

Published: August 12, 2011 00:00 IST | Updated: August 12, 2011 04:24 IST NEW DELHI,
August 12, 2011

Food inflation surges to 9.90 %

Much to the concern and dismay of the government and the Reserve Bank of India (RBI), food inflation surged yet again to a high of 9.90 per cent for the week ended July 30 from 8.04 per cent in the previous week, driven mainly by higher prices of onions, fruits and protein-based items.

The fresh bout of inflationary pressure is not unexpected as both the RBI and the Prime Minister's Economic Advisory Council (PMEAC) have projected the wholesale price index (WPI) headline inflation to hover at a high of about 9 per cent for a major part of the fiscal year till December before tapering down to about 6.5-7 per cent by March 2012. What, however, is unexpected is that the food segment is again turning out to be a major contributor to the overall high inflation, possibly owing to official apprehensions of an irregular monsoon apart from the problems of demand-supply mismatches. The added fear is that food prices are expected to remain volatile following the U.S. rating downgrade which has destabilised the global financial and commodity markets.

Incidentally, food inflation at 9.90 per cent is at its highest since the week ended March 12 when it was higher at 10.05 per cent before sliding to a 20-month low at 7.33 per cent in mid-July.

In June, headline inflation stood pegged at 9.44 per cent.

The latest data shows that primary articles recorded inflation of 12.22 per cent for the week ended July 30, up from 10.99 per cent a week ago.

Published: August 12, 2011 00:00 IST | Updated: August 12, 2011 04:22 IST KARIMNAGAR,
August 12, 2011

'Encourage horticulture and animal husbandry other than agriculture for the benefit of farmers'

Joint Collector H. Arun Kumar formally inaugurated the zonal research and extension advisory council meeting organised by Acharya NG Ranga agricultural university (Angrau), North Telangana zone, in Karimnagar on Thursday.

Speaking on the occasion, the Joint Collector called upon agricultural scientists to ensure that the latest developments and modernisation of agricultural techniques reach the farmers.

'Bridge the gap'

Stating that there was a knowledge gap while sharing information about the agricultural developments to the farmers, he urged the scientists to bridge the gap and ensure that the farm productivity increased and benefitted the farmers.

'Use organic manure'

He also stressed on the need to encourage horticulture and animal husbandry along with agriculture for better profits to farmers.

He also favoured launching a awareness about the use of organic manure instead of chemicals and fertilisers to protect the fertility of soil.

Acharya NG Ranga agricultural university (Angrau) PG studies dean Dr. V. B. Bhanu Murthy, regional agricultural research station association director of research G. Bhupal Raj, Joint Director (agriculture) J. Dharma Naik, Angrau scientists V. Anna Rao, Ch Laxman and others were present.

Published: August 12, 2011 00:00 IST | Updated: August 12, 2011 04:15 IST KOCHI, August 12, 2011

250 acres of paddy flooded by water from blocked canal

Nearly 250 hectares of paddy fields in Mulanthuruthy panchayat have been laid waste in storm water floods, forcing the owners of the Thuruthikkara 'paadashekham' to abandon either partially or fully the 'virippu' crop this season.

The farmers have also suffered substantial vegetable crops losses between the two paddy seasons in wards 10, 11, 12 and 14 of the panchayat. The affected paddy fields include Varappully Punchapaadam, Karikode paadam, Paingarappilly paadam, Edam paadam, Akkapanam paadam and Cheppanam padam.

The flooding has been caused by the blocking of two canals for rail line doubling work between Mulanthuruthy and Kanjiramattam, said the secretary of the Thuruthikkara paadashekharam C.J. Kuriakose.

The rail line doubling work has involved blocking the canals for building the Paanar and Cheruvanchira bridges. However, the vice-president of the Mulanthuruthy panchayat G.K. Mohanan said that the two canals should not have been blocked.

Department of Agriculture and the panchayat authorities have repeatedly requested railway authorities to open up the canals to drain the fields so that at least sowing for the 'Mundakan' season, beginning September, can be taken up. There have been assurances that the canals would be opened up, but nothing has happened so far, said Mr. Kuriakose. The panchayat vice-president said that a team of officials from the Department of Agriculture, members of the Thuruthikkara 'paadashekharam' and the panchayat leadership had visited the spot to assess the situation after complaints from the farmers.

A senior official in the Railway construction wing said that he received a letter from an agriculture officer, highlighting the plight of paddy farmers. "An engineer was dispatched to inspect the premises and clear the bunds. We are in the process of removing the bunds."

Published: August 12, 2011 00:00 IST | Updated: August 12, 2011 04:22 IST Bangalore, August 12, 2011

Rs. 114.77 cr. deposited in farmers' accounts

The State Government has deposited Rs. 114.77 crore in the bank accounts of 2.8 lakh farmers under Suvarna Bhoomi programme which would help farmers to purchase agricultural inputs.

Minister for Agriculture Minister Umesh Katti told presspersons here on Thursday that the government had so far released Rs. 114.77 crore of the Rs. 150 crore towards earmarked for

the project in the first phase. The beneficiaries have been selected in seven categories and 2.80 lakh have been selected only under the agriculture category, he said.

A sum of Rs. 5,000 each was deposited in accounts of farmers in the first phase. The Government in its 2011-12 budget had promised an assistance of Rs. 10,000 to small and marginal farmers and Rs 5,000 has been disbursed to farmers in the first phase. The remaining Rs. 5,000 would be given by next month end, he said.

A sum of Rs. 300 crore would be required to implement the scheme in the current financial year.

Applications

The department had received 21.05 lakh applications and out of which 9.38 lakh farmers have been selected through lottery. A total of 1.85 lakh farmers belonging to Scheduled Castes and 1.03 lakh farmers belonging to Scheduled Tribes have been selected, according to officials in the Agriculture Department.

Published: August 12, 2011 00:00 IST | Updated: August 12, 2011 04:17 IST MADURAI, August 12, 2011

Dip in prices of vegetables

Absence of 'muhurthams' in Adi, a boon



Good arrival of fresh vegetables is keeping prices under check, say officials of the Department of Agriculture at 'uzhavar sandhais' in the city. While prices of tomatoes, drumsticks and field beans have dipped appreciably in the last three to four weeks when compared to previous months, prices of brinjal and ladies finger remain more or less the same.

Farmers had grown vegetables extensively in the recent times as there was no problem in getting water for irrigation. The weather had been kind in the last four weeks or so. Apart from this, the absence of "muhurthams" had led to higher volumes in arrivals of all vegetables in the markets. With Tamil month 'Adi' about to get over in a week, prices of vegetables may escalate but there would not be any dip in arrivals, officials say. Cold storage facility was being used by the farmers. It had ensured adequate supply of tomatoes and greens. Tomatoes that were selling at Rs. 16 to Rs. 18 two months ago were being sold at Rs. 10 to Rs. 8. Similarly, prices of field beans sold at Rs. 20 to Rs. 24 were available at Rs. 10 to Rs. 8. Ladies finger, available at Rs. 12 was sold at Rs. 18 earlier.

At Chokkikulam 'uzhavar sandhai,' consumers said that the prices of good quality onion was not high when compared to prices prevailed some months ago. Fruits such as mangoes were not ripened with carbide stones here, an official said. In Anna Nagar 'uzhavar sandhai' also consumers expressed satisfaction on the arrivals and prices.

Published: August 12, 2011 00:00 IST | Updated: August 12, 2011 04:21 IST HOSUR, August 12, 2011

'Adopt mechanised paddy transplantation'

Farmers have been asked to overcome the labour shortage with the help of mechanised paddy transplantation, Collector C.N. Maheshwaran said while inspecting the demonstration of mechanised paddy transplantation technique at Pillaikotthur village in Shoolagiri Panchayat Union in Krishnagiri on Thursday.

The mechanised paddy transplantation was introduced under the System of Rice Intensification (SRI) method by the scientists in Regional Research Station (RRS) of Tamil Nadu Agriculture University in Paiyur.

Officials, who accompanied the Collector, said the farmers in Pillaikothur village was adopting SRI method of cultivation for the past three years and reaping maximum benefit. They said the by undertaking cultivation through SRI method, farmers could get 50 per cent more yield than the conventional yield.

Farmers who had adopted SRI method of cultivation in about 10 acres in 2008 had now was expanded to 150 acres in the village.

Farmers were now getting 45 to 50 bags (3600 kg to 4000 kg) of paddy per acre under SRI method, whereas they used to get only 25 to 30 bags per acre under the conventional method of cultivation. During the introduction of SRI method, the inputs were distributed to the farmers on subsidised rates.

After realising good yield, many farmers in and around Pillaikothur village have come forward to implement this method of cultivation.

Scientists from RRS and officials from Agriculture department demonstrated the usage of cono weeders on Thursday.

A. Mani, Head and Professor, Regional Research Station, Tamil Nadu Agriculture University, Paiyur, Professor Vijayabashkar, RRS, Paiyur and Sundararaj, scientist attached to Krishi Vignan Kendra, Elumichangiri were present on the occasion.

N. Nachiappan, Joint Director, Agriculture department, Edgar Gonsalves, Assistant Director, Agriculture, Shoolagiri and M. Sivanathi, Agriculture Officer, accompanied the Collector.

Published: August 12, 2011 00:00 IST | Updated: August 12, 2011 04:22 IST KASARAGOD, August 12, 2011

Endosulfan: panel to picket CPCRI

Alleged pro-pesticide stance of ICAR

: The Anti-endosulfan Campaign Committee will picket the Central Plantation Crops Research Institute (CPCRI) here for 11 days (signifying the 11 worst-affected panchayats) next month in protest against the pro-pesticide stance adopted by the Indian Council of Agriculture Research

(ICAR). The CPCRI comes under the ICAR, said Anti-endosulfan Campaign Committee chairman Narayanan Periya.

Representatives of the 11 panchayats will stage the protest on varying dates.

The dates would be finalised by the first week of September after consultations with environmentalist and social activist Medha Patkar, he said. Conventions would also be held as part of the agitation.

Anti-endosulfan activists alleged that the pro-pesticide stance adopted recently by the Indian Council of Agriculture Research (ICAR) and the Indian Council of Medical Research (ICMR) was taken yielding to similar views adopted by the pesticide companies. "The pro-pesticide stance adopted by the ICMR and ICAR gives credence to the suspicion that the pesticide lobby had tried to influence the Central agencies in formulating their conclusion on the use of hazardous pesticides such as endosulfan, which had led to alarming health hazards in Kasaragod and parts of Karnataka, Mr. Narayanan said.

He said it was strange how the agriculture research institutes had adopted such a stance even as the Persistent Organic Pollutant Review Committee convention in Geneva in April last had recommended a global ban on the pesticide.

The recent suggestion by Health Minister Adoor Prakash to conduct a fresh study in the endosulfan-hit areas was painful and an insult to the hundreds of hapless victims, committee convener P.V. Sudhir Kumar said.

The committee said the compensation of Rs.1 lakh, announced by the United Democratic Front government, should be paid without delay to the kin of the deceased.

Higher compensation

Efforts should be made to implement the National Human Rights Commission suggestion for higher compensation and ensure that no undeserving persons were included in the list.

The committee sought the immediate setting up of a tribunal to decide on the compensation package.

The committee members said the pesticide spraying was carried out illegally after 1992, and sought criminal proceedings for committing “murderous acts” against the officials of the Plantation Corporation of Kerala, which had resorted to indiscriminate aerial spraying over the sloppy land in the affected panchayats for a few more years. The press conference was attended, among others, by committee office-bearers Prof. T.C. Madhava Panicker and K. B. Mohammed Kunhi.

Published: August 12, 2011 00:00 IST | Updated: August 12, 2011 04:22 IST KOCHI, August 12, 2011

Sea food exports up 33%

Seafood exports from the country overcame stiff market conditions to earn nearly \$ 3 billion during 2010-11, a growth of 33 per cent in dollar terms over the previous financial year.

Marine Products Export Development Authority (MPEDA) Chairperson Leena Nair told a press conference here on Monday that this was the first time that seafood exports from the country reached this level.

She said economic crises in the Europe and the U.S. had not affected exports from the country. Indian seafood exports had thrived despite recession in these countries over the last two years, she said.

The country had already exported products worth \$ 644 million between April and July.

The growth of market for Indian seafood in Asian countries was a positive development and reminded processors and exporters in the country about the need for value addition, she said.

The total volume of seafood exports was 8.13 lakh tonnes, valued at \$2.85 billion. Nearly 20 per cent growth in quantity and 33.95 per cent growth in rupee earnings were the key features of exports last year. The political instability in the Arab world too had not affected the industry. Increased production of vannamei, black tiger shrimp, and better unit-value realisation saw the industry through last financial year, she said.

Frozen shrimp was the dominant item in the Indian export bag, accounting for 44 per cent of the total dollar earnings. Shrimp export increased 16 per cent during the period under review. Fish, however, was the dominant item in terms of volume and accounted for 38 per cent of the volume.

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Thiruvananthapuram, August 12, 2011

Climate change likely to hit cardamom farming: study

Concern over advancing dry climate in the Cardamom Hill Reserves

The looming threat of climate change could see Kerala grappling with a sharp drop in the production of cardamom, one of the spices that contributes to the State's economy.

A study conducted by the Kerala State Biodiversity Board (KSBB) in the Udumbanchola taluk of Idukki district has expressed concern over the advancing dry climate in the Cardamom Hill Reserves (CHR) and its impact on the ecosystem.

The local economy that depends on the sustainability of cardamom as the staple cash crop could be at risk unless an intervention strategy was chalked out soon, the study warns, citing changes in local climatic conditions.

A report brought out by the project wing of the board says the whole area is hurtling towards an imminent ecological disaster, underlining the need for urgent steps to conserve the biodiversity unique to the CHR. The grasslands and forested areas adjoining the traditional cardamom plantations have become vulnerable to logging, poaching, and land grabbing.

It observes that the loss of evergreen species on the top hills in the area had altered the rainfall pattern and brought down the number of rainy days. The continuous drizzling had changed to occasional heavy downpour, accelerating soil erosion and habitat loss, denuding hills and adding silt to reservoirs.

The study report says that a change of 4-5 degree centigrade in atmospheric temperature could bring catastrophic change to the entire region, turning the once verdant tropical rainforest area to a barren, rocky landscape and causing loss of biodiversity.

Highlighting the importance of vegetation in controlling climate change, it calls for enhancing the forest cover at least in the remaining denuded parts of the hills. "Climate change is a staggering stress in this unusual eco-climatic zone that can aggravate further habitat loss."

The State's own cardamom "that launched a thousand ships" and received very special government concessions right from the year 1822 could end up being included in the list of Rare, Endangered, and Threatened (RET) species unless conservation activities are taken up. The board feels that CHR can be a typical localised climate change model making it eligible for scientific studies.

The cumulative threat posed by logging, changes in land use, and indiscriminate use of chemical pesticides have also played havoc with the unique ecosystem of the CHR. Intensive and unsustainable cultivation of cardamom is equally to blame for the environmental degradation.

The KSBB has recommended strict controls on land use and a participatory method of biodiversity conservation involving Environment Management Committee and local stakeholders. A detailed land survey has also been proposed to demarcate the area under the Revenue and Forest Departments and identify encroachments.

Published: August 12, 2011 00:00 IST | Updated: August 12, 2011 04:11 IST THANJAVUR,
August 12, 2011

Training for banana, guava value additon on August 16

Indian Institute of Crop Processing Technology (IICPT) here is organising a day long training programme on 'Value addition of Banana and Guava' at the Food Processing Business Incubation Centre at IICPT on August 16.

Participants will be trained in selecting raw materials and applying scientific techniques in value addition.

According to Alagu Sundaram, Director, IICPT, India occupies ranks first in banana production globally and guava is the most widely grown fruit in India.

Vital nutrients

Also, these fruits are reservoirs of vital nutrients. But being highly perishable, 20 to 40 per cent of the total production of these fruits go waste. It is therefore necessary to make them available for consumption throughout the year in a processed or preserved form and to salvage the sizable amount of losses.

Interested persons can enrol on or before August 15 at Food Processing Business Incubation Centre, IICPT, Thanjavur.

For further information, the director, IICPT, Ministry of Food Processing Industries, (Government of India), Thanjavur-613 005 can be contacted at 04362-228155.

Published: August 12, 2011 00:00 IST | Updated: August 12, 2011 04:18 IST JAIPUR, August 12, 2011

India's desert State now exports organic foods to U.S.

Rajasthan Agriculture Minister Harjiram Burdak flagged off the first-ever consignment of certified organic food to be exported from Rajasthan to the United States here on Thursday. The organic food comprises mainly conventional pulses for which there is a heavy demand in the U.S. They were produced from the processing unit of the Morarka Organic Foods in Sitapura Industrial Area near here.

“Just like Green Revolution”

Mr. Burdak said the organic farming culture gaining ground in the desert State was as significant as “Harit Kranti” (Green Revolution) introduced in 1965 by the then Prime Minister Lal Bahadur Shastri, as a result of which the wheat imports from the U.S. had stopped.

“Organic revolution

The Minister said the “organic revolution” was visible in the production of pulses in the State, which had touched 32.33 lakh tonnes this year, registering a four-fold increase in comparison to the previous year's 7.20 lakh tonnes. In addition to organic agriculture, adoption of modern farm techniques had led to the overall impressive growth, he added. He also attributed the success to the policies of the State Agriculture Ministry.

Principal Horticulture Secretary Dinesh Goyal said organic farming in Rajasthan offered tremendous possibilities of growth to agriculturists. It will also protect the farm produces against harmful impacts of chemical fertilisers, he pointed out. Mr. Goyal also appreciated the efforts of the Morarka Foundation, the organic food exporting private company behind it.

Representatives of the Foundation said they would be exporting 65 containers weighing 23 tonnes each to the U.S. this year. Five containers are to be sent abroad in the first phase. The company has set the target for exporting 300 containers next year. It has reportedly roped in nearly 70,000 farmers to join its organic agriculture activities in Jaipur, Jhalawar, Pali, Sirohi, Barmer and Jhunjhunu districts.

The Morarka Foundation has been engaged in organic farming in Rajasthan's Nawalgarh area since 1993 along with activities in health, education, women self-help groups and waste water management. It plans to spread the high-technique farming to new areas in other districts as well.

- *Pulses to be exported as they are in great demand in U.S. and Rajasthan has high yield*
 - *To start with, 65 containers weighing 23 tonnes to be sent this year*
-

Published: August 12, 2011 00:00 IST | Updated: August 12, 2011 04:23 IST CHENNAI, August 12, 2011

Israeli delegation displays water management techniques

An eight-member Israeli delegation on Thursday showcased its core strengths in a range of water treatment, purification and proofing technologies.

Addressing the B2B meeting on Israeli Water Technology hosted by the Confederation of Indian Industry (CII), Elad Gafni, Consul for Economic Affairs, Consulate General of Israel, Mumbai, pointed out that Israel had developed water technology prowess by turning a resource challenge into an opportunity.

Israel which is faced with a 45 per cent water deficit now manages to supply 250 litres of water daily to its over 7 million population by water management, water economy and water technology. In fact, over 75 per cent of the water is reused in the country.

“The available water is owned by the people but managed by the government, through its Water Authority and has administrative control over all aspects of water including consumption, allocation, production, pollution and pricing,” he said.

By 2013, over 70 per cent of drinking water in Israel would be supplied by the desalination plants, he said.

Against a backdrop where most countries would only have half the requirements for water by 2030, water technologies could offer solutions, Mr. Gafni said.

G2G interface

The Consul later told *The Hindu* that a G2G interface is also proposed later this year where Israeli water technology experts would discuss avenues for collaboration with officials of the Tamil Nadu Government.

Recently, the Israeli Ministry of Industry and Trade had inked MoU with the Municipal Corporation of Greater Mumbai on leveraging water technologies, including management and pricing, Mr. Gafni said.

According to the Consul, Israel which is renowned for water technologies such as smart irrigation solutions, water treatment, desalination and water security, had also led the change in the global approach to marketing new and innovative technologies in the water industry.

All these technologies would be showcased at the biennial 'WATEC Israel 2011,' the sixth International exhibition and third International conference scheduled at Tel Aviv in November, he added.

Multipronged approach

S. Chandramohan, Co-chairman, Forum on Agriculture, CII Southern Region said though India was blessed with rains, rain water harvesting had to be made mandatory to ensure adequate water availability and supply in future. He said there should be a multipronged approach to water issues involving all stakeholders like the government, citizens, farmers and industries, for better water management and more efficient water use.

Published: August 12, 2011 00:00 IST | Updated: August 12, 2011 04:23 IST HYDERABAD, August 12, 2011

Crop holiday: panel constituted

Caught on the backfoot over criticism of its sluggish responses to the farm crisis brewing in East Godavari district, the government on Thursday constituted a committee headed by former Chief Secretary Mohan Kanda to study the phenomenon of farmers declaring crop holiday for this kharif and suggest remedial measures.

The committee has Dr. M.V. Rao, MLC and former vice-chancellor, Acharya NG Ranga Agriculture University, as its vice-chairman and Dr. K. Pratap Reddy, former director, Institute of Rural Management, Gujarat, and R. Sudhakar Rao, director (Research), ANGRAU, and K. Sudhir, chief engineer, Irrigation, Godavari delta, as members. V. Usha Rani, commissioner, Agriculture, is its member-secretary.

The committee has been asked to submit its report in four weeks, identifying the circumstances that forced the farmers to opt for crop holiday and make recommendations to avoid such situations in future.

This was announced by Chief Minister N. Kiran Kumar Reddy after the Leader of Opposition N. Chandrababu Naidu toured the Konaseema region on Thursday to call on the aggrieved farmers.

A release said Mr. Reddy had received numerous representations from farmers' associations, seeking an independent committee to go into the problems faced by the farmers in Konaseema, an estuary of alluvial soil lying at the mouth of the Godavari, that forced them to opt for crop holiday in 13 mandals over an extent of 43,087 hectares.



HT Correspondent, Hindustan Times

Email Author

New Delhi, August 11, 2011

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Food inflation rate near double digits



India's food inflation rate galloped towards double digit levels — it was 9.90% for the week ended July 30 — driven by costlier protein-rich products, such as eggs, milk, meat and fish.

The overall inflation rate was 9.44% in June and will go up in July the data for which will be released next week.

Experts warned that prices would surge further in the coming weeks as the knock-on effects of a hike in diesel prices cascade through the economy.

This has presented policy-makers with a severe dilemma: the series of fiscal and monetary measures to cure inflation has not cooled prices, but has affected growth in the broader economy.

Finance minister Pranab Mukherjee termed the high inflation rate as a matter of grave concern.

TURNING GRIM

9.90% Food inflation in July last week, highest in four-and-a-half months

8.04% Is figure for previous week

Inflation Outlook

- Experts warn prices will again surge on higher diesel prices
- Monsoon to determine food prices

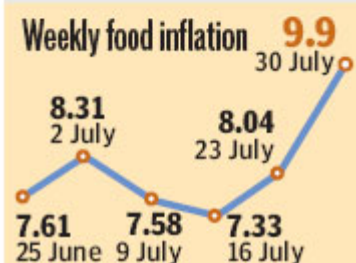
71 points Sensex loses, but stays above 17,000-mark at 17,059 points

Gold continues to glitter

Gold breaches ₹26,000-per-10-gm mark

EMIs could go up even more

On Thursday, SBI and ICICI Bank raise lending rates by 0.50 percentage points



“If it is 9%, it is not acceptable. It (inflation) would have been ideal at 3.5% to 4% ...even if we can keep it at 5-6% (it will not be bad),” he told the Rajya Sabha on Thursday.

The Reserve Bank of India (RBI), which will present a mid-quarter policy review next month, has raised the repo rate —at which banks borrow from the RBI — by 11 times in the past 16 months to cool prices.

A higher repo raises banks’ borrowing costs which, in turn, raises the interest rates on home, auto and corporate loans.

On Thursday, India’s top two lenders SBI and ICICI Bank raised its lending rates by 0.50 percentage points.

In June, the government raised diesel, kerosene and cooking gas prices by R3 and R2 a litre respectively and R50 a cylinder — a move that is bound to have a domino effect on prices of most items, from transport to food.

Fuel, power and lighting carry a weight of 14.91% in the wholesale price index —India’s most followed inflation index.

<http://www.hindustantimes.com/StoryPage/Print/732053.aspx>

Weather

Chennai - INDIA

Today's Weather



Clear

Friday, Aug 12

Max Min

36.1° | 23.6°

Rain: 18.0 mm in 24hrs

Humidity: 79%

Wind: Normal

Sunrise: 5:56

Sunset: 18:32

Barometer: 1003

Tomorrow's Forecast







Rainy

Saturday, Aug 13

Max Min

36° | 26°

Extended Forecast for a week

Sunday Aug 14	Monday Aug 15	Tuesday Aug 16	Wednesday Aug 17	Thursday Aug 18
				
31° 27° Rainy	31° 26° Rainy	31° 26° Rainy	31° 26° Rainy	31° 26° Cloudy

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THE TIMES OF INDIA

Food inflation up at 3-month high of 9.9%

TNN | Aug 12, 2011, 02.20AM IST

NEW DELHI: Costly onion, fruits, vegetables and protein-based items pushed food inflation to a three-month high in late July, highlighting the extent of price pressures in the economy and posing another challenge for policymakers.

Data released by the commerce and industry ministry on Thursday showed the wholesale price index for food articles rose an annual 9.90% in the week to July 30, rising from 8.04% in the previous week. Food prices had displayed tentative signs of easing in the previous months but have remained volatile. The data showed onion prices rose an annual 36.62% while the weekly trend showed prices of vegetables, potatoes, fruits, eggs, meat and fish have remained firm.

A sharp increase in the prices of onion last year had pushed food inflation into double-digits and had emerged as a policy headache for the UPA government which is battling a slew of corruption charges. Policymakers have been consistently wrong footed on inflation in the recent past.

The index for food articles group rose by 1.6% to 195.3 from 192.2 for the previous week due to higher prices of fish-inland (17%), poultry chicken and fish-marine (4% each), ragi and fruits & vegetables (2% each) and rice, coffee and gram (1% each).

"For a couple of weeks, rainfall has been deficient and that could have led to some short-term price pressures," said Samiran Chakraborty, economist at Standard Chartered Bank. Economists say it is difficult to draw any sweeping conclusions from sharp fluctuations in weekly food inflation data.

Chakraborty said the Reserve Bank of India was unlikely to reverse its monetary policy stance soon and the central bank would carefully watch the movement of global commodity prices. "They have to be convinced that there is a sustained and continuous fall in commodity prices, only then can they reassess their monetary policy stand," he said.

Expectations of a pause in the central bank's monetary tightening had gathered pace after downgrading of US debt by ratings agency Standard & Poor's sparked off fears of a global economic slowdown and spooked financial markets.

The RBI has raised interest rates 11 times since March 2010 and has said it is ready to sacrifice some growth in the short-term to tackle stubbornly high inflation. Inflation, as measured by the wholesale price index, hovers around 9% now and some economists say there could be a period when it could hit double-digits and then start easing by October-November. Policymakers expect inflation to be around 7-8% by end-March 2012.



Jubilant Food net jumps 51%

August 11, 2011 10:20:14 PM

Riding high on increase in order receipts and number of stores across the country, Jubilant Foodworks on Thursday reported a jump of 51.6 per cent in its net profit at 23.16 crore compared to Rs 15.28 crore in the same quarter of last fiscal.

Total income of the company climbed to 60 per cent at Rs 216.86 crore compared to Rs 135.50 crore in the first quarter of the last financial year. “We believe we have started the year on a positive note and are poised to grow our businesses to provide meaningful experiences for all our customers, while enhancing returns for our stakeholders,” said Jubilant FoodWorks Limited CEO Ajay Kaul while commenting on the Q1 performance of the company.

Jubilant managed to report impressive growth despite high food inflation. It attributed the high growth to its economies of scale principle and trusted array of vendors.

The food service company spent Rs 70 crore in capital investments last year and earmarked a higher amount for this year without enclosing it but ensured that it will be higher than Rs 70 crore. The company plans to add 80 new Domino’s Pizza stores this fiscal, of which 14 has already been successfully launched.

Coast Guard copter makes emergency landing in paddy field, no casualties

August 12, 2011 12:23:57 AM

PNS | CUTTACK

A Coast Guard helicopter made an emergency landing in a paddy field on the outskirts of Cuttack city here on Thursday afternoon.

There was no casualty or damage to the Chetak helicopter which later flew back to the Bhubaneswar hangar in the evening, Coast Guard sources said.

The copter with two pilots on board was on its way to its Goa base via Bhubaneswar when the pilots received some emergency warnings and had to make the urgent landing, said Paradip-based Coast Guard DIG K Raghuvanshi who was in constant touch with copter commander

Praveen Gaur.

“The Chetak helicopter was returning to its Goa base after a routine repair from the Barackpore maintenance base and the pilots were supposed to make night halt at Bhubaneswar before flying back to Goa on Friday morning. But when they received some emergency warnings mid-air, they were forced to bring down the copter and the pilots, avoiding human habitation, successfully landed it in a paddy field without any injury to them or damage to the copter,” the official informed.

A technical snag is suspected to be the cause of the emergency warning. “We are still assessing the situation as to why the warning was made for emergency landing,” Raghuvanshi said, adding that the pilots would decide only on Friday morning whether they would fly back to their base in Goa or to Barackpore for further check-up of the aircraft.

Cuttack Sadar Inspector In Charge Ranjit Prusty said the helicopter made the landing around 3 pm in the paddy field in village Nagabali near Pratap Nagari, about 10 km from Cuttack city, causing panic among the locals. Since it was raining heavily, people believed the copter came down because of inclement weather.

The local police had a strenuous time in controlling the anxious crowd which had gathered in large numbers from nearby areas to have a glance of the copter and its pilots.

CM Munda meets Pawar, Jena in Delhi, take up farmers' issues

August 12, 2011 12:33:46 AM

PNS | Ranchi

Jharkhand CM Arjun Munda met the Union Minister of Agriculture Sharad Pawar and Union Minister of State Chemicals and Fertilizers Srikant Jena on Thursday to press for various issues

concerning the welfare of the farmers of the State. The CM highlighted the problems being faced by the farmers of Jharkhand, in particular inadequate supply of fertilizers, and for stepping up grants of the Union Government to Jharkhand.

The CM requested Pawar to enhance the allocation of Jharkhand State under the Rashtriya Krishi Vikas Yojana (RKVY) and also to immediately release the backlog funds of the previous years. He also requested Pawar for excluding crop productivity of previous two drought years in Jharkhand so that its farmers do not get excluded under the National Agriculture Insurance Scheme on account of low threshold of average crop productivity. Further the CM brought to the notice of Union Agriculture Minister the acute shortage of fertilizers being faced by the farmers of Jharkhand who already faced last two years of drought but are hoping for good harvest this year on account of normal monsoon. He urged upon the Union Agriculture Minister to instruct officials to coordinate with the Ministry of Railways for opening of new rail rack points so that farmers could have easy access to fertilizers from nearby locations.

Minister of Agriculture, Pawar assured that the Government of India would look favourably to meet the demand of the Jharkhand State for both higher allocation and stepped-up release under the RKVY during the current financial year to meet both the backlog of the last year and requirements for the current year.

Pawar also assured to take up the request of the State Government to enhance the allocation of fertilizers and release of fertilizers on an urgent basis with the Ministry of Chemicals and Fertilizers in view of the last two years of successive drought and the current year normal monsoon resulting in enhanced cropping area by the farmers.

The State Government would also cover all districts of the State under the modified National Agricultural Insurance Scheme to extend benefit to the farmers of the State. Under the modified Scheme, the threshold crop productivity is assessed on the basis of past seven years' average within which, upto two years of drought are excluded. This provision will greatly benefit the

farms of Jharkhand who have experienced last two years of successive drought. Pawar assured the support of the Government of India in this regard.

The Agriculture Minister also assured to coordinate with the Ministry of Chemicals and Fertilizers for opening of new rail rake points for supply of fertilizers to the farmers of the State at easily accessible points at lower costs. This would also reduce the potential of black marketeering of fertilizers by unscrupulous elements.

In his meeting with the MOS Chemicals and Fertilizers, the CM explained as to how Jharkhand is receiving much lower supply of fertilizers as compared to the approved allocation plan of the Government of India. He also explained that the farmers of Jharkhand are pinning high hopes on enhanced and timely supply of fertilizers to fully utilise the bounty of normal monsoon this year after two years of successive drought.

The CM further explained to the MOS Chemicals and Fertilizers as to how the fewer rail rake points in Jharkhand as compared to its geographical expanse is creating unfavourable condition to the farmers who have to travel long distances to purchase fertilizers at much higher cost, sometimes becoming vulnerable to black marketeers.

MOS assured full cooperation of Union Government in this regard. Also, action points for meeting the full demands of the farmers of Jharkhand were agreed upon. On the directions of the MOS, the concerned officials of the Ministry of Chemicals and Fertilizers drew a plan to ensure speedy movement of fertilizers rail rake to Jharkhand from Friday onwards so that within one week the required 38 rail rake of Urea, DAP and Complex Fertilizers shall reach Daltonganj, Ranchi, Koderma and Jasidih so that there will be no shortage of fertilizers in the State. It was also agreed to open additional rail rake point terminals at Tatanagar, Lohardaga, Girdih Dhanbad and Sahebganj so that not only the farmers in far flung areas could get fertilizers easily but at a much cheaper cost.

The initiatives taken by the CM will go a very long way in not only ensuring that the poor farmers of Jharkhand who have been suffering severely on account of previous droughts are fully compensated this year and their long term farming livelihoods also become sustainable.

Monsoon brings misery for vegetable farmers

August 12, 2011 12:25:51 AM

PNS | Ranchi

After monsoon hit the State bringing relief for the paddy cultivators, it brought trouble for the farmers who have been growing vegetables other than paddy.

In a recent press meet Minister of Agriculture and Sugarcane Development Satyanand Jha Batul had said that the State may witness surplus paddy cultivation this year.

The production of paddy may go up to 34 lakh metric tonnes from the average 20 lakh metric tonnes in state the minister stated. According to report this year Kharif crops have been sown on 24 lakh hectares in state out of which paddy has been sown in 16.92 lakh hectares.

However the surplus cultivation of paddy is meaningless for the farmers who are in to vegetable cultivation. Due to continuous rainfall in city most of the vegetable cultivation has been affected tremendously and have been destroyed.

"I have been growing vegetables in small quantity in my field. But due to rain most of my cultivated vegetables have been destroyed and whatever I have preserved from rain can't be stored for longer period," said Phulo Devi of Kokar Market.

The shopkeepers are complaining that the vegetables once fully drenched in rain can't be stored for longer period as it starts rotting. This adds to the woes of the customers as there are

no signs of lowering the price of vegetables.

"The higher prices of the vegetables are due to the continuous rain. The shortage in the supply is resulting to price rise. The chances of going down of prices are very not sure. As the monsoon has already arrived it is destroying the growth of vegetables," said a shopkeeper at the Lalpur Market.

India's rice production declined to 89.13 million tonnes in the 2009-10 crop year from a record 99.18 million tonnes in the previous year on account of a severe drought in 2009 that hit almost half of the country.

The minister had earlier informed that 211 ponds are being renovated while 602 check dams and 44 hand pumps are being constructed that would irrigate around 21, 800 hectares of land.

Business Standard

Friday, Aug 12, 2011

Chhattisgarh sees record paddy output

R Krishna Das / Raipur August 12, 2011, 0:41 IST

Agustu Kirketta, a school teacher in Manpur village of Sarguja district, called his students at his house on Monday morning before taking them to his paddy field. This was not to teach them how paddy grows, but to push the primary class students for paddy transplantation in the field.

The matter came to the notice of higher authorities and a team was sent to the village to catch the teacher red-handed. "Agustu Kirketta was found guilty of forcing the students to work in his field and the department is taking necessary action against the teacher," S P Jaiswal, the block education officer, said.

This will not be a bizarre incident that will mark the kharif season in Chhattisgarh this year. The labour crunch and cost has propelled many paddy growers in the state, known as 'rice bowl of the country', to adopt such methods. Many farmers are forced to work in the fields, failing to get labourers.

HIGH HOPES		
Acreage and crop estimates		
Acreage: (in hectares)	2010	2011
Paddy	35,70,000	35,60,000
Oilseeds	355,000	365,000
Pulses	409,000	425,000
Production: (in tonnes)	Achieved (2010)	Estimated (2011)
Paddy	61.59 mn	62.55 mn
Oilseeds	293,400	305,580
Pulses	200,670	214,080

According to the government, the labour rate has increased by about 25 per cent from Rs 102 to Rs 126 a day this year as compared to the kharif season of 2010. "It is government rate and in reality, the increase is by 40 to 50 per cent," said farmers' leader Virendra Pandey. This has increased the cost of paddy production by about 30 per cent, forcing the farmers to rethink on paddy crop, he added.

Despite all odds, Chhattisgarh government has set a target of record paddy production this year despite the acreage has been slightly reduced from last year's 3.57 million hectares to 3.56 million hectares this year. The estimated paddy production had been set at 6.26 million tonnes as against last year's 6.15 million tonnes.

"With the modern technology, hybrid seeds and best quality fertilizers, paddy production in the state will increase despite decrease in acreage," said deputy director (agriculture) R K Chandravanshi. While reducing the paddy acreage, the department has prepared a strategy to increase that of oilseeds and pulses.

While the pulses acreage has been increased from 409,000 hectares to 425,000 hectares this year, oilseeds acreage in the state has gone up to 365,000 hectares from previous year's 355,000 hectares. The production of pulses and oilseeds has been estimated at 214,080 tonnes and 305,580 tonnes respectively for the kharif 2011.

"As of now, the rainfall in the state is normal and crop estimates have not been revised," Chandravanshi said.

Govt's August sugar quota pulls down prices by up to Rs 150/qtl

Ajay Modi / New Delhi August 12, 2011, 0:39 IST

The government's decision to release 1.7 million tonnes (mt) of sugar for open market sale during August has pulled down the realisation of sugar mills by up to Rs 150 a quintal. However, retail prices have not softened.

Against an ex-mill price of Rs 2,640 in Maharashtra on July 29, when the announcement came, mills are now realising a price of Rs 2,490 a quintal. Similarly, mills in Uttar Pradesh are now realising Rs 2,795 a quintal, against a price of Rs 2,890 on July 29, when the government announced the stock release for August. Retail sugar price, however, continued to be stable in the range of Rs 32-33 a kg in Delhi.

While the open market quota of 1.7 mt is similar to last year's August quota, last year the government had to carry forward 300,000 tonnes of the August quota into September. Another 100,000 tonnes of last year's July quota was carried into August. While the government released 1.7 mt, assuming that festive demand will push consumption up during the month, the industry is of the view that the festivals of Raksha Bandhan, Janmashtami and Ramzan were celebrated in August last year as well. Still, 1.7 mt cannot be consumed and the government had to carry forward unsold quota.

According to industry body the Indian Sugar Mills Association (Isma), the high monthly quota for August adversely impacted the ex-mill sugar prices. Since July 27, on the buzz that a quota of 1.7 mt is being allocated for August, the ex-mill sugar prices all over the country have fallen by Rs 150-200 a quintal. However, retail prices in all the important centres have remained exactly the same.

Inflation surge dims hopes of rate hike pause



New Delhi, Aug. 11:

Food inflation surged sharply to its highest levels since mid-March, leaving little room for the RBI to soften its anti-inflationary stance despite moderating economic growth and indications of a global slowdown.

The annual Wholesale Price Index-based food inflation rose 9.9 per cent during the week ended July 30, sharply up from the previous week's annual level of 8.04 per cent. While this was largely on account of the base effect, products such as onions, fruits, vegetables and protein-based items too contributed to the surge. The rate of inflation in food items was recorded at 16.45 per cent in the last week of July 2010.






The RBI has already raised interest rates 11 times since March 2010 to tame headline inflation, which had surged to 9.44 per cent in June. Analysts expect headline inflation to remain above 9 per cent until October.

“A reversal in the RBI's monetary stance and focus on inflation management in the near term is unlikely, unless there is a sharp and sustained downtrend in commodity prices,” said Ms Aditi Nayar, an economist with ICRA. The RBI will meet on September 16 for its mid-quarter policy review.

Not acceptable: Pranab

Winding up the debate on the first batch of supplementary demands for grants in the Rajya Sabha, the Finance Minister, Mr Pranab Mukherjee, referring to the concerns on inflation, said, “If it is 9 per cent it is not acceptable. It (inflation) would have been ideal at 3.5 to 4 per cent ...even if we can keep it at 5-6 per cent (it will not be bad).”

SOARING PRICES

	Onions 36.62%
	Fruits 16.49%
	Eggs, meat and fish 13.44%
	Potatoes 10.85%
	Milk 10.38%
Primary Articles	12.22%

Coming long weekend spurs sugar rally



Mumbai, Aug. 11:

Sugar prices on the Vashi wholesale market shot up by Rs 25-30 a quintal on Thursday following improved demand from local consumers as well as neighbouring States.

Good quality sugar was in demand as bulk consumers/retailers covered aggressively for upcoming festivals. Retail shopkeepers entered the market with fresh orders as market will remain closed for three days starting Saturday.

A wholesaler said that talk of Government likely to decide soon on additional quantity of sugar for export under the Open General License (OGL) plus improvement in local and neighbouring States' demand in Maharashtra resulted in bullish sentiment. From Saturday, the market will have a three-day holiday, which will increase the physical demand. Arrivals and dispatches in the market improved sharply. Any announcement of additional quantity for export will fuel the price rise in the festival season”.

He further said that mills were very optimistic about improvement in demand from neighbouring States as prices are higher in other producing States such as Uttar Pradesh. On Wednesday, around 2-3 rail rakes (each 27,000 bags of 100 kg) were sold by mills to neighbouring States. Mills also sold around one lakh bags of sugar to State-level buyers. Continued festival celebrations until the first fortnight of September means consumption demand will not ease, and higher demand will support improvement in prices.

On Wednesday, around 28/30 mills offered tenders and sold a total of about 1.75/1.80 lakh bags (each 100 kg) at a higher rate of Rs 2,590-2,640 (Rs 2,570-2,625) for S-grade and Rs 2,640-2,750 (Rs 2,630-2,720) for M-grade. Arrivals in the market increased to 58-60 truckloads (each 100 bags) and local dispatches were at 55-56 truckloads.

Bombay Sugar Merchants Association's spot rates were: S-grade Rs 2,716 -2,865 (Rs 2,716-2,841) and M-grade Rs 2,791-2,961 (Rs 2,761-2,951).

Naka delivery rates: S-grade Rs 2,660-2,710 (Rs 2,660-2,700) and M-grade Rs 2,750-2,880 (Rs 2,720-2,850).

(This article was published in the Business Line print edition dated August 12, 2011)

Canada pledges financial support to growers

Mumbai, Aug. 11:

The Canadian Federal government has pledged several hundred million dollars as financial support to growers in Saskatchewan and other prairie regions affected by extremely wet weather conditions this growing season.

Breadbasket

Termed as 'AgRecovery' funding, the value of support is an estimated \$448 million. Known as the breadbasket of Canada, Saskatchewan province and the prairie regions mainly grow grains (wheat and pulses) and oilseeds (canola) among other crops.

A large part of the output is exported out of the country.

Saskatchewan's 18,000 pulse growers produce pea, bean and lentil, a significant part of which is exported.

India is the biggest market for these crops.

Last two years, the region has been facing extreme weather conditions in the form of excessive and prolonged periods of precipitation that affected crop output and quality.

Welcoming the announcement, Mr Lee Moats, Chairman, Saskatchewan Pulse Growers (Association) said that the financial support will improve the growers' competitiveness and help them access markets around the world when production returns to normal.

The AgRecovery programme allows governments to respond when disaster strikes a region and to address gaps not covered by existing programmes.

Welfare initiative

This specific initiative will provide support of \$30/acre for crop land that could not be seeded as of June 20, 2011, and crop land that was seeded but then flooded out on or before July 31.

"The goal is to help farmers gain relief from current environmental challenges and to go on to continue producing top-quality product," the Canadian Federal Agriculture Minister, Mr Gerry Ritz, said.

Meanwhile, the world pulses trade is keenly watching developments in India, decidedly the world's largest producer, importer and consumer. Acreage has slipped in the kharif 2011 planting.

(This article was published in the Business Line print edition dated August 12, 2011)

Poultry products look for direction as consumption slows



Chennai, Aug. 11:

Seasonal uncertainties and a slowdown in consumption have kept prices of poultry products flat this week.

Namakkal-based National Egg Coordination Committee (NECC) has maintained egg prices at Rs 2.37 a piece for more than a fortnight now. Rate for layer birds is down at Rs 35 a kg (Rs 38 a kg) and Palladam-based Broiler Coordination Committee has raised the prices of live chicken to Rs 43 a kg (Rs 51 a kg).

The slowdown is caused by a confluence of factors: lower domestic offtake (due to the onset of austere Tamil month *Aadi*), Ramzan abstinence period, and a dip in consumption in Karnataka and Maharashtra, major markets for Tamil Nadu's shell egg and broiler trade, owing to *Shravan*.

Dr P. Selvaraj, Zonal Chairman, NECC, said: "Layer rates remain unchanged as our main consumers — Karnataka, Maharashtra and Andhra Pradesh — observe *Shravan*, the period of abstinence. The industry usually experiences a temporary lull during the August-October period due to such seasonal uncertainties."

Rising feed prices are also denting prospects of poultry producers, he said. Broiler feed prices are now ruling at Rs 1,843 a kg, against Rs 1,678-1,675 a kg last fiscal.

On the export front, with its table eggs already off the Gulf menu, the country is now eyeing Africa and Saarc nations, particularly Sri Lanka.

(This article was published in the Business Line print edition dated August 12, 2011)

Lift ban on wheat, premium non-basmati exports: Parliament panel

New Delhi, Aug. 11:

A House panel has called for lifting the ban on wheat and premium non-basmati rice exports at the earliest. This, the Parliamentary Standing Committee on Commerce said, is an immediate solution to the food grain glut in the country.

However, while lifting the ban, the Government should also keep in view the domestic requirement, it said.

Meanwhile, the Commerce Secretary, Mr Rahul Khullar, said on Thursday that the Government may allow exports of additional quantity of non-basmati rice.

The Commerce Ministry is understood to have proposed export of an additional two million tonnes of non-basmati rice at a minimum export price of \$500 a tonne.

An Empowered Group of Ministers is expected to consider this proposal on Friday.

Last month, the Centre had lifted an over three-year old ban on non-basmati rice exports and had permitted shipments of one million tonne of the item at a minimum export price of \$400 a tonne.

On Wednesday, the Delhi High Court had extended the stay till September 7 on export of non-basmati rice on allegations of lack of transparency in the quota allocation process.

In a bid to augment domestic supplies, the Government had in 2007 banned private companies from exporting wheat and non-basmati rice in 2008.

The House panel, in its report, expressed displeasure over the Government's policy to accumulate food grains over and above the buffer norms.

It recommended that the Government should take immediate action to export surplus food grains so that the same is not wasted due to poor storage capacity.

The Government must also fix responsibility on those entrusted with storage of food grain and ensure that the cost of wasted grain is recovered from those responsible for the loss, it said.

It recommended that the Government should evolve a policy that facilitates India's exporters in getting a fair share of the world market.

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AP forms panel to study crop holiday

Hyderabad, Aug. 11:

The Andhra Pradesh Government has finally responded to the protest by farmers in the coastal areas. Farmers in coastal Andhra Pradesh had announced a crop holiday in about three lakh acres. The Government has now formed a high-level committee headed by Mr Mohan Kanda, former chief secretary of the State, to identify the circumstances that led to declaration of crop holiday by the farmers.

The committee will recommend measures to mitigate the problems in a month. The Government has directed all relevant departments to provide assistance to the committee to study and assess the situation.

The farmers have decided not to irrigate their lands and skip kharif sowing, protesting against poor support price for paddy. Dr M.V. Rao, who was associated with Green Revolution and former Vice-Chancellor of Acharya N.G. Ranga Agricultural University, will be the Vice-Chairman of the committee. Dr K. Pratap Reddy, former Director of Institute of Rural Management (IRMA, Anand), and Dr R Sudhakara Rao, Director of Research (ANGRAU), and Mr K Sudhir, Chief Engineer (Godavari Delta, Dowleswaram), are other members in the committee. Ms V. Usha Rani, Commissioner of Agriculture, would act as the Member-Secretary.

The Government's action comes close on the heels of Mr N Chandrababu Naidu, the former Chief Minister and Telugu Desam President, touring the crop holiday area and presenting their case in New Delhi early this week.

(This article was published in the Business Line print edition dated August 12, 2011)

Jayshree Tea profit up

Kolkata, Aug. 11:

Jayshree Tea & Industries Ltd, world's third largest tea producer, witnessed its average realisation go up by Rs 11 a kg in the quarter to June 30 over the corresponding quarter last year. As a result of higher sales realisation, the quarter's net profit increased to Rs 18.12 crore against Rs 11.76 crore, a company official said. The net sales went up to Rs 91.32 crore (Rs 82.43 crore). Apart from tea, the single super phosphate producing unit also performed better.

(This article was published in the Business Line print edition dated August 12, 2011)

Supply squeeze fails to lift palmolein



Mumbai, Aug. 11:

Palmolein ruled steady in the edible oils market on Thursday despite tight domestic supplies, even as it rose sharply in the Malaysian market.

Groundnut oil remained unchanged, neglecting a sharp rise in price in Saurashtra. Cotton refined oil dropped by Rs 10 and soya oil by Rs 2 for 10 kg on lack of demand. Sunflower oil increased by Rs 5 and rapeseed oil gained Re 1.

Crude palm oil (CPO) futures on Bursa Malaysia Derivatives (BMD) closed higher on short-covering. New deals were few and far between because of poor local demand in the spot market. Retail demand remains tepid despite festivals beginning from Saturday. Resellers offered 150-200 tonnes of palmolein at Rs 548-549 in the spot market. Local refiners raised

prices of palmolein by Rs 2 later in the day. Liberty quoted palmolein at Rs 554, soya oil at Rs 631 and sunflower oil at Rs 695. Ruchi offered palmolein at Rs 551, soya refined oil at Rs 630 and sunflower oil at Rs 695.

Malaysia's BMD CPO September contract closed at MYR3,053 (MYR3,000), October at MYR2,993 (MYR2,937) and November at MYR2,963 (MYR2,907) a tonne. August contract of soya oil closed at Rs 661.50 (Rs 660) and September at Rs 647.40 (Rs 648).

Mumbai Commodity Exchange spot rates (Rs/10 kg): Groundnut oil 965 (965), soya refined oil 630 (632), sunflower exp. ref. 655 (650), sunflower ref. 700 (700), rapeseed ref. oil 683 (682), rapeseed expeller ref. 653 (652), cotton ref. oil 650 (660) and palmolein 549 (549).

(This article was published in the Business Line print edition dated August 12, 2011)

Local orders perk up turmeric



Erode, Aug. 11:

Spot turmeric prices increased Rs 600 a quintal in the Regulated Marketing Committee as local orders emerged. However, hybrid variety prices dropped despite limited arrivals.

“Prices in the Regulated Market improved by Rs 600 a quintal, but due to want of demand for the hybrid variety, prices dropped by Rs 420 a quintal. Only limited quantity of the hybrid variety arrived for sale. Only a few traders purchased the limited stocks quoting a lower price,” said Mr R.K.V. Ravishankar, President, Erode Turmeric Merchants Association.

He said that the traditional variety met with local orders and so the price in Gobichettipalayam Agricultural Cooperative Marketing Society improved by Rs 340 a quintal. Though arrivals were around 8,000 bags, only 45 per cent of the offerings were sold.

Prices in Nizamabad and Sangli markets were lower than the Erode market. Similarly, the price in the futures market was also low. So north Indian buyers did not place orders with Erode traders. Consequently, the sales were poor and stocks with the turmeric farmers remained unsold.

At the Erode Turmeric Merchants Association, the finger variety was sold at Rs 4,050-5,704/quintal, the root variety Rs 3,900-5,351.

Salem Crop: The finger variety was sold at Rs 5,169-6,399, the root variety Rs 4,917-5,651. Of the 2,089 bags of turmeric that arrived for sales, 370 were sold.

(This article was published in the Business Line print edition dated August 12, 2011)

Wheat drops to 2-year low; flour follows suit



Karnal, Aug. 11:

The wheat market witnessed a downtrend on Thursday. Dara wheat prices continued to tumble on account of sluggish domestic demand against the ample stocks. Prices eased further by Rs 10 and quoted at Rs 1,080 a quintal — the lowest level in the last two years.

After witnessing a continuous fall in prices and low demand, there were no arrivals from Uttar Pradesh on Thursday.

Government agencies are holding huge stocks and the continuous release of these for the BPL and APL cardholders is flooding the market, said Mr Sewa Ram, a wheat trader. The stock is not only going to the BPL and APL cardholders but also coming into the open market for sale, which is worsening the situation, he added.

Similarly, with not much trading taking place in the market, desi wheat dropped by Rs 25-40 a quintal, after ruling firm at the beginning of this week. The Tohfa variety fell by Rs 25 to Rs 2,115 a quintal, Maruti sold at Rs 1,800, Lal Quila went down by Rs 40 to Rs 1,960, while Kangan sold at Rs 1,970, Rs 30 below the previous level.

Flour Prices

The continuous fall in wheat prices dragged flour prices down marginally by Rs 5 to Rs 1,155 for a 90-kg bag. Flour millers are not undertaking fresh buying and are using the old, available stock for production, he added. On the other hand, Chokar prices remained unchanged and sold at Rs 480-485 for a 49-kg bag.

(This article was published in the Business Line print edition dated August 12, 2011)

Tea workers stir: Planters' body threatens to suspend operations

Kolkata, Aug. 11:

The Consultative Committee of Plantation Associations (CCPA) on Thursday said that the tea industry in Dooars and Terai region of West Bengal may lose up to 25 million kg of production due to the ongoing agitation by workers. The planters' body has also threatened to suspend operations if agitation continues.

Different workers' unions have called a strike beginning August 9 demanding a hike in minimum wages. According to industry sources, though one leading union withdrew the strike call on Wednesday, other unions are sticking to strike call.

At a press conference on Thursday, CCPA office-bearers said that production loss was likely to affect cash flow to the tune of Rs 220 crore. This coupled with the impact of wage hike would substantially reduce the industry's capacity to pay bonus before the festive season beginning in the first week of October.

“If the agitation continues, both the production as well cash reserves will be affected, thereby impacting industry’s ability to pay increased wages and bonus,” Mr Tapan Chowdhury, Chairman, CCPA (West Bengal region), said. Industry captains say that price of tea produced in the Dooars and Terai region has already come down by nearly Rs 4 a kg compared with the corresponding period last year.

Workers' Demand

Workers' unions including Progressive Tea Workers Union (PTWU), Coordination Committee of Plantation Workers Unions and Defence Committee of Plantation Workers Rights have demanded that wages be increased from the existing Rs 67.50 to a minimum of Rs 91 upfront before negotiations start. A proposal to pay a minimum wage of Rs 130, on a par with the Mahatma Gandhi National Rural Employment Guarantee Act, was also forwarded by the West Bengal Government. The CCPA had, on its part, proposed a wage of Rs 8 a year for the next three years. The planters' association maintain that if the statutory social costs are included, the industry is paying to the tune of Rs 140 a worker a man-day. They further add that CCPA is open to discussions provided the agitation is withdrawn.

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Soya oil unchanged despite bullish global market



Indore, Aug. 11:

Soya oil remained unchanged in the local market despite lack of demand, even as foreign markets witnessed a bullish trend. Demand was poor as traders have already bought enough to meet the festival demand.

Soya refined ruled firm at Rs 627-630 for 10 kg on scattered buying in the physical market, while resellers sold it at Rs 627-628.

Soya solvent also ruled flat on subdued buying. It was quoted at Rs 597-601 for 10 kg in spot and delivery markets on Thursday, against Rs 595-599 for 10 kg on Wednesday. Contrary to a bearish sentiment in the physical market, soya oil futures rose on strong global cues.

August contract of soya oil on the National Board of Trade closed marginally higher at Rs 647.40 for 10 kg, after opening at Rs 646.80 in the morning. NBOT witnessed first cut of the month on Thursday at Rs 660.70.

August contract of soya oil ended higher on the National Commodity and Derivatives Exchange, too, at Rs 658.50 for 10 kg. Compared with August contract of soya oil, September contract declined on lack of demand, closing lower at Rs 646.30.

Soyabean, on the other hand, gained marginally on weak arrivals. Soyabean ruled at Rs 2,270-2,320 a quintal in Madhya Pradesh ex-Indore *mandis* against Rs 2,250-2,330 a quintal on Wednesday. In Indore *mandis*, soyabean was quoted at Rs 2,300-2,320 a quintal. Plant deliveries of soyabean were quoted at Rs 2,380-2,420 against Rs 2,330-2,470 a quintal on Wednesday.

(This article was published in the Business Line print edition dated August 12, 2011)

Spot rubber improves on supply concerns

Kottayam, Aug. 11:

Physical rubber prices turned better on Thursday. The market improved on supply concerns following widespread rains during the past 48 hours. A firm closing in the international futures lent further support at lower levels, though domestic futures lost initial gains on late trades. However the gains were limited indicating that the market was still under pressure on higher production, stocks and imports. The trend was partially mixed.

Sheet rubber increased to Rs 205 (204) a kg, according to traders. The grade moved up to Rs 204.50 (203.50) a kg both at Kottayam and Kochi, as reported by the Rubber Board. The August series slipped to Rs 205.01 (206.54), September to Rs 203.70 (203.94), October to Rs

202.50 (203.90), November to Rs 202.02 (204), December to Rs 203.70 (204.70) and January to Rs 205.50 (207.27) a kg for RSS 4 on the National Multi Commodity Exchange.

RSS 3 (spot) firmed up to Rs 212.57 (209.93) a kg at Bangkok. The August futures increased to ¥353.5 (Rs 209.19) from ¥352 during the day session and then to ¥360 (Rs 213.11) a kg in the night session on the Tokyo Commodity Exchange.

Spot rates were (Rs/kg): RSS-4: 205 (204); RSS-5: 201 (200); Ungraded: 194 (192); ISNR 20: 203 (203) and latex 60 per cent: 132 (132).

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Omnivore Capital buys stake in weather forecast firm

Chennai, Aug. 11:

Omnivore Capital, an agri-tech in which Godrej Agrovet is the anchor investor, has picked up 33 per cent stake in Skymet, a private weather forecast firm.

Skymet, which provides weather forecast to farmers and power producers in the country said that this move will help it to invest in research and development that will allow it to generate more accurate, short-range weather forecast at the village level; and extended the range in the medium as well as long term.

This will enable farmers to evaluate their weather risks. For Omnivore, this is the first initiative to financially back companies that can help the country's agriculture sector .

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Groundnut oil firm despite limited offtake

Rajkot, Aug.11:

Prices of groundnut and cotton oil ruled stable on nominal demand in the market. Prices have increased to record levels that traders are expecting a fall. Groundnut oil in Rajkot and Saurashtra traded at Rs 1,625-1,630 for a 15-kg new tin, loose groundnut oil for 10 kg ruled

unchanged at Rs 955-960 and Teliya tin for 15 kg was stable at Rs 1,490-1,499. About 70-80 tonnes of groundnut oil were traded. Similarly cotton oil was stable at Rs 1,100-1,110 for a 15-kg new tin and wash price was Rs 637-640 for 10 kg. About 150-200 tonnes of cotton oil was traded.

A Rajkot-based edible oil broker said: "Festival demand has yet to emerge in the market. Manufacturers of branded oils are waiting for some fall in prices. On the other hand, production of groundnut oil is lower due to scarcity of groundnut." Retail traders said that buying for Janmashthami festival will start from next week. At present, people are buying groundnut oil according to their requirement. Earlier people stocked it during festival time.

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