy to protect environment.

Date:08/04/2011 URL: <http://www.thehindu.com/2011/04/08/stories/2011040857850200.htm>

---

### **Call to reduce use of chemicals in agriculture**

KURNOOL: Collector Ramsankar Naik has called for reduction of use of chemicals in agriculture saying excessive pesticide residues are entering the food chain.

Addressing a seminar on 'Anti-microbial resistance and its global spread' here on Thursday, he said use of organic manure and fertilizer should go up if healthy food had to be provided to public. Most of the cancers and skin problems were the outcome of increased use of chemicals. People should change food habits as they grow older.

#### Literacy rate

Pointing out that the overall literacy rate had touched 61 per cent in the district, he said it stood at 50 per cent among women. In some areas such as Kosigi and Adoni, the literacy rate among females was as low as 25 per cent.

The Collector gave away prizes to the winners of essay writing contest held for nursing students. A rally was taken out in connection with the World Health Day.

**Date:08/04/2011 URL: <http://www.thehindu.com/2011/04/08/stories/2011040860090600.htm>**

---

#### **Norms for grain procurement issued**

##### Correspondent

NALGONDA: Joint Collector Neetukumari Prasad issued the Civil Supplies Department's guidelines for securing foodgrains during the rabi season and directed the supervisory teams to be available in the market yards from 7 a.m. onwards.

After holding a meeting with the department's deputy tahsildars and IPK urea coordinators here on Thursday, she directed the supervisory teams to complete the tender process and commence the grain procurement by 12 noon. She asked the Revenue Department officials to visit the market yards daily to oversee the procurement.

Ms. Prasad also wanted government agencies to compulsorily start purchase of grains from Friday itself. She suggested to the department staff that, while taking care to avoid criticism, they should open procurement centres, even if arrival of grains from the command areas is delayed. Ms. Prasad promised the team members that if they are dedicated, work with a competitive spirit, secure maximum procurement and ensure benefits to farmers the

administration would ensure due encouragement to them. She assured steps to arrange weekly payments for the grains procured.

District Civil Supplies Officer Venkateshwarlu told the meeting that 11.60 lakh tonnes of paddy would be produced in the rabi and an estimated nine lakh tonnes was expected to reach the market yards, he said.

**Date:08/04/2011 URL:**

**<http://www.thehindu.com/2011/04/08/stories/2011040856430600.htm>**

---

### **Millers strike worries paddy growers**

Staff Reporter

*The move is likely to impact paddy procurement*

---

*Paddy growers are poised to reap a bumper rabi crop in West Godavari*

*The district recorded a sharp decline due to rain and cyclones last year*

---

ELURU: The strike by a section of rice millers just at the time of harvesting the rabi crop worries the growers. The proposed protest is likely to have an adverse impact on paddy procurement.

A section of rice millers, affiliated to the Telangana Rice Millers Association, held a meeting at Machilipatnam a couple of days ago and are scheduled to hold another round of meeting at Tadepalligudem in West Godavari district shortly, to chalk out a course of action.

The Telangana Rice Millers Association and its like-minded outfits in the coastal Andhra have been warning the State for quite some time that they would withdraw from paddy procurement. The storage problem caused by space crunch in the godowns had become a

major hindrance for the procurement by millers, say the association leaders.

Stalked by fear over enforcement of the minimum support price (MSP) for the produce and the millers' strike, paddy growers are poised to reap a bumper crop in the rabi in West Godavari district.

A backgrounder provided by the Agriculture department at a joint meeting with the rice millers, peasant leaders and the officials from the Civil Supplies department and Food Corporation of India (FCI) held here on Thursday, estimated that a huge quantity of 14.2 lakh tonnes of paddy was likely to be produced in the district in the current season. According to reports, farmers have been receiving 40-45 bags of rice per acre in Tanuku and Bhimavaram areas.

#### Ayacut

The district recorded a sharp decline in paddy production in the last khariff (8 lakh tons) due to a series of rains and cyclones and in the previous rabi because of acute water shortage in the Godavari river.

The district administration had stabilised an ayacut of 2 lakh acres out of the total paddy area of 5.3 lakh acres in the previous rabi, due to the water crisis which resulted in a sharp fall in the paddy production. In the current rabi, paddy was raised in 1.99 lakh ha.

The paddy varieties such as 1001 and 1010 were widely raised in the delta and the other parts of the district.

Maganti Sitarama Swamy, Yerneni Nagendranadh and Kommana Ratnakara Rao from the Andhra Pradesh Rytanga Samakhya urged the district administration to focus on alternative steps for paddy procurement in the wake of the strike threat issued by a section of millers and to ensure MSP to the farmers.



Press Trust Of India

New Delhi, April 07, 2011

First Published: 13:02 IST(7/4/2011)

Last Updated: 13:04 IST(7/4/2011)

## Food inflation down to 9.18 pc for week ended March 26

Food inflation fell to 9.18% for the week ended March 26, the lowest level in almost four months, on the back of a decline in the prices of pulses.

Food inflation stood at 9.50% in the preceding week. The last time food inflation was lower than this level was during the week ended November 27 last year, when it was registered at 8.69%.

The latest numbers also mean that food inflation is in single digits for the second consecutive week.

During the week under review, prices of pulses fell by 5.39% on an annual basis.

However, other food items continued to exhibit an upward trend in terms of the rate of price rise.

Fruits became dearer by 25.40% year-on-year, while eggs, meat and fish became 12.80% more expensive during the week under review. Milk was also up by 3.87%.

On an annual basis, cereals became dearer by 3.62%, while rice and wheat were up by 2.08% and 0.29%, respectively.

Vegetables were up by 11.41 percent. Potatoes became 5.30% costlier and onion prices went up by 8.48%.

During the week under review, inflation in non-food articles was 27.56%. Fibres became dearer by 86.90%, while fuel and power was up by 13.13%.

Petrol became dearer by 23.14% on an annual basis.



Food inflation was in double digits for most of the last fiscal. However, it has shown signs of slight moderation since the last week of February.

The government had earlier said that rising food prices were one of the major reasons for overall inflation remaining high. Headline inflation was 8.31% in February.

The government had yesterday said that India's foodgrains production is estimated at a record 235.88 million tonnes in the 2010-11 crop year, ending June, on the back of the highest-ever output of wheat and pulses.

Experts have said this is likely to put a brake on the high food inflation numbers.

<http://www.hindustantimes.com/StoryPage/Print/682280.aspx>

## Weather

Chennai - INDIA

### Today's Weather



Clear

**Friday, Apr 8**

Max Min  
33.8° | 24.2°

Rain: 00 mm in 24hrs

Humidity: 74%

Wind: Normal

Sunrise: 6:01

Sunset: 18:21

Barometer: 1010.0

### Tomorrow's Forecast



Cloudy

**Saturday, Apr 9**

Max Min  
35° | 26°

### Extended Forecast for a week

Sunday

Apr 10



Monday

Apr 11



Tuesday

Apr 12



Wednesday

Apr 13



Thursday

Apr 14



32°   24°	32°   25°	32°   24°	33°   24°	33°   24°
Cloudy	Cloudy	Partly Cloudy	Partly Cloudy	Partly Cloudy

© Copyright 2010 Hindustan Times



## **Cong alleges Rs 19-cr scam in pulse kits supply**

April 08, 2011 10:51:32 AM

### **PNS | Bhubaneswar**

After raising the ` 200-crore scam in procurement of rice and `20-crore kickback in purchase of dual desks during the last three days, the Opposition Congress on Thursday levelled an allegation of corruption to the tune of `19 crore in the distribution of pulse kits in the State Assembly.

Even ruling BJD members supported the Opposition allegation of large-scale irregularities in the distribution of three lakh pulse kits during the Rabi season to the farmers affected by the unseasonal cyclonic rain last year.

Alleging that all the seven ingredients in the kits were substandard, they pointed out that the moong dal seeds supplied to farmers were also of low quality, for which the Government should pay compensation.

Both the Opposition and Treasury Bench members demanded a high-level inquiry into the

sensitive issue as farmers had been cheated. The issue came in for discussion in the House in form of an adjournment motion moved by the Opposition.

Agriculture Minister Damodar Rout, while refuting the allegation of corruption in the supply of the pulse kits, agreed to hold a high-level inquiry into specific allegations if given by the members in writing.

He also said that moong seed was not part of the pulse kits and the farmers had collected the seed themselves. He admitted that there were reports from the coastal districts that moong crop was affected by yellow vein mosaic, which is called Sahebi disease.

According to the scientists of the OUAT, there was no germination problem. The disease affected crops in 10,599 hectares of land out of 4.87 lakh hectares.

On the demand for the compensation, he said the Deputy Directors of Agriculture have been asked to assess the crop loss. The Government would consider providing compensation in form of input subsidy.

The Minister admitted that while giving the pulse kits free of cost, adequate sensitisation was not undertaken among the farmers which led to improper use of the kits comprising seven ingredients, mostly fertilisers, micro-fertilisers and pesticides. The pulse kit scheme was undertaken under the Centrally-aided Rashtriya Krishi Vikash Yojana -2010-11 to encourage farmers to take up dal production.

Participating in the discussion, Congress members Anup Sai, Prasad Harichandan, Surendra Parmanik, Debi Prasanna Chand and Leader of Opposition Bhupinder Singh alleged that lakhs of farmers, who were attracted to the dal cultivation by availing the pulse kits and certified moong dal seeds at the rate of ` 45 per kg, were rendered broke with non-germination of the seeds and the substandard fertilisers and pesticides. They alleged that some non-registered firms were given the charge of supplying the kits which led to a scam of ` 19 crore.

BJD member Pradeep Maharathy alleged that the moong dal seeds provided through the State Seeds Corporation were dangerous in nature. The seeds were provided ignoring the note of the

Agriculture Minister and the decision was taken at a high-level meeting headed by the Chief Secretary keeping the Minister in dark

### **Badal seeks Rs 1,480 as MSP for wheat**

April 08, 2011 10:52:47 AM

#### **PNS | Chandigarh**

Punjab Chief Minister Parkash Singh Badal on Thursday sought personal intervention of Prime Minister Manmohan Singh to immediately enhance the minimum support price of wheat from Rs 1,120 to Rs 1,480 per quintal.

In a letter to Prime Minister Singh, Badal urged the Centre to help in improving the economic lot of the farmers by recommending a minimum hike of `480 per quintal in the MSP of wheat.

Badal reiterated that the farming population must not be allowed to feel ignored and left out of the current growth scenario. He pleaded this price should cover all operating costs including family labour and rent plus a 50 per cent margin. "The current MSP for wheat does not cover the cost and margin in full," he said.

Chief Minister Badal pointed out that the State has about 63 per cent farmers who were small and marginal of whom about half cultivate land up to five acres and the remaining between 5-10 acres.

#### **Malfunctioning lift gives Kalia a hard time**

**Mohali:** Punjab Local Government and Industries Minister Manoranjan Kalia had a harrowing time for nearly 30 minutes when the lift he was using in a Government building got stuck due to a technical snag on Thursday noon. He could be rescued along with others who were with him only when the problem was rectified.

Police said that Kalia had gone to cover a function at Van Bhawan here and was using the building's lift when the problem took place bringing the lift to a grinding halt.

He, along with others including Punjab unit BJP president Ashwani Sharma, could be rescued only when the technicians rectified the technical fault about 1 pm.

A Punjab Government official said that Kalia along with others suffered from suffocation as the fan of the lift stopped functioning. "He was all right when came out of the lift," the official said. The building had been inaugurated only six months ago.

### **Pvt players invited to promote ginger farming**

April 08, 2011 10:53:01 AM

### **PNS | Shimla**

Himachal Pradesh Government on Thursday invited private investment in food processing industries in the State to promote ginger cultivation.

While replying to a question raised by a Congress MLA from Sirmour district, which is the largest producer of ginger in the State, Chief Minister Prem Kumar Dhumal said that we are inviting private companies to set up agriculture and food processing units in the State as we are the leading producer of ginger in the entire northern region.

# **Business Standard**

Friday, Apr 08, 2011

### **Tobacco Board to develop new auction centres**

**D Gopi / Guntur April 08, 2011, 0:58 IST**

The Tobacco Board is planning to spend Rs 98.13 crore on auction platforms this financial year. The amount will be used for upgrading auction centres, developing seven new auction platforms

in Karnataka and Andhra Pradesh and computerisation of platforms. The Board has already cleared seven new auction platforms – three in Karnataka and four in Andhra Pradesh. These would be fully equipped with computers and closed circuit televisions to monitor the auctioning of tobacco. Besides, they would also have storage sheds.

The governing body of the board met in Guntur yesterday and approved a budget of Rs 98.13 crore for this financial year. Chairman G Kamalavardhana Rao said the amount would be spent for developing new platforms at Tangutur, Santhanuthalapadu, Koyyalagudem and Aswaraopet in Andhra Pradesh and Kampalapura, Periyapatna and HD Kote in Karnataka. He added that auctions would be taken up at these seven platforms from the next tobacco season, starting August and June in Andhra Pradesh and Karnataka, respectively.

The board has decided to take stern action against farmers producing tobacco without permission. Steps will also be taken against cultivators who exceed their permit.

### **High spot-futures spread in pepper cheers traders**

**Sharleen D'Souza / Mumbai April 8, 2011, 0:57 IST**

Traders are opting for arbitrage opportunities in black pepper as the spread between futures and spot has been huge for the past 15 days.

Pepper is being quoted higher in the futures market compared to the spot, thus traders have started buying in the spot market and hedging it on the futures market. The April futures on the National Commodity & Derivatives Exchange (NCDEX) are being quoted at almost Rs 896.65 a quintal higher than the spot market.



Pepper for April delivery on NCDEX ended at Rs 25,812 a quintal, while pepper on spot was quoted at Rs 24,915.35 a quintal.

“Traders are taking advantage of this huge spread and are buying pepper on the spot market and hedging (selling) it on the futures market,” said Ajay Mariwala, a Kochi-based pepper exporter.

This spread between the two markets is helping the traders make good money.

“The spread between the futures and spot markets is expected to narrow by April 20 as the April contract will expire,” said Ajay Kedia of Kedia Commodities.

For this spread to narrow, either the spot prices should move up or the futures should weaken. Faiyaz Hudani, a senior analyst with Kotak Commodity Services, believes the futures market will start to show a correction soon due to profit booking.

Stockists are holding back their stocks in the hope of getting a better price for the commodity in the months to come, which is being reflected in the futures prices.

However, the spot prices have weakened because the export demand for the commodity has also been weak as Vietnam’s pepper is being quoted at a lower price compared to Indian pepper.

Pepper exports are limited as Indian pepper is quoted higher, but India’s pepper output has been lower compared with the last year, keeping prices higher,” said Jojan Malayil, a Kochi-based pepper exporter.

The arrival season has started in Vietnam, which will also cause Vietnam’s pepper to be cheaper.

Indian pepper is being quoted at \$6,000 a tonne, while Vietnam’s pepper is at \$5,850 a tonne.

This year, the total pepper output was 42,000 tonnes compared with 52,000 tonnes last year.

Also, this year, the pepper exports from April to February have shown a drop of 10 per cent compared to last year.

### **FoodMin mulls direct ethanol manufacture**

**Anindita Dey / Mumbai April 8, 2011, 0:55 IST**

Proposal being vetted by Attorney General, LawMin yet to take a view.

The Ministry of Food and Consumer Affairs is considering the direct manufacture of ethanol from sugarcane on a standalone basis and not only as a by-product of sugar manufacturing. The proposal has been forwarded to the law ministry for its views as it would require the amendment of the sugar control order under Section 3 of the Essential Commodities Act.



“The proposal was initiated by the government of Bihar, which has tied up several projects for the direct manufacture of ethanol from sugarcane. Bihar is laying emphasis on the development of agro-based industries for its own economic development after much of the mineral resources have come under the domain of the newly formed state of Jharkhand,” said an official source.

At present, the direct manufacture of ethanol is not allowed in India but only as a by-product during sugar production.

The law ministry is of the view that the proposal could be considered under separate provisions and not under the sugar control order which is governed by the Essential Commodities Act and regulates the manufacturing, marketing, and distribution of sugar. Ethanol is not an essential commodity and even if it is to be manufactured as a controlled commodity, it cannot be accommodated under the sugar control order, sources say. “It would require the amendment of



the Essential Commodities Act. When ethanol is not an essential commodity, it cannot be included directly under the sugar control order, which is a subordinate legislation under the Essential Commodities Act. The ambit of a subordinate legislation cannot be widened by amendment when the parent legislation does not provide for the same. Thus, ethanol production directly from sugarcane is out of the ambit of the sugar control order,” said sources close to the development.

The law ministry has also cited Article 47 of the constitution, which pertains to the duty of the states to raise the standard of living and nutrition level of its subjects. “Provisions of Article 47 have to be considered before amending the Essential Commodities Act to include ethanol even as a controlled commodity,” sources said.

The law ministry has not sent its views to the food ministry and has sought the opinion of the Attorney General of India on the issue.

The Prime Minister’s Economic Advisory Council ( PMEAC) has ruled against the direct manufacture of ethanol from sugarcane, citing concerns over food security, which is the primary responsibility of the Essential Commodities Act, sources said.

Currently, the proposal is being vetted by the Attorney General of India.

India currently has 122 odd plants manufacturing ethanol as a by-product, having a capacity of around 1.2 billion litres per annum. Of the 120 units, 71 are in Maharashtra, 12 in Gujarat, six in Andhra Pradesh, five in Tamil Nadu, 14 in Uttar Pradesh and 10 in other states.

### **Wheat bonus of Rs 50/quintal fails to cheer farmers**

**Komal Amit Gera / New Delhi/ Chandigarh April 08, 2011, 0:17 IST**

Union Agriculture Minister Sharad Pawar has agreed to a bonus of Rs 50 per quintal on the Minimum Support Price (MSP) of wheat of Rs 1,120.

The government agencies have a target to procure 26.3 million tonnes of wheat this rabi season. So this may add a burden of Rs 1,315 crore on the state exchequer.

The farmer's organisation, Bhartiya Kisan Union had demanded a bonus of Rs 200 per quintal keeping cognisance of inflation and cost of inputs.

Bhartiya Kisan Union President Ajmer Singh Lakhwal told Business Standard that they had a meeting with Sharad Pawar at Krishi Bhawan in New Delhi on the issue of bonus and had conveyed to him that it was a paltry amount.

He added that the Union Minister had assured to arrange a meeting of the farmer's representatives with the Prime Minister Manmohan Singh once he is back from his visit abroad.

"He may invite us on 15 April to hold discussions with the Prime Minister," said Lakhwal. A bonus of Rs 50 per quintal would fetch a farmer in Punjab an extra income of Rs 900 per acre.

## THE HINDU Business Line

**Maize seen ruling firm despite record crop estimate**



Chennai, April 7:

At the Karimnagar Agricultural Produce Marketing Committee yard in Andhra Pradesh, maize (corn) was quoted at Rs 965 a quintal at the beginning of the year. On Thursday, it ruled at Rs 1,223 with about 500 tonnes being traded at the market yard.

Maize prices have increased over 25 per cent in the last three months and are set to rule firm in the coming days too. This is despite the rabi crop beginning to arrive in the market and the Centre estimating a record crop of 20.23 million tonnes (mt).

Last year, production was 16.72 mt against 19.73 mt in 2008-09 after the kharif crop was affected by a truant monsoon.

While exports are seen as a reason for the rise in prices, domestic demand, too, has played a role in the firm price trend.

“Maize prices are ruling firm because a sizeable volume of exports have taken place,” said Mr T.P.S. Madan, an exporter.

“Even China has begun buying small quantities from us to re-export to North Korea,” said Mr Madan Prakash, Director of Rajathi Group of Companies that exports agricultural products.

From December, when the kharif maize arrivals began, till now, exports could be around two mt.

“Exports are taking place from Kakinada, Mumbai, Kandla, Chennai, Tuticorin, New Mangalore and Visakhapatnam ports,” said Mr T.P.S. Madan.

When exports of the new season began, maize was quoted at \$245 a tonne f.o.b. “Currently, maize is quoted up to \$310 f.o.b,” said Mr Prakash. “We are getting maize at around Rs 1,300 a quintal to Mumbai or Chennai from producers,” he said.

Indonesia, Malaysia and Vietnam are the main buyers apart from China's purchase of small quantities.

Asked if the problem faced in exports to Vietnam had been solved, Mr T.P.S. Madan said the issue had been rectified and a shipment had to be totally fumigated with methyl bromide 3 days before reaching the port of landing.

But a section of exporters said Vietnam was coming up with new norms that could make shipments costlier. They want exporters to fumigate once before loading the consignment in container and then before reaching the destination, said sources.

“Prices are up in the global market too as China is buying from the US,” said Mr T.P.S. Madan.

Countries such as Indonesia, Vietnam and Malaysia prefer to buy from India due to freight advantage. Moreover, they can buy in small quantities from here. On the other hand, if they have to buy from the US or Argentina, they have to buy in large Handymax and Panamax vessels. Besides, they don't want to build inventories.

Exports have begun to slow a bit and trade sources attribute it to hopes of a drop in price due to new arrivals.

“The new crop is due to arrive in Andhra Pradesh,” said Mr Prakash.

In the short-term, about 3-3.5 lakh tonnes are expected to be exported since chicken and pig farms in South-East Asian and Far-Eastern countries are on the rise.

“The current scenario is such that non-vegetarian food looks to be cheaper than vegetarian food, resulting in higher demand for chicken and pork,” said Mr T.P.S. Madan.

On the other hand, farmers and traders, too, are holding back stocks, hoping for prices to firm up. This has resulted in exports of small shipments only.

“Prices are unlikely to see any sharp fall. This is because domestic demand is good,” said Mr Prakash.

**Finance Ministry slaps 10% excise duty on jute items**



Business Line Agarpara Jute Mills Ltd in North 24 Parganas of West Bengal.  
Kolkata, April 7:

The Union Government has slapped an excise duty of 10 per cent on jute products that constitute about 80 per cent of the Rs 6,000-crore industry and threatens to cripple the fate of 2.5 lakh workers.

“This 10 per cent central excise duty on the jute sector will bring great trouble to the industry and increase the cost of jute packaging products,” industry veteran, Mr Sanjay Kajaria, said.

He believes this could be an error of part of the Ministry as jute comes under textiles and branded garments on which excise duty has already been levied.

All export orders have been stalled because of the notification, Mr Kajaria informed.

There was no mention in the Union Budget about any such step, but a government notification dated March 24 levied 10 per cent excise duty on branded and non-branded jute products meant for domestic consumption or export under the HS code 6305 including hessian, sacking and jute soil savers, official sources told PTI.

The Government, in a notification dated March 1, had asked for 10 per cent duty to be imposed on branded jute products.

Thereafter, a letter by the Jute Commissioner followed stating that the branding in jute items was required for various reasons of 'marking' and thus the levy should be withdrawn.

"But, another notification dated March 24 clarified that duty would be levied on all branded and non-branded jute products," the sources said.

Mill owners expressed concern over the inadequate action taken by the Indian Jute Mills Association (JMA) in this regard.

The JMA Chairman, Mr M. Poddar, however, said a representation from the industry body has gone to various departments of the Ministry in Delhi.

The jute industry is also under fire from the Union Ministry for Food and Public Distribution, where some jute mill owners based out of West Bengal had supplied inferior quality jute bags.

The jute bags were to be used for packaging of foodgrains in Punjab.

#### **Tea production in Nilgiris falls 2.14% in Q1**



Business Line A view of new tender tea leaves in a tea garden in Assam.

Coonoor, April 7:

Tea production in the first quarter of the current calendar in the Nilgiris, the largest producing district in the South, has dropped 2.14 per cent over the same period a year ago.

“Production in our member estates during January-March dropped to 3.20 million kg (mkg) from 3.27 mkg in the same months of 2010”, Dr B Radhakrishnan, Assistant Director, UPASI Tea Research Foundation Nilgiris Regional Centre, told *Business Line*.

This decline of 0.07 mkg marks a fall of 2.14 mkg. But, considering the five-year average of 2.99 mkg for the quarter, production now has risen by 7.02 per cent.

The production in March was higher than last year's also the five-year average. “Production in our member estates in March was 1.50 mkg against 1.31 mkg in March 2010 and five-year average of 1.28 mkg,” Dr Radhakrishnan said.

This works out to an increase of 14.50 per cent over March 2010 and 17.19 per cent over five-year average.

### **Punjab CM seeks Centre's help for hiking grains storage capacity**

Chandigarh, April 7:

Rising wheat and rice procurement for the last few years are adding to the grain storage problem in Punjab, arisen due to slow movement of grain to other states and limited space in granaries.

With a bumper wheat production expected this season ending June 2011, Punjab Chief Minister Mr Parkash Singh Badal on Wednesday met Prime Minister Dr Manmohan Singh, seeking help in augmenting storage capacity and fast disbursal of old food grain stock from granaries to accommodate the new crop.

“Excessive procurement of food grain (wheat and paddy) from Punjab is one of the reasons, besides constraints like insufficient rail rakes, that have led to accumulation of old stock occupying the storage space (leaving less space for storing fresh crop),” said a senior official of FCI.

Wheat lifting from Punjab reached 102.18 lakh Metric Tonne (MT) in 2010—11, as against just 69.46 lakh MT in 2006—07. In 2009—10 also, it broke all previous records by contributing 107.36 lakh MT to the central pool.

Similarly, rice procurement has also gone up to 93.29 lakh MT in 2010—11 against 77.93 lakh MT in 2006—07.

Punjab has 95 lakh MT of covered space, the majority of which is occupied by wheat and rice, with the effect that the state faces a shortage of over 70 lakh MT of space to store the crops, a fact highlighted by the Chief Minister during his meeting with Prime Minister Dr Manmohan Singh.

“Before the start of wheat lifting season, there should not be any stock of old crop in storage because the space would be needed to store fresh crop,” said Punjab Food and Supplies, Secretary, Mr DS Grewal. “Besides affecting the quality of rice, space shortage force the state authorities to store crop (wheat) in open and in the rice mills that lead to deterioration in the quality of grain,” he said. As on April 1, granaries in the state are still holding last year’s wheat stock of 51 lakh MT and 61 lakh MT of rice, forcing Punjab to store almost 105 lakh MT of fresh arrival at the open plinths.

The state needs to find a quick and lasting solution to avoid rotting of food grains in the absence of adequate storage

#### **Tea production dips to 16.73 mn kg in Feb 2011**





Tea production in the first two months of this calendar year fell by 16.41 per cent to 37.66 million kg, compared with 45.06 million kg in the corresponding period of the previous year.

New Delhi, April 7:

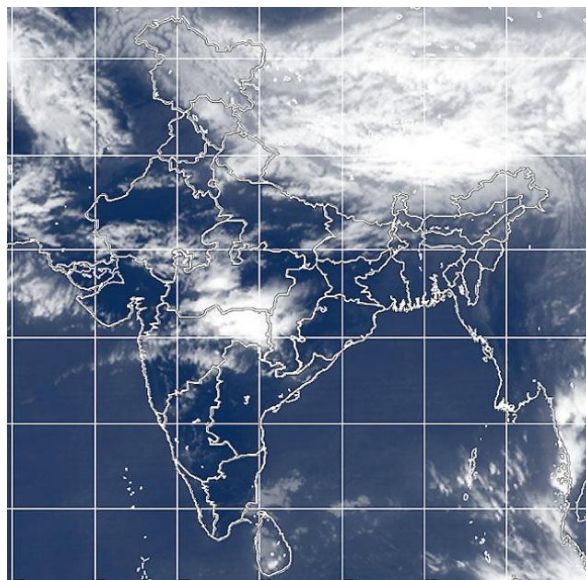
Tea production in the country declined by almost 7 per cent (6.88 per cent) in February, 2011, to 16.73 million kg amid a drop in production in West Bengal, North India and South India.

India had produced 17.97 million kg of tea in the corresponding year-ago period, according to Tea Board data.

Tea production in the first two months of this calendar year fell by 16.41 per cent to 37.66 million kg, compared to 45.06 million kg in the corresponding period of the previous year, the data said.

However, in February this year, production in Assam rose over two-fold to 94,000 kg, as against 44,000 kg in the year—ago period. While tea production in West Bengal in the period under review fell by almost 39 per cent to 909,000 kg as compared to 1,481,000 kg in the year-ago period, in North India, it fell by 34.25 per cent to 1,004,000 kg from 1,527,000 kg in the same period a year ago. Similarly, production of tea in South India in February, 2011, fell by 4.34 per cent to 15,728,000 kg from 16,443,000 kg in the corresponding period of the previous year.

#### **Wet weather may extend to third week of this month**



India Meteorological Dept picture at 16-30 hrs

Thiruvananthapuram, April 7:

The US National Centres for Environmental Prediction (NCEP) sees the occasionally wet weather over northwest India, east, east-central and northeast India persisting well into the third week of this month.

Importantly, it finds a fresh vigour in the rains over peninsular India, especially Kerala and adjoining central and southern Tamil Nadu during this period.

This would come about as the Bay of Bengal warms up to touch off activity over southeast Arabian Sea as well, as per the forecast outlook.

A leading OLR (outgoing long-wave radiation) tracker has observed that values for outgoing radiation escaping the surface getting increasingly negative from April 11.

Negative OLR values signal the presence of cloudiness, and increasing cloud cover is indicated for a 10-day stretch from April 16.

But a Global Forecast System (GFS) model forecast said that the precipitation would be less than the climatological normal at least until April 21.

Meanwhile, an India Meteorological Department (IMD) update during the 24 hours ending on Thursday morning said that fairly widespread light to moderate rain or snow was reported from northwest and east India.

Jammu and Kashmir and Himachal Pradesh benefited the most in this manner while the rains were isolated over Uttarakhand, sub-Himalayan West Bengal, Sikkim, Assam, Orissa and Vidarbha.

This is even as a prevailing western disturbance exited the region as quickly as it made its entry on Wednesday, leaving the field open for a successor system waiting its turn over north Pakistan.

The IMD expected the fresh system to make its impact over western Himalayan region mainly from Friday.

Meanwhile, an upper air cyclonic circulation left behind by the previous system has managed to get a move to the east and lain over northeast Rajasthan and neighbourhood on Thursday evening.

Another upper air cyclonic circulation had sprung up over Gujarat on Thursday morning, which was traced to over southwest Madhya Pradesh by the evening.

Unlike on previous days when southbound upper air troughs were directed from circulations over east India, Thursday saw the honour going to the one over southwest Madhya Pradesh.