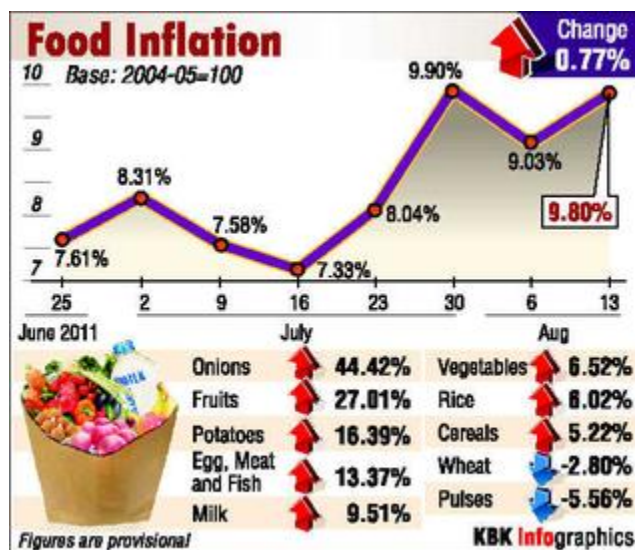


Published: August 26, 2011 00:00 IST | Updated: August 26, 2011 04:05 IST NEW DELHI,
August 26, 2011

Food inflation surges to 9.80 per cent



In what Finance Minister Pranab Mukherjee sought to dub as 'disturbing', food inflation surged to 9.80 per cent for the week ended August 13 from 9.03 per cent in the previous week, driven mainly by soaring prices of certain vegetables such as onions and potatoes, fruits, milk and protein-rich items.

As per the WPI (Wholesale Price Index) data released here on Thursday, the fact that food inflation during the like week in 2010 was way higher at over 14 per cent did not provide any consolation to the common man even in terms of the high base effect anomaly.

Showing an all-round surge in prices during the week, onions and potatoes turned dearer by 44.2 per cent and 16.39 per cent, respectively, on an annual basis. Fruits were also more expensive by 27.01 per cent while the prices of protein-based edibles such as eggs, meat and fish also went up by 13.37 per cent. Alongside, price of milk was higher by 9.51 per cent and cereals also turned 5.22 per cent dearer.

Disturbing, says Pranab

Commenting on the food price spiral, Mr. Mukherjee said: “The bad news is that inflation has increased ... On the inflationary front, it is disturbing ... I am more concerned about food inflation, which is perilously near double digits.” However, he noted that weekly numbers do not show a long-term trend. “As I have always maintained, weekly inflation figures are variant. We should make an assessment on the basis of a relatively longer period,” he said. Irrespective of a definite trend, there is clear evidence of price pressure on both food and non-food items and in such a scenario, the Reserve Bank of India (RBI) is expected to go in for another hike in key policy rates next month to douse inflationary expectations. “Inflation remains at an elevated level. We expect the RBI to continue with its monetary tightening and hike key policy rates by another 25 basis points at its September 16 mid-quarterly review,” Crisil's Chief Economist D. K. Joshi said. However, even as the apex bank has already upped its key rates 11 times since March last year to contain the price spiral, headline inflation still stands pegged at a high of 9.22 per cent for the month of June this year.

The WPI data shows that the only food commodities which turned cheaper were pulses and wheat the prices of which declined by 5.56 per cent and 2.80 per cent, respectively on a yearly basis. Overall, while primary articles' inflation was pegged at 12.40 per cent during the week, up from 11.64 per cent in the previous week, inflation in non-food articles, including fibres, oil seeds and minerals, stood at 17.80 per cent as against 16.07 per cent in the previous week.

Published: August 26, 2011 00:00 IST | Updated: August 26, 2011 04:05 IST KURNOOL,
August 26, 2011

Onion arrives in Kurnool market



Farm fresh: Onion being laid out at market yard in Kurnool on Thursday. — Photo: U. Subramanyam

Onion trading season has just started at Kurnool market with the arrival of the vegetable in the past few days.

Around ten truck loads of bulbs accounting for 100 tonnes reached the market yard everyday. The arrivals during the corresponding period last year were 30 truck loads (300 tonne).

Traders felt that the arrivals were poor this season due to prolonged dry spells. The size of bulbs was also small when compared to the previous years.

Impact

The low rainfall has had deep impact on the yields as well as quality. Farmers are expected to harvest only half the size of the yield this year even though the area under the crop was normal.

No indication

The initial prices were quoted around Rs.1,230 to Rs.1,240 per quintal which is considered attractive. However, traders felt that the initial prices were no indication as the demand-supply determined the prices at a later stage.

According to Govind, a commission merchant, orders were plenty from Kolkata, Rajahmundry, and Tadepalligudem.

Published: August 26, 2011 00:00 IST | Updated: August 26, 2011 04:05 IST GUNTUR, August 26, 2011

Heavy crop loss in Guntur district

A spell of intermittent rain throughout Thursday kept the district administration on tenterhooks, though no casualties were reported.

The swollen rivulets continue to surge dangerously inundating crops in many mandals.

The RTC limited the number of services to Sattenapalli as the swollen drain at Madipadu continued to overflow at low-level bridges. But services to Amaravathi have been resumed as waters receded in Maddur drain.

Worst affected

Cotton crop sown in Amaravathi, Mangalagiri, Thullur, and Tadikonda mandals was the worst affected with inundation reported in 16,939 hectares. Joint Director of Agriculture Sridhar said that cotton sown in 15,000 hectares has been submerged as the Kondaveedu drain has been in spate for the last three days.

“The loss may be substantial if the waters do not recede in two to three days,” he said. Meanwhile, the incessant rainfall over the last three days spurred transplantation of paddy across the district. Out of the estimated sowing in 2.65 lakh hectares, sowing was completed in 1.70 lakh hectares.

A report from Rajahmundry said Kasi Chandraiah (60) died when his house collapsed in heavy rain at Cheyyeru village in Katrenikona mandal in Konaseema in the early hours of the day.

Published: August 26, 2011 00:00 IST | Updated: August 26, 2011 04:05 IST CHENNAI, August 26, 2011

Waive loans given to farmers, rickshaw pullers: Chief Justice



S. Kannan, General Manager, Central Bank of India, Chennai, presenting a bouquet to Madras High Court Chief Justice M.Y. Eqbal at the inauguration of the Mega Lok Adalat in Chennai on Thursday. Justice Elipe Dharma Rao, Judge, Madras High Court (left), is in the picture. —

Photo: R. Ragu

Banks should waive small amounts given as loan to farmers and rickshaw pullers, suggested Madras High Court Chief Justice M.Y. Eqbal, here on Thursday.

Inaugurating a mega lok adalat exclusively for Central Bank of India, organised by the Tamil Nadu State Legal Services Authority (TNSLSA), Justice Mr Eqbal said these people would have borrowed only Rs 5,000 or maximum Rs 10,000. When they were unable to repay this small amount, the banks should waive it, he said.

Borrowers should know that the money that was lent to them is public money. At the time of taking the loan, the borrowers were ready to sign any document given by the banks. But, at the time of recovery, the borrowers start taking various defences forcing the banks to take legal action, he said.

Those who come to settle the disputes were very wise, Mr Justice Eqbal said adding that otherwise the borrowers would be the sufferers. The Central Bank had also expressed its concern to waive interests to genuine borrowers who were unable to pay.

In his address, Justice Elipe Dharma Rao, Judge, Madras High Court and Executive Chairman, TNSLSA, said six benches have been constituted to deal with 2,523 cases, which involved a total sum of Rs 64.11 crore.

S. Kannan, General Manager, Central Bank of India said a total of three mega lok adalats were conducted by the TNSLSA in the last couple of years.

Published: August 26, 2011 00:00 IST | Updated: August 26, 2011 04:04 IST Namakkal, August 26, 2011

Modified agri insurance scheme launched in Namakkal

Namakkal is one of the 50 districts in the country where it will be implemented as a pilot project

For the first time in the State, the Modified National Agricultural Insurance Scheme (MNAIS) was launched here on Thursday. Collector J. Kumaragurubaran launched the scheme at the Collectorate.

Officials of the scheme told *The Hindu* that Namakkal was one of the 50 districts in the country where it would be implemented as a pilot project.

Only two more districts – Cuddalore and Sivagangai – would be covered under this scheme in Tamil Nadu and it would be launched in about a week's time, the officials said.

District Coordinator of the Agricultural Insurance Company (Namakkal) V. Ganapathi said that MNAIS had a host of advantages over the previous National Agricultural Insurance Scheme.

Earlier, assessment and harvest were done at the Pirka level where the officials conducted cutting experiment on 10 fields in a selected village and it was not done in other villages. Under MNAIS, the survey would be conducted on four fields in every village and this paved the way for better accuracy of measuring harvest and calculating the loss, he said.

Initially, Paddy-II (Samba Paddy) was the only crop that would be covered in the modified scheme, he said.

Mandatory

According to Mr. Ganapathi, this scheme makes the insurance cover mandatory for farmers getting loans from nationalised and cooperative banks, but it is optional for non-loanee farmers. The premium is fixed at 4.5 per cent of the total insurance cover – Rs. 37,920 per hectare – of which the government gives a subsidy of 1.8 per cent. Farmers therefore have to pay only Rs. 1.024 per hectare (2.7 per cent). Based on the extent of loss, the farmers can claim up to 100 per cent of the cover at the time of harvest.

Joint Director of Agriculture (in-charge) A. Prabakaran said that the scheme would soon cover ragi, maize, groundnut, greengram and cotton in the pilot project from the coming Rabi season. He said that the launch was followed by a training on MNAIS by officials from the Agricultural Insurance Scheme, Chennai.

Managers of nationalised banks and central cooperative banks, secretaries of Primary Agricultural Cooperative Societies, Additional Directors of Agriculture and Horticulture, Agriculture Officers and Additional Agriculture Officers, Horticulture Officers and Assistance Horticulture Officers in all the 15 blocks took part in the training.

These officials would enlighten the farmers in their locality on the merits of the scheme and enrol them for the same before November 30, 2011. The process would begin soon after receiving notification from the government, Mr. Prabakaran added.

Published: August 26, 2011 00:00 IST | Updated: August 26, 2011 04:05 IST CHANDIGARH, August 26, 2011

Dozens of farmers injured as police break up protest in Punjab

They were objecting to 'forcible' land acquisition for power project

At least two dozen farmers were injured when the police resorted to a baton charge in the early hours of Thursday to break up their agitation against land acquisition in front of the Deputy Commissioner's office at Gobindpura of Punjab's Mansa district.

The farmers, owing allegiance to 17 organisations, were protesting against what they called forcible acquisition of fertile land across Gobindpura, Sirsiwala, Jalbera and Bareta villages for a 1,320-MW thermal plant to be established by a private company. About 880 acres is needed for the project.

Though the agitation has been going on for almost four months, the 17 organisations launched a simultaneous sit-in in front of the offices of Deputy Commissioners in Mansa, Amritsar and Jalandhar districts on August 22.

The protesters, who set August 26 as the deadline for the State government to resolve the issue, toned down their rhetoric after Chief Minister Parkash Singh Badal invited them for talks on August 28.

No provocation

Witnesses said there was no provocation for the use of force, as most of the protesters were asleep when the policemen moved in. The bewildered farmers ran for cover. However, by afternoon, about 300 farmers regrouped in Bhaini Baghan village, marched to the Deputy Commissioner's office and reclaimed the site before resuming the protest.

Higher compensation

Residents said the problem started when owners of 166 acres sought a higher compensation. However, the farmers refused to part with their land after 800 of them were detained while staging an agitation in June.

The Congress, which has argued that the plant is being set up without any bid having been called, has condemned the police action. While party legislators have courted arrest on the issue in the past, Congress president Amarinder Singh has called for a protest for September 2.

Though the area is in the Bathinda constituency, represented by Akali Dal MP Harsimrat Kaur, wife of party president Sukhbir Singh Badal, the issue was raised in the Parliament by Gurdaspur MP Partap Singh Bajwa.

On the other hand, Gobindpura farmers' association chief Balwan Singh was critical of the protesting farmers. Talking to journalists at the Chandigarh Press Club, he said that while the shareholders of 700 acres had accepted the compensation, only 26 shareholders of five families declined it. A majority of the people in the area favoured the project, he claimed, arguing that it would spur development, especially since the sugar mill at Buddhlada was shut down.

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- *Farmers have been staging sit-in since August 22*
 - *Congress calls for a protest for September 2*

Published: August 26, 2011 00:00 IST | Updated: August 26, 2011 03:59 IST KARUR, August 26, 2011

Action against 16 fertilizer shops

Joint Director of Agriculture K. Jagadeesan has said that action has been initiated against a total of 16 fertilizer shops in the district for indulging in malpractice. The discrepancies came to light during the two days of intensive investigations and field assessment by teams led by Assistant Director of Agriculture (Quality Control) P. Madanagopal.

A total of 24 fertilizer shops were scanned of which various discrepancies were noticed in 16 of them. He has further warned fertilizer dealers that severe penal action would follow if

discrepancies were committed. The shops searched were in Kulithalai, Krishnarayapuram and Thogamalai areas.

Published: August 26, 2011 00:00 IST | Updated: August 26, 2011 04:02 IST KODAIKANAL, August 26, 2011

1,000 saplings planted

Is it possible to plant 1,000 saplings in a few minutes?

Yes we can, said students of Mother Teresa University and members of Lions Club of Kodaikanal Sun.

They did it successfully in a few minutes on the university campus at Attuvampatti village near here recently with an aim of expanding forest cover and to make their campus green.

To begin with, district forest, revenue and club officials procured 1,000 saplings and handed them over to students well in advance.

Required pits were also dug and all agriculture inputs were dumped in the pit for swift planting exercise.

Participants

The students and other participants reached each and every pit within the campus well in time.

Once they got the signal, all participants planted the saplings in the pit and filled it with soil within few minutes. Watering was done immediately by the support group.

The planting exercise will not end here. Unlike ordinary sapling planting ceremony, the university and the club have plans to make it a continuous and sustainable programme.

Both will monitor the growth of the plants periodically. Each plant will be named after the student who planted it.

The students will maintain their plants for the next three years as part of their degree course.

After three years, prizes will be given to students who maintained the trees properly.

Permission

The university has granted special permission to students of 2011-12 batch to visit the institution at any time in future.

They have the right to bring their husbands and children to the university even after a decade and show them the tree they planted on this day, said university officials.

The Club president, Asha Ravindran, said that quality saplings were procured from various sources including forest department.

Such measures would seal a permanent bond among the students, environment and university, said organisers.

Kodaikanal Revenue Divisional Officer Veerapandian kick started sapling planting programme. District Forest Officer Sampath and club environment chairman for four southern districts T.P. Ravindaran spoke on protection of ecology.

Published: August 26, 2011 00:00 IST | Updated: August 26, 2011 03:59 IST TIRUVARUR,
August 26, 2011

Distribution of cows and goats in Tiruvarur

Goats and cows would be distributed to the people of Melakandamangalam and Seri villages at Kottur Panchayat Union and Mahizhanchery and Alankudi villages at Nannilam taluk for free of cost in the first phase, said Collector C.Munianathan at the mass contact programme at Periyakothur village in Needamangalam taluk recently. A cow costing Rs.30,000 and goats pricing at Rs. 10,000 would be given for a family. List of beneficiaries of free mixies, fans and grinders have been prepared.

Villagers demanded operation of additional buses, construction of a permanent building for Direct Purchase Centre. The Collector distributed benefits worth Rs 25 lakh to 176 beneficiaries.

Published: August 26, 2011 00:00 IST | Updated: August 26, 2011 04:02 IST Karwar, August 26, 2011

Foundation stone laid for hi-tech fish markets

Fish display counter, electricity, and toilet will be provided



Auspicious beginning: Fisheries and Science and Technology Minister Anand Asnotikar laying the foundation stone of the fish market in Karwar on Friday.

The Karnataka State Fisheries Development Corporation (KFDC) will build hi-tech fish markets at Kodibag and Nandanagadda areas of Karwar.

Fisheries and Science and Technology Minister Anand Asnotikar on Friday laid the foundation stone for the fish markets.

Each fish market would have an area of 800 sq ft. to 1,000 sq ft. and it would have sitting arrangement for the fisherwomen, fish display counter, shelf arrangement, drinking water, electricity, drainage, and toilet.

Cement and aluminium grill would be fixed to prevent entry of animals inside the fish market.

KFDC is planning to build 20 fish markets throughout the State at a cost of Rs. 2 crore each. Nine places had been identified for this purpose and, Nandanagadda and Kodibag were among them, the KFDC sources said.

KFDC chairman Nitin Kumar and Karwar City Municipal Council president Ganapati Ulvekar were present .

Published: August 26, 2011 00:00 IST | Updated: August 26, 2011 04:02 IST MYSORE, August 26, 2011

Councillors against handing over land at Sewage Farm to farmers

They had to be compensated by MCC for land acquired by the then CITB

Members of the Mysore City Corporation (MCC) Council expressed their reservations over a Government Order (GO) directing the MCC to hand over five guntas of land at the Sewage Farm on the Mysore-Nanjangud highway to 245 farmers.

The issue came up for discussion on Thursday and pertained to a council decision taken in 1979 to hand over the land to farmers to take up cultivation of betel leaves. This was in lieu of land acquired from them by the City Improvement Trust Board (now MUDA) and was meant to be compensated by the MCC.

However, the councillors argued vociferously against the Government directive on the grounds that the MCC could not be held liable to pay compensation for land acquired by the CITB. They pointed out that the MCC had committed itself to earmark land for various civic projects, including establishing a solid waste management facility under the JNNURM.

What is the rationale?

The former Mayor Sandesh Swamy said he was not opposed to compensation for farmers but questioned the rationale of the MCC being held liable for land acquired by the CITB. He pointed out that the land available at the Sewage Farm was unfit for cultivation and hence the authorities should identify suitable agricultural land.

He was supported by other councillors who argued that the issue should not have been introduced into the agenda of the MCC council for discussion.

However, MCC Commissioner K.S. Raykar said that consequent to the Government directive received by them, a systematic land survey was conducted at the Sewage Farm and there was land available after providing for the commitments of the MCC.

A section of the councillors objected to this and sought a detailed deliberation on the issue.

However, another former Mayor Purushottam was in favour of allotment of land and said a GO had been issued and it should be complied with.

The former Mayor Ayub Khan suggested that a committee comprising councillors be constituted to study the issue before arriving at a decision. Mayor Pushpalatha Chikkanna ruled that a decision would be taken only after a spot inspection.

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- *'MCC cannot be held liable to pay compensation for land acquired by the CITB'*
 - *Decision will be taken only after a spot inspection, rules Mayor*
-

Published: August 26, 2011 00:00 IST | Updated: August 26, 2011 04:04 IST Mahabubnagar, August 26, 2011

Action plan for paddy, maize procurement sought

Joint Collector T. Chiranjeevulu has exhorted the officers concerned to prepare an action plan well in advance to procure paddy and maize during kharif season.

Addressing a meeting of Civil Supplies, Agriculture and Marketing officials here on Thursday, the Joint Collector said that 59 paddy procurement centres would be set up in the district of which 52 would be IKP centres, two centres of the Civil Supplies Department and five centre of the FCI.

Mr. Chiranjeevulu said that over 12 lakh gunny bags were required and there were 1.5 lakh gunny bags available in the district. Referring to the transportation of purchased paddy, he said that adequate number of lorries would be engaged for transportation of the paddy and asked the officials to keep the godowns vacant to store the paddy and other crops.

Published: August 26, 2011 00:00 IST | Updated: August 26, 2011 04:04 IST NALGONDA,
August 26, 2011

Farmers protest again seeking fertilizers



Unending wait: Farmers waiting for supply of fertilizers at the Nagarjuna Cooperative Marketing Society's godown in Nalgonda on Thursday. —Photo: Singam Venkataramana

Farmers from Nalgonda mandal for the second day on Thursday took to the street and staged a 'rasta roko' at the Clock Tower here protest inadequate supply of fertilizers, mostly urea, and their sale in the black market.

They raised slogans demanding timely provision of urea, pointing out supply later would serve no purpose. It was required now as farm operations were on, thanks to the recent rain.

Activists of the Nalgonda BJP, who called off their 48-hour fast in support of social activist Anna Hazare, joined the protest. They took the farmers to Nagarjuna Development Marketing Society nearby. Members of the Rythu Coolie Sangham also demonstrated, expressing support to them.

The farmers gathered in front of the society office-cum-godown and tried to force their way into the premises. Police intervened and tried to pacify them.

Police persuaded the society staff to distribute the available stock of fertilizers to the farmers with a promise of allotment when more stocks were available. On Wednesday, farmers staged a 'rasta roko' demanding supply of fertilizers.

Adilabad Staff Reporter writes: Farmers from villages surrounding Adilabad staged rasta roko twice at the Punjab chowk demanding supply of fertilizers. Unaware of the fact that fertilizers

were being dispensed in respective mandal headquarters, the farmers gathered at private shops since early in the day.

The Agriculture Department had made arrangement for disbursement of fertilizers in mandals itself. However, it failed to communicate it to the farmers .

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Reuters

New Delhi, August 25, 2011

First Published: 12:00 IST(25/8/2011)

Last Updated: 12:04 IST(25/8/2011)

Food inflation at 9.80% y/y as at Aug 13: govt

Food price index rose 9.80% and the fuel price index climbed 13.13% in the year to Aug. 13, government data on Thursday showed.

In the previous week, annual food and fuel inflation stood at 9.03% and 13.13% respectively.

The primary articles index was up 12.40%, compared with an annual rise of 11.64% a week earlier.

Reserve Bank of India has raised interest rates 11 times since March 2010 to tame headline inflation , which stood at 9.22% in July.

The Reserve Bank of India continues to expect inflation to start easing by November-December and was watching for signs of moderation in demand, deputy governor Subir Gokarn said on Tuesday.

A top policy adviser had said last week that India's headline inflation was likely to stay at around 9-10% until December.

<http://www.hindustantimes.com/StoryPage/Print/737332.aspx>

New Delhi, August 25, 2011

First Published: 15:11 IST(25/8/2011)

Last Updated: 15:19 IST(25/8/2011)

FM expresses concern over rising food inflation

Finance minister Pranab Mukherjee on Thursday expressed concern over rising food inflation, saying it is perilously near double digits.

"It is bad news that inflation has increased. Weekly inflation from August 6 to 13 has gone up... I am more concerned about food inflation, which is perilously near double digits, from 9.03 to 9.80%," said finance minister Pranab Mukherjee.

The finance minister, however, maintained that the weekly inflation figures are variant and an assessment should be made on the basis of a relatively longer period.

"As I have always maintained, weekly inflation figures are variant. We should make an assessment on the basis of a relatively longer period," Mukherjee said outside Parliament.

Mukherjee said that primary articles recorded 12.40% inflation for the week ended August 13, up from 11.64% in the previous week.

Inflation in non-food articles, which include fibres, oil seeds and minerals, stood at 17.80% for the week ended August 13, compared to 16.07% in the previous week.

Citing the reasons for the rise, Mukherjee said this is mainly because of non-food primary articles. "It is mainly because of the rise in prices of flowers, raisins and series of rapeseeds like groundnut seed, mustard seed, flower seed."

Meanwhile, fuel and power inflation stood stable at 13.13% for the week ended August 13, the same as in the week ended August 6.

<http://www.hindustantimes.com/StoryPage/Print/737397.aspx>

Weather

Chennai - INDIA

Today's Weather



Partly Cloudy

Rain: 16.0 mm in 24hrs

Humidity: 63%

Wind: Normal

Friday, Aug 26

Max Min

34.8° | 22.7°

Sunrise: 5:57

Sunset: 18:24

Barometer: 1005

Tomorrow's Forecast



Rainy

Saturday, Aug 27

Max Min

33° | 25°

Extended Forecast for a week

Sunday

Aug 28



32° | 27°

Cloudy

Monday

Aug 29



34° | 26°

Rainy

Tuesday

Aug 30



33° | 26°

Rainy

Wednesday

Aug 31



32° | 27°

Cloudy

Thursday

Sep 1



33° | 27°

Rainy

Food inflation rises to 9.80 per cent for week ended August 13



Inching closer to the crucial double-digit mark, food inflation rose to 9.80 per cent for the week ended August 13 on the back of dearer onions, potatoes, fruits and protein-based items. Food inflation, as measured by Whole Price Index (WPI), stood at 9.03 per cent in the previous week. The rate of price rise of food items in the corresponding week of August, 2010, was 14.56 per cent. As per data released by the government today, the price of onions soared by 44.42 per cent year-on-year, while potatoes became 16.39 per cent more expensive during the week under review. During the week ended August 13, fruits became dearer by 27.01 per cent and eggs, meat and fish by 13.37 per cent on an annual basis. The price of milk was up 9.51 per cent, while vegetables and cereals became dearer by 6.52 per cent and 5.22 per cent, respectively.

However, pulses became cheaper by 5.56 per cent and the price of wheat was down by 2.80 per cent year-on-year. Overall, primary articles recorded 12.40 per cent inflation for the week ended August 13, up from 11.64 per cent in the previous week. Primary articles have a share of over 20 per cent in the WPI. Inflation in non-food articles, which include fibres, oil seeds and

minerals, stood at 17.80 per cent, compared to 16.07 per cent in the previous week. Meanwhile, fuel and power inflation stood stable at 13.13 per cent for the week ended August 13, the same as in the week ended August 6. Seeking to allay concerns over the rate of price rise, Prime Minister Manmohan Singh had on Wednesday expressed confidence that headline inflation would come down to 6 per cent by the year-end. "I am not an astrologer, but analysts have said that by the end of this year, inflation will come down to 6 per cent," Singh had said during an Iftar dinner hosted by him.

Headline inflation, which also factors in manufactured items, fuels and non-food primary items, besides food, stood at 9.22 per cent in June. The Reserve Bank has already hiked interest rates 11 times since March, 2010, to tame demand and curb inflation. The RBI and the Prime Minister's Economic Advisory Council had projected headline inflation to remain high at around 9 per cent till October. Food inflation was in double digits for most of 2010, but started to moderate from March this year. It fell to 7.33 per cent in mid-July, before again rising to a four-and-a-half month high of 9.90 per cent in end-July. The rate of price rise of food items has been highly volatile in the past few weeks. In its Economic Outlook for 2011-12 released earlier this month, the PMEAC said that while pressure from food inflation has fallen in recent months, the rate of price rise still remains quite high, with the possibility of a further surge in coming months.

Source URL: <http://www.deccanchronicle.com/channels/business/news/food-inflation-rises-980-cent-week-ended-august-13-186>

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THE TIMES OF INDIA

Food inflation rises to 9.80% for week ended August 13

PTI | Aug 25, 2011, 12.21PM IST

NEW DELHI: Inching closer to the crucial double-digit mark, food inflation rose to 9.80% for the week ended August 13 on the back of dearer onions, potatoes, fruits and protein-based items.

Food inflation, as measured by Whole Price Index (WPI), stood at 9.03% in the previous week. The rate of price rise of food items in the corresponding week of August, 2010, was 14.56%.

As per data released by the government today, the price of onions soared by 44.42% year-on-year, while potatoes became 16.39% more expensive during the week under review.

During the week ended August 13, fruits became dearer by 27.01% and eggs, meat and fish by 13.37% on an annual basis.

The price of milk was up 9.51%, while vegetables and cereals became dearer by 6.52% and 5.22%, respectively.

However, pulses became cheaper by 5.56% and the price of wheat was down by 2.80% year-on-year.

Overall, primary articles recorded 12.40% inflation for the week ended August 13, up from 11.64% in the previous week. Primary articles have a share of over 20% in the WPI.

Inflation in non-food articles, which include fibres, oil seeds and minerals, stood at 17.80%, compared to 16.07% in the previous week.

Meanwhile, fuel and power inflation stood stable at 13.13% for the week ended August 13, the same as in the week ended August 6.

26 Aug, 2011, 01.49AM IST, Sutanuka Ghosal,ET Bureau

Drop in prices to hurt tea companies' H2 bottom line: Indian Tea Association

KOLKATA: The second half of financial year 2011-12 does not appear to be bright for tea companies. With prices sliding Rs 10-15 per kg and the rate of interest going up by 3% on an average, tea companies' cash flow is under pressure.

CS Bedi, chairman of Indian Tea Association, said: "The interest rate has gone up by 2.5-3% on an average. This is putting pressure on the margins of tea companies as the cost of production is going up. Moreover, over the last fortnight tea prices have shown a drop, which is a matter of concern for all tea companies. This is bound to have an effect on the bottomline of tea

companies in the second half of the current financial year."

India's tea production rose by 10% to 114.70 million kg during June 2011 on the back of a higher output in Assam and West Bengal. The country produced 104.03 million kg of the brew in the same month last year, according to Tea Board data.

Production in Assam, which accounts for more than 50% of the tea produced in the country, rose by 24% to 62.82 million kg in June 2011 from 50.70 million kg in the year-ago period. Similarly, output in West Bengal rose by more than 2% to 25.95 million kg from 25.34 million kg in the year-ago period. During the January-June period of the 2011 calendar year, tea production rose to 358.32 million kg from 338.96 million kg in the corresponding period of 2010.

With an improvement in production this year, arrivals at auction centres have increased suddenly. "July and August are the two months when generally arrivals for auctions improve. Last year, the scenario was different. Production had gone down due to a pest attack and excessive rains. This had pushed up prices last year. This year, the prices are not going up as last year's levels.

In some cases, there is a drop in prices. However, quality tea are fetching good prices," said J Kalyansundaram, secretary, Calcutta Tea Traders Association. Orthodox tea producers have suffered the most this year as they cannot export their produce to Iran, a major market, due to a payment problem. "Orthodox teas are selling at price which is lower than by Rs 10-15 per kg," said Bedi.

Economic growth could decline to 8 per cent: RBI

MUMBAI: The Reserve Bank today said the country's economic growth could moderate to 8 per cent during the current fiscal from 8.5 per cent recorded a year ago due to unfavourable developments.

"On current reckoning, real GDP growth is expected to moderate to around 8 per cent in 2011-12 from 8.5 per cent in 2010-11," RBI said in its annual report for 2010-11.

Growth prospects for the year 2011-12 seem to be relatively subdued compared to the previous year due to a number of unfavourable developments, it said.

"Global uncertainties have increased. If global financial problems amplify and slows down global growth markedly, it would impart a downward bias to the growth projection," it said.

Besides, high food and non-food commodity price inflation pose risk to growth, the central bank said.

The global oil and commodity prices, even after some correction, remain high and could adversely impact growth.

Persistent inflationary pressures, rising input costs, rise in cost of capital due to monetary tightening and slow project execution are some of the factors that are weighing on growth, it said.

While the prospect for the farm sector looks encouraging with the normal south-west monsoon so far, industrial sector growth is likely to decelerate due to above mentioned factors, it added.

The growth of the services sector will be driven by the unfolding of the global and domestic economic situation, but is largely expected to keep its momentum.

It is expected that the robustness of the services sector, which accounts for more than 65 per cent of GDP, would continue to support the growth process, it said.

From the demand side, it said moderation is expected as investment may remain soft in the near-term, while private consumption may decelerate.

In face of moderating demand, expenditure-switching from government consumption expenditures to public investments would help, the report said.

25 Aug 2011 12:42:20 PM IST

Food inflation rises to 9.8%

NEW DELHI: Inching closer to the crucial double-digit mark, food inflation rose to 9.80 per cent for the week ended August 13 on the back of dearer onions, potatoes, fruits and protein-based items.

Food inflation, as measured by Whole Price Index (WPI), stood at 9.03 per cent in the previous week. The rate of price rise of food items in the corresponding week of August, 2010, was 14.56 per cent.

As per data released by the government today, the price of onions soared by 44.42 per cent year-on-year, while potatoes became 16.39 per cent more expensive during the week under review.

During the week ended August 13, fruits became dearer by 27.01 per cent and eggs, meat and fish by 13.37 per cent on an annual basis.

The price of milk was up 9.51 per cent, while vegetables and cereals became dearer by 6.52 per cent and 5.22 per cent, respectively.

However, pulses became cheaper by 5.56 per cent and the price of wheat was down by 2.80 per cent year-on-year.

Overall, primary articles recorded 12.40 per cent inflation for the week ended August 13, up from 11.64 per cent in the previous week. Primary articles have a share of over 20 per cent in the WPI.

Inflation in non-food articles, which include fibres, oil seeds and minerals, stood at 17.80 per cent, compared to 16.07 per cent in the previous week.

Meanwhile, fuel and power inflation stood stable at 13.13 per cent for the week ended August 13, the same as in the week ended August 6.

Seeking to allay concerns over the rate of price rise, Prime Minister Manmohan Singh had yesterday expressed confidence that headline inflation would come down to 6 per cent by the year-end.

"I am not an astrologer, but analysts have said that by the end of this year, inflation will come down to 6 per cent," Singh had said during an Iftar dinner hosted by him.

Headline inflation, which also factors in manufactured items, fuels and non-food primary items, besides food, stood at 9.22 per cent in June.

The Reserve Bank has already hiked interest rates 11 times since March, 2010, to tame demand and curb inflation.

The RBI and the Prime Minister's Economic Advisory Council had projected headline inflation to remain high at around 9 per cent till October.

Food inflation was in double digits for most of 2010, but started to moderate from March this year.

It fell to 7.33 per cent in mid-July, before again rising to a four-and-a-half month high of 9.90 per cent in end-July.

The rate of price rise of food items has been highly volatile in the past few weeks.

In its Economic Outlook for 2011-12 released earlier this month, the PMEAC said that while pressure from food inflation has fallen in recent months, the rate of price rise still remains quite high, with the possibility of a further surge in coming months.

25 Aug 2011 03:21:49 PM IST

Pranab 'concerned' over rising food inflation

NEW DELHI: Finance Minister Pranab Mukherjee today expressed concern over rising food inflation, saying it is perilously near double digits.

"It is bad news that inflation has increased. Weekly inflation from August 6 to 13 has gone up... I am more concerned about food inflation, which is perilously near double digits, from 9.03 to 9.80 percent," said Finance Minister Pranab Mukherjee.

The Finance Minister, however, maintained that the weekly inflation figures are variant and an assessment should be made on the basis of a relatively longer period.

"As I have always maintained, weekly inflation figures are variant. We should make an assessment on the basis of a relatively longer period," Mukherjee said outside Parliament.

Mukherjee said primary articles recorded 12.40 percent inflation for the week ended August 13, up from 11.64 percent in the previous week.

Inflation in non-food articles, which include fibres, oil seeds and minerals, stood at 17.80 percent for the week ended August 13, compared to 16.07 percent in the previous week.

Citing the reasons for the rise, Mukherjee said this is mainly because of non-food primary articles. "It is mainly because of the rise in prices of flowers, raisins and series of rapeseeds like groundnut seed, mustard seed, flower seed."

Meanwhile, fuel and power inflation stood stable at 13.13 percent for the week ended August 13, the same as in the week ended August 6.

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Call centre solves problems of farmers

August 26, 2011 12:51:28 AM

Staff Reporter | Bhopal

The farmers right from their homes in the State are now getting vital information on each and every aspects of farming. This has been possible through Kisan Call Centre.

About five lakh farmers have got their problems solved through this one of its own kind scheme in the country. The farmers dial toll-free number 1800-233-4433 of the Call Centre to get their problems solved.

Thirty specialists of subjects are working with Madhya Pradesh Kisan Call Centre who do duty in two shifts of 15 each and immediately solve farmers' problems after hearing them on telephone. These specialists are experts in various agriculture-related issues like horticulture science, insects and flower science, soil science, agriculture marketing, agriculture extension, animal husbandry etc. and solution to a particular problems is suggested by the expert in that field alone and every specialist is connected with computer and Internet.

Dharmendra Yadav, a farmer of Jaisingh Nagar in Sagar district had asked a question about the medicine to kill the weeds in urad and moong crops. Similarly, Vijay Praksh of Gadarwara in Narsinghpur district asked about sugarcane crop. Both of them were given suggestions immediately. Problems presented by Omprakash Dangi of Biaora in Rajgarh district, Jagdish Joshi of Nalkhera in Shajapur district, Vanshpati Singh of Pali in Umaria district, Pushpendra Singh of Pawai in Panna district, Arjun Patel of Dhar district, Komal Sahu of Chhindwara district,

Vijay Patel of Kareli in Narsinghpur district and Govardhan Singh of Mahidpur in Ujjain district were also promptly redressed by the Call Centre.

After flood, a new woes added by government by acute shortage of fertiliser

August 25, 2011 9:51:24 PM

Pioneer News Service | Lucknow

While more than two dozen districts were flood affected the state government has only added woes to the farmers as acute shortage of fertiliser has come up across the state.

The state BJP spokesman Vijay Bahadur Pathak said on Thursday that flood has made the lives of hell of the farmers in more than two dozen districts and agriculture area amounting to several lakhs hectare was adversely affected. " As it was not enough now the farmers are facing the acute shortage of fertilisers" he said.

He allged that shortage was not actual but a well designed strategy formulated by blackmarketers and government authorities. " One bag of fertiliser which normally costs Rs 296 is being sold well over Rs 400 and farmers have no choice but to purchase the same on higher rates" he said.

The BJP spokesman said that as the BSP government was anti farmers it was least bothered to check the black marketing of the fertilisers and has given the free hand to the nexus of black marketers and government authorities.

"The BSP Government not only failed to discharge its duties in provding the relief to the flood victims but also shown apathy towards the shortage of fertilsers making the lives worse for the farmers" said Pathak. He demanded the government to ensure the availability of fertilisers at the appropriate prices.

Business Standard

Friday, Aug 26, 2011

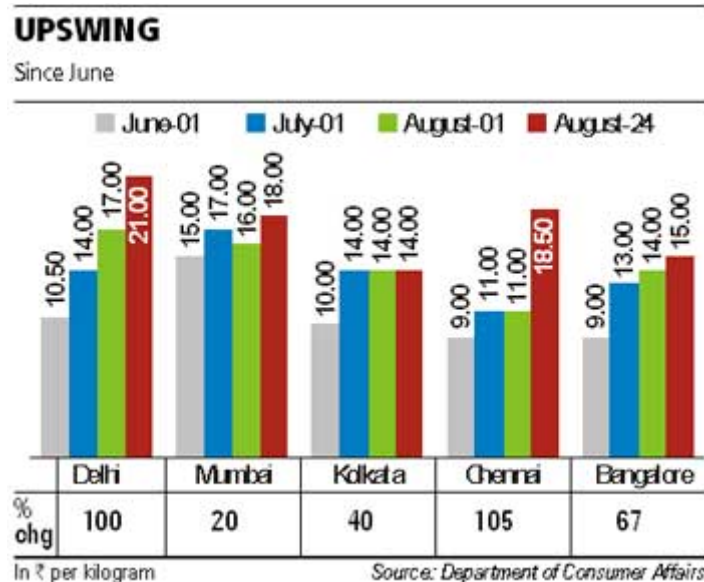
Rising onion prices bringing back tears

Sanjeeb Mukherjee / New Delhi August 26, 2011, 0:40 IST

In a span of less than four months, retail prices of onions have once again started moving upwards.

Since June, as per the data furnished by the department of consumer affairs, the retail prices of the tear-jerker vegetable in most major cities across the country have risen by almost Rs 5 to Rs 10 per kilogram. In Delhi, the retail price of onions doubled from from Rs 10.50 per kg in June to over Rs 20 per kg now. In fact, in August alone retail price of onion has gone up by Rs 3-4 per kg.

The price spiral is largely because of hoarding by farmers as they are releasing their stocks slowly in anticipation of further rise in prices. This has further aggravated the shortage which was expected because of the 10-15 per cent drop in kharif onion acreage this year. National Horticulture Research and Development Foundation (NHRDF) said the area under early kharif onions will drop because of low initial rains in Maharashtra and Karnataka — the country's two main states that grow the bulbous vegetable.



In Maharashtra, which produces more than 30 per cent of the country's annual onion crop, acreage under early sown kharif onion crop has dropped by 15-20 per cent, the Nasik-based NDRDF said in a report.

In Karnataka, the area and production of onions is expected to be at least 50 per cent as compared to the same period last year. Till the middle of July, the southwest monsoon was almost 25 per cent below normal in some parts of Maharashtra. The India Meteorological Department said rains over much of southern India till mid-July were almost 6 per cent below normal.

In 2010-11, onions were sown in 414,000 hectares in the entire last year, while in Karnataka the crop was sown in around 148,000 hectares. This year, experts foresee a 10-15 per cent fall in production that could bring down production by at least 5 per cent. Onion is usually cultivated four times in a year — early kharif, kharif, early rabi and rabi.

Currently, the domestic demand for the crop is met through stocks stored in various warehouses across the country. Thanks to good production last year, onion stocks in the country are almost 10-15 per cent more this year. This has prevented the situation from going out of control.

In 201-2011, the country produced around 1.48 million tonnes of onions in 2010-2011, which was 24 per cent more than the previous. Of the stored onions, almost 30-35 per cent has already exhausted, while the remaining should be available till the middle of November. After this, the kharif harvest will start coming into the market.

This should cause some concern as festivals like Dussehra and Diwali will fall during the intervening period.

A worried government, which was reducing the minimum export price (MEP) of onions ever since the ban on exports, was removed in February this year, took a U-turn since June as retail prices started moving upwards. Since June 8, the MEP of onions was raised four times, the latest being on Wednesday. From a low of \$170 per metric tonne, the MEP of onion now stands at \$300 per tonne, even though exports were less as compared to last year.

Official figures show that till July 2011, the country had exported 452,409 tonnes of onions,

almost 34 per cent less than the same period last year.

However, last year's experience has made the consumers jittery about slightest spike in prices. That time the retail price of onions zoomed to almost Rs 90 per kg in some centres owing to damage to standing crop in Maharashtra. The spurt in onion prices then led to the constitution of an inter-ministerial group on inflation.

Sugar futures down on ample supply

Press Trust of India / New Delhi August 25, 2011, 15:50 IST

Sugar futures fell by 0.80% to Rs 2,714 per quintal today after speculators reduced their positions amid ample supply in the market. At the National Commodity and Derivatives Exchange, sugar for delivery in September shed Rs 22, or 0.80%, to Rs 2,714 per quintal, with an open interest for 4,460 lots. Similarly, sugar for delivery in October fell by Rs 21, or 0.75%, to Rs 2,772 per quintal, with an open interest for 4,460 lots. Analysts said sugar futures prices fell as speculators reduced their positions amid sufficient stock availability in the spot market, following higher supply. Nevertheless, the improved spot market demand due to the ongoing festive season limited the losses.

Jeera futures decline on sluggish export demand

Press Trust of India / New Delhi August 25, 2011, 13:48 IST



Jeera prices shed Rs 63 to Rs 16,207 per quintal in futures trade today on reduced offtake by speculators due to sluggish export and domestic demand.

At the National Commodity and Derivatives Exchange, jeera for delivery in October declined by Rs 63, or 0.39, to Rs 16,207 per quintal, with an open interest for 16,788 lots.

Similarly, the spice for delivery in September shed Rs 61, or 0.39, to Rs 15,774 per quintal, with a trading volume of 17,859 lots. Analysts said sluggish export demand mainly led to the decline in jeera futures prices.

Chilli futures weaken on sluggish demand

Press Trust of India / New Delhi August 25, 2011, 13:43 IST



Chilli prices weakened by Rs 60 to Rs 8,110 per quintal in futures trade today as traders reduced their positions amid sluggish demand in the spot market.

At the National Commodity and Derivatives Exchange, chilli for delivery in September lost Rs 60, or 0.73%, to Rs 8,110 per quintal, with an open interest for 11,330 lots.

Likewise, chilli for delivery in October shed Rs 38, or 0.44%, to Rs 8,532 per quintal, with a trading volume of 2,830 lots.

Market analysts said traders reduced their holdings due to sluggish demand in the spot market, which led to the decline in chilli futures prices.

Coriander futures down 1.94% on profit-booking

PressTrust of India / New Delhi August 25, 2011, 13:28 IST

In range-bound trade, coriander futures shed 1.94% to Rs 5,470 per quintal today as speculators booked profits at existing higher levels, driven by weak spot market demand.

At the Multi Commodity Exchange, coriander for delivery in September dropped by Rs 108, or 1.94%, to Rs 5,470 per quintal, with a business turnover of two lots.

Market analysts said besides profit-booking by speculators at existing higher levels, subdued demand in the spot market led to the fall in coriander futures prices.

Cardamom futures up 0.37% on spot demand

PressTrust of India / New Delhi August 25, 2011, 13:10 IST

Cardamom prices rose by Rs 2.80 to Rs 765.50 per kg in futures trade today as speculators enlarged their positions, supported by good demand in the spot market due to the ongoing festive season.

Restricted arrivals in the spot market from producing regions also influenced cardamom futures prices.

At the Multi Commodity Exchange, cardamom for delivery in September rose by Rs 2.80, or 0.37%, to Rs 765.50 per kg, with a business turnover of 125 lots.

Potato futures rise on spot demand

Press Trust of India / New Delhi August 25, 2011, 12:59 IST

Potato prices rose by Rs 5.10 to Rs 493.50 per quintal in futures trade today as speculators created fresh positions, driven by a pick-up in spot market demand due to the ongoing festive season.

At the Multi Commodity Exchange, potato for delivery in October rose by Rs 5.10, or 1.04%, to Rs 493.50 per quintal, with a business turnover of 168 lots.

Likewise, potato for September delivery edged up by Rs 1.90, or 0.40%, to Rs 476.50 per quintal, with an open interest for 12 lots.

Market analysts said fresh buying by traders on the back of a pick-up in spot market demand mainly led to the rise in potato prices in futures trade.

They said restricted arrivals from producing belts in Agra and Haldwani also influenced the trading sentiment to some extent.

THE HINDU Business Line

Sugar extends fall; down Rs 75/quintal



Mumbai, Aug. 25:

Sugar prices decreased by Rs 15-20 a quintal, declining by a total of Rs 70-75 over the last two days.

Prices extended their losing streak on Thursday, tracking weak demand in the domestic as well as the international futures market and increased selling by resellers in naka delivery.

Sugar futures prices were down by Rs 25-30 till noon Thursday. At mill level, the price of quality sugar ruled marginally weak on expectation of higher demand while fair quality sugar declined by Rs 10-20.

According to sources, arrivals and dispatches on the Vashi market improved ahead of the *Ganeshotsav* festival as retailers and bulk consumers entered the market with fresh orders. Traders expect prices of quality sugar to settle down at current levels.

Only needy mills may sell fair quality sugar at lower prices before month-end under pressure to offload the allotted free sale quota quantity. Freight rates were stable after Wednesday's sharp decline of Rs 40-45. Local and neighbouring States' demand was good at mill level.

Buying inquiries from Gujarat, Rajasthan, Madhya Pradesh and southern States are expected to rise. Mills continued to sell at the current market rates to exhaust their monthly quota. Arrivals

improved along with improvement in demand. On Thursday, more than one lakh bags of sugar were sold by Maharashtra's mills, including one rail rake – about 27,000 bags — to neighbouring states. On Thursday, arrivals at the Vashi market were about 54-55 truckloads (each 100 bags of 100 kgs) and local dispatches were also higher at 50-52 truckloads.

Around 18-20 mills have sold about 70,000-75,000 bags through tender offer to local traders in the lower range of Rs 2620-2650 (Rs 2630-2670) for S-grade and Rs 2670-2750 (Rs 2690-2750) for M-Grade.

Bombay Sugar Merchants Association's spot rates : S-grade Rs 2756-2845 (Rs 2781-2845) and M-grade Rs 2806-2961 (Rs 2811-2961).

Naka delivery rates: S-grade Rs 2710- 2750 (Rs 2720 –2750) and M grade Rs 2760- 2870 (Rs 2770 -2870).

(This article was published in the Business Line print edition dated August 26, 2011)

Red arecanut demand hit by fall in gutkha output

Apex court ban on plastic sachets affects market



Mangalore, Aug. 25:

Demand for red arecanut has been hit as production of 'gutkha' is on a decline following a Supreme Court ban on the marketing of the latter in plastic sachets, according to the Central Arecanut and Cocoa Marketing and Processing Cooperative (Campco) Ltd. In the annual report for 2010-11, Campco said that the consumption of gutkha and '*paan masala*' increased

continuously in the last decade, creating demand for red arecanut. This had helped red arecanut to fetch a fair price in the market.

It said that the Supreme Court order banning the packaging of gutkha in plastic sachets has affected red arecanut market, as it is the major ingredient in gutkha and '*paan masala*'.

“Although gutkha manufacturers have found an alternative in paper pouches, it does not suit the current weather conditions. Thereby, the production of gutkha has drastically reduced since the last two months,” it said.

The report does not mention the quantity of reduction in gutkha production.

However, sources in arecanut sector predicted a fall of 40 per cent.

The annual report said that those who were consuming 'gutkha' are now shifting to traditional *paan* chewing. With this, the demand for white arecanut has increased, it said. The cooperative advised its members to be cautious on the arecanut price. It said that the import of low-quality arecanut into the country also affects the domestic market. Due to the increase in the cost of imported arecanut this year, the domestic market has improved considerably and may continue for some more time, it said.

“Our cooperative is offering competitive prices for arecanut and is continuously trying to provide remunerative price to the farmers,” it said.

Growers, who were getting Rs 150-160 a kg for red arecanut before the ban on use of plastic sachets in “gutkha” packaging, are now getting Rs 115-130 a kg.

The G.V. Joshi Committee, appointed by the Arecanut Research Development Foundation, had fixed production cost of red arecanut at Rs 148 a kg last year.

(This article was published in the Business Line print edition dated August 26, 2011)

Poor N. Indian buying grinds turmeric



Erode, Aug. 25:

Spot turmeric prices decreased by Rs 400 a quintal on Thursday at Erode.

“After closure of six days due to lorry strike, the market opened on Thursday. Most farmers came to the market with great expectations. About 8,000 bags of turmeric were brought, but only 40 per cent of them were sold. Prices slid for want of upcountry demand,” said Mr R.K.V. Ravishankar, President, Erode Turmeric Merchants Association.

He said: “All the traders are having huge stock of turmeric and also they are not receiving any fresh orders from North India, so are buying very limited stocks. Further, the price quoted in futures is also very low. Similarly the prices for the commodity is in decreasing trend in Nizamabad and Sangli. So, the Erode traders do not want to take risk and quoted low price”.

He expects the price to appreciate by Rs 200-300 a quintal by the end of this month. Turmeric farmers said that they never expected such a low price for their commodity which is selling below Rs 6,000 a quintal. In Erode Turmeric Merchants Association sales yard, the price of the turmeric declined by Rs 400 a quintal. Similarly the prices were down by Rs 500 a quintal in Gobichettipalayam Agricultural Cooperative Marketing Society and Regulated Marketing Committee.

The price of Salem hybrid variety also decreased by Rs 350 a quintal.

At the Erode Turmeric Merchants Association Sales yard, the finger variety was sold at Rs 4,066-5,685 a quintal, the root variety at Rs 4,011-5,349.

Salem Crop: The finger variety was sold at Rs 5,689-6,581, the root variety at Rs 4,609-5,539. Totally 1,596 bags of turmeric arrived for sales and 387 were sold.

At the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety was sold at Rs 4,321-5,739, the root variety at Rs 3,400-5,280. Out of 328 bags that arrived , 228 were sold.

At the Erode Cooperative Marketing Society, the finger variety fetched Rs 4,699-5,799, the root variety Rs 4,100-5,399. Out of 687 bags kept for sales, 567 were sold.

At the Regulated Marketing Committee, the finger variety was sold at Rs 4,149-5,740 a quintal, the root variety at Rs 4,050-5,199. Out of 768 bags kept for sales, 622 were sold.

(This article was published in the Business Line print edition dated August 26, 2011)

Oilmeal producers must clean up their act for long-term growth

Washington DC, Aug. 25:

Already under pressure due to shortage of oilseed extraction or oilmeal for export, Indian suppliers are further worried due to the detection of a banned chemical, malachite green, in rapeseed meal consignments to China. This has serious implications for oilmeal export at a time when the demand for restrictions on outflow is growing shriller.

Following the detection of the banned chemical, the Chinese government may not allow discharge of rapeseed meal exported after mid-September if any contamination is detected, says Mr Sushil Goenka, President of Solvent Extractors' Association.

The authority concerned in China has reportedly asked for implementation of quality control systems such as HACCP (hazard analysis and critical control point) in Indian oil mills and solvent extraction plants. Although this should be seen as a welcome imposition, there is a view that improving the supply chain management (SCM) in India is a herculean task.

In reality, it need not be. Admittedly, the solvent extraction industry is a highly fragmented one. There are as many as 800 plants dotting the length and breadth of the country. But many of them are closed; and for most others, capacity utilisation is rather low. Unfortunately, the country's oilseed output shows wide year-on-year fluctuations and output growth has been rather tardy.

Demand for animal feed

On the other hand, domestic demand for oilmeal, mainly as animal feed, has been expanding robustly. Healthy growth rates registered by the dairy, livestock and poultry industries mean growing demand for animal feed. One can expect special provisions in the 12th Plan, beginning April 2012, to sustain healthy growth in the dairy, livestock and poultry sector.

Rising demand and sluggish output growth would inevitably result in shortage over the next 3-4 years, leaving no surplus for export.

Although there would be burgeoning domestic demand for animal feed, the oilseed processing industry must learn to generate its own raw material, manage supply chain efficiently and ensure quality supplies if it seeks to continue overseas supplies.

Time for action

It is a great opportunity for an industry association such as the SEA to rise to the challenge. It can institute research to help processing units improve their SCM. The Agriculture and Commerce ministries must support such an initiative. Eventually, only units that adhere to SCM guidelines may be allowed to export.

The domestic oilseed processing industry must realise that the present quality issue is an opportunity for it to upgrade operational efficiency and improve quality control to ensure long-term competitiveness.

It is an opportunity to establish backward linkages and grow raw material under self-supervision.

Technically, selling oilmeal on condition 'shipped weight and quality final at the load port' may help obviate quality complaints on arrival at destination; but that would be just short-term.

On their part, overseas buyers may insist that quality should be final at the discharge port.

(This article was published in the Business Line print edition dated August 26, 2011)

Palmolein declines on sluggish demand



Mumbai, Aug. 25:

Bearish futures and absence of demand in the physical market saw palmolein decline by Rs 3 and rapeseed oil drop by Rs 8 for 10 kg on Thursday.

Other oils such as groundnut oil, sunflower oil, soya oil and cotton oil ruled steady but on a weak note. Market sentiment further weakened after the Malaysian market closed low. New arrivals of edible oil from abroad will add more pressure on large stocks in Indian ports said market sources.

According to traders, activities came to a standstill for the second consecutive day as there was no demand despite *Ganeshotsav* around the corner. Towards the day's close, resellers were eager to sell palmolein at Rs 553-554. Liberty's rates for palmolein was Rs 562, soya oil was Rs 641, sunflower oil stood at Rs 700. Ruchi was quoting palmolein at Rs.560, soya refined oil at Rs 639 and sunflower oil at Rs 700.

Malaysia's CPO futures: Malaysia's crude palm oil September contracts closed at MYR 3,108 (3,130), October at MYR 3,030 (3,070) and November at MYR 2,994 (3,036) a tonne.

Mumbai Commodity Exchange spot rates (Rs/10 kg) : groundnut oil 970 (970), soya refined oil 638 (638), sunflower expeller refined 660 (660), sunflower refined 705 (705), rapeseed refined

oil 685 (693), rapeseed expeller refined 655 (663), cotton refined oil 655 (655) and palmolein 557 (560).

(This article was published in the Business Line print edition dated August 26, 2011)

Weak export offtake hits jeera futures



Rajkot, Aug. 25:

Weak export demand pulled down jeera futures on Thursday by 1.8 per cent.

Jeera for September delivery decreased by Rs 285, or 1.8 per cent, to Rs 15,550 a quintal on the National Commodity and Derivatives Exchange, with an open interest of 17,328 lots.

October contract of jeera declined by Rs 269 to Rs 16,001 a quintal, with an open interest of 16,995 lots.

Stocks in NCDEX-accredited warehouses gained 35 tonnes at 11,444 tonnes.

Spot jeera dropped by Rs 1.80 to end at Rs 15,673.55 a quintal in Unjha.

export hopes

Expected rise in exports and falling arrivals are likely to shore up prices in the medium term while the market could remain volatile in the short term, a report from Kedia Commodity said.

A strong dollar could also support exports, the report added.

Traders said hopes of a recovery in export demand because of supply disruptions in producing countries restricted losses.

Festival demand and rains in major growing regions may support prices in the near term, they said.

Better quality and higher stocks could shift the Gulf demand to India ahead of *Ramzan*.

(This article was published in the Business Line print edition dated August 26, 2011)

Soya oil unfazed by weak global cues



Indore, Aug. 25:

Soya oil ruled firm even though buying was subdued and Malaysian palm oil futures fell on weak projections by Chicago Board of Trade.

Soya refined declined to Rs 632-633 for 10 kg in the post-noon session as Malaysian palm oil futures turned negative, after ruling at Rs 634-635 in the morning on local buying. But it had no takers even at that price. Resellers sold soya refined at Rs 630-631.

Soya solvent ruled flat on scattered buying, quoting at Rs 598-602 for 10 kg in spot and delivery markets. Stockists and resellers reduced prices of soya oil for future delivery as prospects of a bumper soyabean crop this year rose.

Soya oil futures declined on National Board of Trade (NBOT) and the National Commodity of Derivatives Exchange (NCDEX) following weak global cues. September contract of soya refined on NBOT, after opening at Rs 662, closed Rs 4.90 lower at Rs 658.10 for 10 kg.

Soya-oil September and October contracts closed lower at Rs 657.65 and Rs 642.50 on the NCDEX.

Soyabean ruled firm despite subdued demand. It quoted at Rs 2,300-2,340 a quintal in the State ex Indore mandis on Thursday against Rs 2,280-2,340 a quintal in Indore mandis. Plant deliveries of soyabean also ruled firm at Rs 2,380-2,420 a quintal (Rs 2,370-2,450 a quintal).

(This article was published in the Business Line print edition dated August 26, 2011)

Buying pushes up dara wheat; desi rules flat



Karnal, Aug. 25:

Dara wheat increased on Thursday as some buying emerged, while *desi* wheat continued to rule flat on account of slack trading. After ruling flat for almost six days, the dara variety went up by Rs 10 and quoted at Rs 1,100 a quintal.

Domestic demand pushed dara wheat prices up, said Mr Sewa Ram, a wheat trader. Traders said that if the weather remains favourable prices may increase further, he said.

Wheat arrivals have started once again, around 70 tonnes of dara variety arrived from Uttar Pradesh and the stocks were directly offloaded at the mills, while around 35 tonnes were offloaded by the local stockists.

On the other hand, with not much trading in desi wheat varieties, prices of desi wheat continued to rule firm on their previous level. Tohfa variety quoted at Rs 2,130-2,150 a quintal, Maruti ruled around Rs 1,800 a quintal, Lal Quila was at Rs 1,930, while Kangan sold at Rs 1,930-1,970 a quintal. On the National Commodity and Derivatives Exchange, wheat for September delivery dropped by Rs 9.20 to Rs 1,147 a quintal after touching Rs 1,159 a quintal earlier on Thursday.

Flour Prices

Despite an uptrend in wheat, flour remained unchanged and sold at Rs 1,160 for a 90-kg bag. Chokar prices rose marginally by Rs 5 and quoted at Rs 505 for a 49-kg bag

(This article was published in the Business Line print edition dated August 26, 2011)

Lower output casts shadow over bonus for tea garden workers in Bengal

Kolkata, Aug. 25:

Tea garden owners are reluctant to pay higher bonus to workers like last last year as wages, among other expenses, have gone up significantly. At the same time, production has dropped.

For example, owners in Darjeeling point out that production has dropped by nearly 8 per cent this year vis-à-vis last year, while wages increased to Rs 90 a day for a worker from Rs 67.

The bonus meetings for tea-garden workers in West Bengal, covering Darjeeling, Dooars and Terai regions, are to begin in the first week of September, according to tea industry sources.

Nearly 90,000 workers employed in 87 gardens in Darjeeling district and nearly three lakh workers in more than 200 gardens in Dooars and Terai regions will benefit from the bonus agreement. For the purpose of bonus payments, gardens are classified into four categories, namely, A, B, C and D.

Last year, workers in A, B and C categories of Darjeeling gardens got bonus payments at 20 per cent each while those in category D got it at 17 per cent. The corresponding figures for Dooars and Terai gardens were 20 per cent each for A, B and C categories and 18 per cent for D category.

Minimum wage unresolved

Interestingly, the bonus meeting for gardens in Dooars and Terai regions will be held when the minimum wage issue remains unresolved.

The unions want a minimum wage of Rs 130 a day for a worker, at par with the rate being offered under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA).

But garden owners have so far agreed to an increase of Rs 8 a day a worker in the first year and the same rate for two years after that.

Now, the minimum wage in Dooars and Terai gardens is Rs 67 a day a worker. In protest, tea garden workers in Dooars and Terai went on a three-day strike on August 10, 11 and 12. .

(This article was published in the Business Line print edition dated August 26, 2011)

Sheet rubber flares up

Kottayam, Aug. 25:

Domestic rubber prices made a smart recovery on Thursday. The physical market improved further tracking the sharp gains on the National Multi Commodity Exchange. According to an analyst, the market seemed to be moving under speculators and hence, traders were advised to remain cautious at higher levels. There has been no visible improvement in arrivals and the volumes were comparatively low. Sheet rubber flared up to Rs 205.50 (201.50) a kg, according to traders. The grade increased to Rs 205 (202) a kg both at Kottayam and Kochi, as reported by the Rubber Board.

The September series improved to Rs 211.35 (205.22), October to Rs 209.15 (203.28), November to Rs 209.09 (203.07), December to Rs 209.75 (203.75), January to Rs 211.80 (205.64) and February to Rs 212.50 (206.60) a kg for RSS 4 on the NMCE. The August futures

expired at ₹350.5 (Rs 209.10) a kg while the September futures slipped to ₹354 (Rs 211.25) from ₹354.8 during the day session and then bounced back to ₹356.6 (Rs 212.80) a kg in the night session on the Tokyo Commodity Exchange. RSS 3 (spot) moved up to Rs 213.14 (212.90) a kg at Bangkok.

Spot rates were (Rs/kg): RSS-4: 205.50 (201.50); RSS-5: 198 (195); ungraded: 187 (186); ISNR 20: 197 (196) and latex 60 per cent: 127.50 (126).

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Indian agronomist to compile e-book on turmeric, ginger

Chennai, Aug. 25:

Agronomist Prof K. Prabhakaran Nair has been invited to compile an e-book on world's most important medicinal spices — turmeric and ginger.

In the project under the “Elsevier Insights”, Prof Nair will trace the geographical origin, global spread, development, agronomy, nutrition, economy, world trade, pharmacopoeia, and end-products of turmeric and ginger in 15 chapters. Prof Nair has compiled two e-books, one on the important tree crops of the developing world, and the other on two important spice crops, black pepper and cardamom.

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