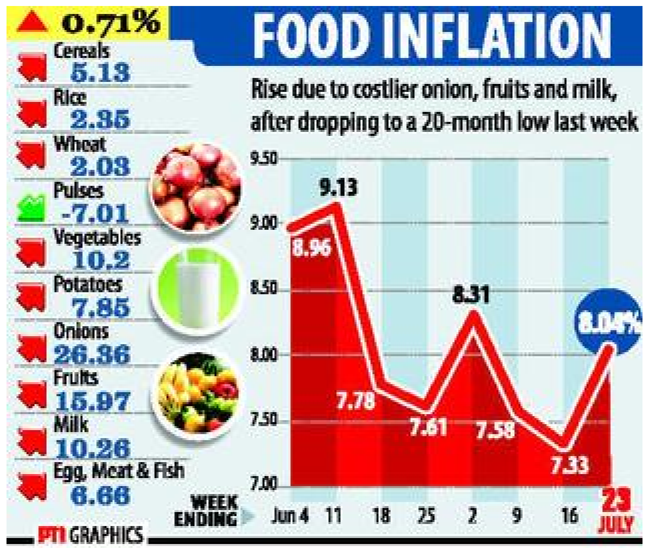
THE HINDU

Food inflation inches up to 8.04%

‘Much of the inflationary pressure is owing to high global commodity prices'



Food inflation inched up yet again to 8.04 per cent for the week ended July 23 from a 20-month low of 7.33 per cent in the previous week mainly on account of an increase in the prices of onions, fruits and milk.

Even as the government can draw some comfort from the fact that food inflation during the like week in July last year was way higher at 16.27 per cent, it is clear that current spurt in numbers is despite the wide difference as a consequence of a high base.

Not surprising, therefore, that Finance Minister Pranab Mukherjee, in his reply to the discussion on price rise in the Lok Sabha, expressed dissatisfaction over the latest WPI (Wholesale Price Index) figures while noting that efforts were on to bring it down to 5 per cent. “... it [food inflation] should be around 5 per cent which will be comfortable ... six-to-seven per cent can be tolerated but surely not 8 per cent,” he said.

As per the WPI data, while onions turned dearer by 26.36 per cent on a year-on-year basis, fruits were also costlier by 15.97 per cent during the week. Prices of most other food items also ruled higher. Milk prices went up by 10.26 per cent while vegetables were costlier by 10.20 per cent on an annual basis. Alongside, prices of cereals were also up by 5.13 per cent, potatoes by 7.85 per cent while eggs, meat and fish were 6.66 per cent dearer.

According to economic analysts, while much of the inflationary pressure is owing to high global commodity prices coupled with a domestic demand-supply mismatch, it is the uncertainty over monsoon rainfall that may fuel the price rise further.

Clearly, the Indian Meteorological Department's (IMD) latest monsoon forecast is a cause of concern. “Any slippage in the monsoon could affect food inflation numbers, especially in the case of vegetables, fruits and such other items,” Crisil's Chief Economist D. K. Joshi said.

“The 7.33 per cent food inflation in the previous week was very low and some increase was expected,” Deloitte, Haskin and Sells Director Anis Chakravarty said.

Published: August 5, 2011 00:00 IST | Updated: August 5, 2011 04:13 IST

Famine is spreading, says U.N.

Mark Tran

Another three regions in Somalia are in famine, the U.N. declared on August 3 as it warned that the international humanitarian response to the crisis has been inadequate.

The U.N. said the prevalence of acute malnutrition and rates of mortality surpassed the famine thresholds in areas of Middle Shabelle, the Afgoye corridor refugee settlement and internally displaced communities in Mogadishu, the capital. The U.N. last month said two other regions in southern Somalia — Bakool and Lower Shabelle — were suffering from famine, defined as when acute malnutrition exceeds 30 per cent and when the death rate exceeds two per 10,000 a day.

About 450,000 people live in Somalia's famine zones, said Grainne Moloney, Chief Technical Adviser for the U.N.'s Food Security and Nutrition Analysis Unit.

The U.N.'s food arm, the Food and Agriculture Organisation (FAO), said famine is likely to spread across all regions of Somalia's south in the next four to six weeks, with famine conditions likely to last until December.

A humanitarian emergency exists across all other regions of southern Somalia, and there have already been tens of thousands, according to the U.N.

Till December

“The current humanitarian response remains inadequate, due in part to ongoing access restrictions and difficulties in scaling up emergency assistance programmes, as well as funding gaps,” said the U.N.'s famine early warning system network. As a result, famine is expected to spread across all regions of the south in the coming four to six weeks and is likely to persist until at least December 2011. Continued efforts to implement an immediate, large-scale, and comprehensive response are needed.” Aid efforts have been hampered in the south as elements of al-Shabaab, the Islamist insurgents, have refused access to western relief agencies. Throughout Somalia, 3.7 million people are in crisis, with 3.2 million people in need of immediate, lifesaving assistance, 2.8 million of whom are in the south.

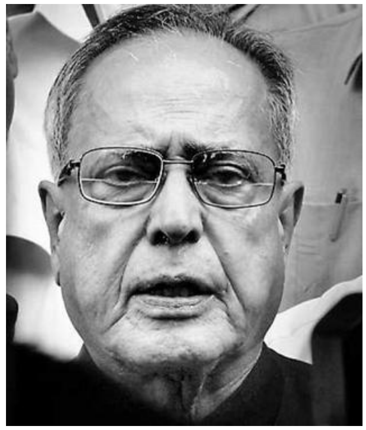
A senior U.N. official, on August 3 appealed to all Somalis, both inside and outside the country, to work together to support the peace process and alleviate the plight of those suffering from famine.

“This is a time of great crisis, but also of rare opportunity. It is a time for everyone to pull together to help those suffering and to work towards a better future for all,” Augustine Mahiga, the U.N. Special Representative for Somalia, said in a letter to the Somali diaspora. “I appeal to all those who are able — Somalis and the international community alike — to give as much as they can during this holy month (Ramadan) to feed the hungry, heal the sick and prevent the famine spreading further.” Mahiga noted that one of the contributing factors to the famine has been the fighting in the country and he criticised extremists for preventing the movement of people from the worst-hit areas.

“We call for the humanitarian agencies to be given unhindered access to all areas to provide desperately needed help,” he said. —

It has declared famine in three more regions in Somalia, and calls on Somalis to work together to support the peace process.

Our effort brought inflation down: Pranab



Pranab Mukherjee

Finance Minister Pranab Mukherjee on Thursday lambasted the Opposition for alleging that the UPA-II regime was “insensitive and doing nothing” on the spiralling prices of commodities and rising food inflation.

Only because of the government's efforts, did inflation, which was 22 per cent in February, 2010, come down to 8.35 per cent now and he wished that the benchmark be around 5 per cent.

It was not true that the government was not acting or taking appropriate action to check rising prices and inflation, he said.

Replying to the debate in the Lok Sabha on the motion on price rise and inflation, Mr. Mukherjee said higher growth rate would not lead to inflation as alleged by the Opposition. Inflation was the result of a mismatch between demand and supply. During September, 1974, inflation touched 24 per cent though the growth rate then was low, he said to buttress his point. “We want growth at the same time with moderate inflation.” Even during the Janata regime, inflation touched 21 per cent in January 1980. The present government was trying to work out some mechanism with which growth could be achieved and at the same time inflation was brought down. “These are difficult times... but that does not mean that we should start eating rats.”

Mr. Mukherjee refused to accept the theory of Yashwant Sinha (BJP) that low inflation would help bolster growth. “There is no inherent contradiction in growth and inflation.”

He added that external factors contributed to the increasing prices of some commodities. He listed various steps taken by the government to help the poor and people below the poverty line, such as providing subsidised rice and wheat, employment through the MNREGA and stimulus package for industries, in view of the global meltdown. These were measures taken by the government to ensure that the lowest strata of society did not suffer due to inflation.

On the increasing prices of petrol, diesel, LPG and kerosene in the present regime, he said it had to be kept in mind that India managed 75 per cent of its crude oil requirement by imports and the present price in the international market was $117 per barrel. The price, which was $16 per barrel in 1991 went up to $18 in 1996 and $36 in 2004 when the UPA-I assumed office. Even after the recent increase in the prices of diesel, petrol and LPG, the under recovery of oil companies worked out to Rs. 1,22,000 crore

Responding to the demand for removing the subsidy on diesel used by passenger cars, the Minister said: “We can accept the suggestion and try to work out what mechanism could be found out so that this section (passenger cars owners) is not subsidised.” Out of the total diesel availability, 10 per cent was used by industries, 6 per cent by the Railways, 12 per cent by agriculture, 8 per cent by power generation units, 12 per cent by buses, 37 per cent by trucks and 15 per cent by passenger cars, he said.

During his nearly hour-long speech, Mr. Mukherjee also took a dig at civil society (read Anna Hazare) for compelling the government to include the post of Prime Minister the Lokpal Bill, and wondered whether they really represented civil society. He made it clear that there was no question of diluting the power of Parliament in making the legislation. “I agree with you that the decision is to be taken by you (MPs) and not by the executive or others,” he said.

The House later adopted by voice vote the motion expressing concern on the increasing prices and asking the government to check inflation.

Farmers association lauds state budget

The State budget presented by Finance Minister O.Panneerselvam in the Tamil Nadu Legislative Assembly on Thursday was “well thought out and pragmatic”, said S.Ranganathan, secretary, Cauvery Delta Farmers Welfare Association here .

“It has taken care of all departments,” he said. “Particularly there is a lot of thrust given for agriculture and irrigation,” he added.

Food security has been highlighted. System of Rice Intensification method of cultivation has gained importance. Cent per cent subsidy has been given to drip irrigation. With respect to the Cauvery issue, Government has reiterated its decision to take steps to gazette the Tribunal's final order.

Prizes given at agriculture exhibition

A total of 8,500 farmers visited the agriculture exhibition organised by the Agricultural Technological Management Agency (ATMA) in the past four days, said Collector K.Baskaran, on Thursday.

He gave away prizes to the best stalls, and to farmers who have achieved good yield and reared the best cattle. Farmers from nine districts, including Thanjavur, Tiruvarur, Nagapattinam, Ariyalur, Perambalur, Karur and Pudukottai participated. Cultural programmes, lectures and demonstrations promoted technology among farmers.

Fifty-six stalls were put up by departments such as agriculture, horticulture, agriculture engineering, animal husbandry, and oilseeds research centre, Vridhachalam, vegetable research centre, Palur, Coconut Research Centre, Veppankulam, and Soil and Water Management Research Institute, Thanjavur.

The first prize for the best stall went to the agriculture department, second to one put up by Regional Research Centre, Vridhachalam, and third to agri business department. Consolation prizes were given to stalls put up by horticulture department, sericulture department, and Thiru Arooran sugars. Kuzhandai, a farmer from Thirukanurpatti won the cash prize of Rs.2,000 for the best cow, Karunakaran of Raramuthirakottai got the second prize of Rs.1,500, and Sahayaraj of Mathakottai won the third prize of Rs.1,000. Thangaprakasam of Thanjavur won the first prize of Rs.1,250, Reeta of Mathakottai won the second prize of Rs.1,000 for the best goat. Prize for the best chicken rearing went to Jayaraman of Thanjavur. Mr.Baskaran distributed the prizes.

Balasubramanian, Joint Director of Agriculture and ATMA Project Director, Rajkumar, Deputy Director of Agriculture, and G.Ramadoss Deputy Director (central schemes), participated.

Efforts on to encourage the spread of sericulture in the Nilgiris

Programme conducted for members of self-help groups

For a profitable venture: Members of self help groups participating in an awareness programme on sericulture in Udhagamandalam on Thursday. - Photo: M. Sathyamoorthy

As part of the efforts to encourage the people – particularly farmers in the Nilgiris – to take up sericulture, an awareness programme was organized by the Department of Sericulture here on Thursday.

Among the beneficiaries were members of self-help groups from various parts of the district.

The Assistant Director of Sericulture, Coimbatore, G.Chandrasekaran, who presided, listed the steps being taken by the government to promote sericulture and added that a number of subsidy schemes are being implemented.

Lead Bank Manager S.Natarajan said that agriculture and allied activities are a thrust area for the banking sector in the district.

Though sericulture was an important farm activity in districts like Coimbatore and Erode, it was yet to gain a foot hold in the Nilgiris.

Stating that returns ranging between Rs. 50,000 and one lakh per acre can be obtained through sericulture, he said that the potential for promoting the activity here was good.

Underscoring the need to create awareness about sericulture among the farmers here, he said that apart from inputs technical guidance and marketing support should be provided to them.

Banks will extend support if they are convinced about its economic viability and technical possibility.

Stating that the banks will give both short term and long term loans, he urged farmers to make use of them.

Regretting that so far no one has come forward with project proposals, he hoped that the department would initiate steps to build confidence among the farmers.

Farmers should make full use of training programmes.

Deputy Superintendent of Police, R.Chakravarthy, said that farmers should not lose sight of values while going about their activities which ensure the food security of the nation.

The Assistant Project Officer, Mahalir Thittam, A.Joseph Rathinaraj and the Project Officer, Udhagamandalam Social Service Society R.Supraba also spoke.

Assistant Inspector, Industries, J.Lingaraj welcomed the gathering at the start of the function.

Orchid Chemicals net dips

Orchid Chemicals and Pharmaceuticals has achieved a total income of Rs.383.59 crore in the first quarter ended June 30, 2011 against Rs. 330.93 crore in the corresponding quarter of the previous year. The profit after tax has declined to Rs.15.54 crore from Rs.21.61 crore.

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hindustantimes

Press Trust Of India
Mumbai, August 04, 2011
First Published: 23:23 IST(4/8/2011)
Last Updated: 23:24 IST(4/8/2011)

Inflation can be brought down to 4-4.5% in medium term: RBI

Reserve Bank governor D Subbarao on Thursday said inflation can be brought down to 4-4.5 % in the medium term while admitting that the economic expansion is being sacrificed to ensure sustainable growth in the long run.

"I believe that there is no new normal to inflation. We can bring it down to 5 %, and then further down to 4-4.5 % in the medium term," Subbarao said.

Taking on the criticism that the monetary authority is ignoring slowdown warnings across sectors in its fight against inflation, he said, "Yes. We are sacrificing growth... in the short-term. But it is only to ensure sustainable growth in the medium term."

The governor was speaking at an event to launch a book, 'Growth With Financial Stability: Central Banking in an Emerging Market' by former RBI deputy governor Rakesh Mohan.

"Our experience shows that when inflation is low, may be you can raise it somewhat and get high growth, but up to a threshold level. Beyond that threshold level, if you try to raise growth, by raising inflation, you actually end up with higher inflation and lower growth," he noted.

Pointing out limitations of the monetary measures to tame inflation, he said, "With one instrument,that is interest rate, you cannot at the same time restrain consumption and support investment. So, in the short-term you may have to sacrifice growth to generate an environment of rapid growth and steady inflation in the medium term."

As inflation remained elevated, over the past 16 months RBI upped its key policy rates a record 11 times or 325 basis points.

http://www.hindustantimes.com/StoryPage/Print/729460.aspx

New Delhi, August 04, 2011
First Published: 12:18 IST(4/8/2011)
Last Updated: 12:22 IST(4/8/2011)

Food inflation at 8.04% y/y as at July 23: Govt

Food price index rose 8.04% and the fuel price index climbed 12.12% in the year to July 23, government data on Thursday showed. In the previous week, annual food and fuel inflation stood at 7.33% and 12.12%, respectively. The primary articles price index was up 10.99%, compared with an annual rise of 10.49% a week earlier.

Reserve Bank of India stunned investors last week by raising interest rates by 50 basis points, showing unexpected resolve in fighting persistently high inflation that had quickened to 9.44% in June. The rate hike was the Reserve Bank of India's 11th since March 2010, and the RBI Governor Duvvuri Subbarao said on Monday the country needs to raise interest rates to restrain inflation even at the cost of some sacrifice to growth, reinforcing expectations that more rate hikes were in the offing.

http://www.hindustantimes.com/StoryPage/Print/729223.aspx

Weather

Chennai - INDIA

Today's Weather

Partly Cloudy

Friday, Aug 5

Max | Min

34.8° | 25.8°

Rain: 0.4 mm in 24hrs
Humidity: 47%
Wind: Normal

Sunrise: 5:54
Sunset: 18:35
Barometer: 1002

Tomorrow's Forecast

Rainy

Saturday, Aug 6

Max | Min

33° | 25°

Extended Forecast for a week

Sunday	Monday	Tuesday	Wednesday	Thursday
Aug 7	Aug 8	Aug 9	Aug 10	Aug 11
34° | 26°	34° | 27°	33° | 27°	33° | 28°	35° | 27°

express buzz

By PTI

04 Aug 2011 02:17:24 PM IST

Food inflation at 8.04% for week ended July 23

NEW DELHI: After dropping to a 20-month low in mid-July, food inflation in India inched up to 8.04 per cent for the week ended July 23 on expensive onion, fruits and milk.

Food inflation, measured by the Wholesale Price Index (WPI), was 7.33 per cent in the previous week, the lowest since November 2009.

The rate of price rise of food items was 16.27 per cent in the corresponding week of July 2010.

As per the official data released Thursday, onion became dearer by 26.36 per cent year-on-year and fruits were expensive by 15.97 per cent during the week under review.

Milk prices went up by 10.26 per cent, while vegetables were expensive by 10.20 per cent on an annual basis. Besides, cereal prices were up by 5.13 per cent, potato by 7.85 per cent, and egg, meat and fish by 6.66 per cent.

However, pulses became cheaper by over 7 per cent on an annual basis.

The latest numbers also mark a resurgence of food inflation after a two-week long declining trend when the rate of price rise had fallen below the 8 per cent mark.

Overall, primary articles recorded inflation of 10.99 per cent for the week ended July 23, up from 10.49 per cent in the previous week. Primary articles have a share of over 20 per cent in the WPI.

However, inflation of non-food articles which include fibres, oil seeds and minerals, fell to 15.60 per cent from 16.05 per cent in the previous week.

Headline inflation stood at 9.44 per cent in June. The RBI has already hiked interest rates 11 times since March, 2010, to tame demand and curb inflation.

In its Economic Outlook for 2011-12 released earlier this week, the Indian Prime Minister's Economic Advisory Council projected headline inflation to remain high at around 9 per cent till October. The rate of price rise will ease from November, declining to around 6.5 per cent by March 2012, it said.

The report also said that while pressure from food inflation has fallen in recent months, the rate of price rice still remained quite high with the possibility of further surge in the coming months. Meanwhile, fuel and power inflation stood at 12.12 per cent, the same as in the previous week.

Deccan Chronicle

Published on *Deccan Chronicle* (http://www.deccanchronicle.com)

Food inflation inches up to 8.04% for week ended July 23

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Source URL: http://www.deccanchronicle.com/channels/business/news/food-inflation-inches-804-week-ended-july-23-219

No inherent contradiction between growth, inflation: Mukherjee

Finance Minister Pranab Mukherjee sought to assure parliament on Thursday that all possible steps were being taken to tacle price rise, and said there was no need to moderate growth in a bid to tame inflation. "There is no inherent contradiction between inflation and growth," Mukherjee said in a debate in the Lok Sabha, the lower house of parliament, on an opposition motion that expreses deep concern over price rise. He said in the 1980s, India's gross domestic product (GDP) growth averaged slightly above 5 per cent, and around 6 per cent in the 1990s, which were relatively low compared with the growth of around 8-8.5 per cent now. "Was inflation low at that time? No!" Mukherjee said, adding several steps were needed to tame inflation and that the house -- both the members of the treasury and opposition -- must collectively ensure these measures are allowed to be taken. His comments came against the backdrop of India's annual rate of inflation based on wholesale prices inching up to 9.44 perc ent for June from 9.06 per cent for the week before and opposition's demand that the government either tames price rise or quits. Bharatiya Janata Party (BJP) leader Yashwant Sinha, a former finance minister himself, Wednesday said the opposition will not remain a mute spectator to price rise that was imposing a huge burden on average citizens. "This house will not tolerate it and say go, go."

Source URL: http://www.deccanchronicle.com/channels/business/news/no-inherent-contradiction-between-growth-inflation-mukherjee-230

THE ECONOMIC TIMES
Fri, Aug 05, 2011 | Updated 05.41AM IST

5 Aug, 2011, 04.38AM IST, Jayashree Bhosale,ET Bureau

Maharashtra Bank cuts loan size for sugar co-operatives

PUNE: The Maharashtra State Cooperative bank has reduced the amount of pre-seasonal loans to be given to cooperative sugar mills by 30%. The bank has approved a loan size of Rs 350 crore as against Rs 500 crore disbursed last year.

Mills seek pre-seasonal loans to take up the maintenance of factories for the next crushing season. As many as 44 co-operative mills take loans from the bank but the bank has approved loans to only 41 mills this year. "We have changed the parameters for giving loans to sugar co-operatives. Only those mills that have repaid their earlier loans will be eligible to get the pre-seasonal loans," said MSC bank managing director PR Karnad.

A few mills take loans from district central co-operative (DCC) banks while others are customers of nationalised banks. Some DCC banks have agreed to pay more pre-seasonal loans to sugar co-operatives.

The industry has expressed concern over the tighter loan norms. "Last year, we had finished our sugar stocks by December. This year, we will have to hold them till at least February. This will lock a lot of our capital necessitating a higher pre-seasonal loan," said KN Nibe, managing director of the Solapur-based Pandurang sugar co-operative.

MSC bank's loan has come with a rider: The board of directors of the mills will have to pass a resolution to pay only the union government-determined fair and remunerative price as the first instalment of cane price for the next crushing season.

5 Aug, 2011, 04.35AM IST, Madhvi Sally,ET Bureau

Karnataka beckons Palm Oil farmers

AHMEDABAD: The Karnataka government is working on modalities to provide assured returns to palm oil cultivators. India is the world's largest buyer of palm oil, which accounts for more than 80% of its edible oil imports.

"We are in discussion with companies which are promoting oil palm cultivation. As the Centre had earlier rejected to fund the project partially, we are now looking at providing subsidy or some other intervention," said Karnataka horticulture director Poovel Hemalata. She added that the proposal would be finalised before farmers take up new plantations. Across 18 districts of the state, oil palm is cultivated on over 10,000 hectare. The state is looking to expand cultivation by 5,000 hectare along the coast this year.

The industrial houses which are working with farmers include Godrej Oil Palm, Ruchi Soya, Food Fats and Fertilizer, Bhadravati Balaji Oil Palm and Simha Puri Agrotech. The companies are citing the Goa government's move to fix the support price of 7,000 per tonne for oil palm fresh fruit bunch (FFB). According to the state-sponsored support price scheme, any difference between the price fixed by the Project Management Committee and 7,000 would be made good by the Goa government.

"In July, farmers got Rs 6,200 per tonne of FFB. We are demanding that the government declare an MSP of Rs 8,000 per tonne and provide some support to ensure that farmers go in for the plantation crop. The decision is likely to be made by September," said Bhadravati Balaji Oil Palm director Gayathri Murugadel. The company is working with more than thousand farmers across six districts of Karnataka on over 6,000 hectare for the past six years.

The prices are fixed every month based on the crude palm oil price. For an FFB, a farmer gets 12% of crude palm oil price plus 16.5% of the realised value of palm nut. As against the potential 1.05 million hectare of potential area suitable for oil palm plantations identified by Dr Chadha panel, only about 15% has come under oil palm to date.

With over 75% of palm oil yield arriving in the April-September period and sowing continuing till December, companies working with farmers are eager to get assured returns for the farmer. "After initial diversification, farmers uprooted their oil palm plantations as the yield started coming only after three years. An assured support price scheme would ensure farmers to further diversify and increase acreage," said Godrej Oil Palm Ltd director RR Govindan.

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5 Aug, 2011, 04.13AM IST, Sutanuka Ghosal,ET Bureau

Tea output set to fall by 120 m kg this year

KOLKATA: The Indian tea industry is heading towards a shortfall of 120 million kg this year. Lower domestic production, coupled with a drop in Kenyan output of 37 million kg, has already pushed up tea prices in India.

Global prices have also appreciated in the last four months. All these factors have pushed up the profitability of tea companies in the first quarter of the current fiscal year.

Tea producers say the deficit in the domestic market will be 120 million kg this year. This is despite the fact that the weather condition is generally good this year.

India had produced 960 million kg of tea last year and there was a production shortfall of nearly 30 million kg. The carryover deficit in 2010 was 60 million. In all, the deficit in 2010 was 90 million kg.

"With consumption growing at a rate of 3-3.5%, there is a need for an additional 30 million kg of tea this year to meet this demand. This means that there will be an overall deficit of 120 million kg this year," explained Aditya Khaitan, managing director of McLeod Russel India.

"Tea companies are expecting that FY12 will be a good year performance-wise. Tea prices are already on a firm note. The shortfall in Kenya by 37 million kg is also pushing up global tea prices and Indian tea exporters are leveraging this," said CS Bedi, managing director of Rossell India.

For instance, McLeod Russel's teas are being sold at a premium in India as well as in Mombasa auctions which have jacked up its net profit by 98% to Rs 37.33 crore in the first quarter of FY12 from Rs 18.85 crore in the first quarter of financial year 2011. "Our teas are fetching Rs 15 -16 more per kg compared to previous year. Teas grown in our Ugandan and Rwandan estates are fecthing 50-60 cents more per kg at the Mombasa auctions," said Khaitan.

AN Singh, managing director & chief executive officer of Goodricke Group, said: "The market sentiment is strong and teas are expected to fetch better prices. This will have an imp- act on the profitability of tea firms. However, one has to see whether the cost of production does not go up in the coming mo-nths. Export enquries are strong and tea companies are hoping to have better forex earnings."

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the pioneer

Food inflation climbs to 8.04%

August 04, 2011 10:01:09 PM

PNS | New Delhi

Food inflation climbed sharply to cross 8 per cent after two straight weeks of decline, even as fuels held steady.

Attributing high prices to external factors, the Government on Thursday said it is working to moderate food inflation to 5 per cent from over 8 per cent without sacrificing growth.

The annual food inflation estimate, based on the Wholesale Price Index Index, rose 8.04 per cent during the week ended July 23 from the previous week's annual rise of 7.33 per cent.

Driven by increase in prices of onions, fruits and milk, food inflation again soared to cross the 8 per cent mark after a brief period of moderation even as Finance Minister Pranab Mukherjee said efforts are on to bring it down to 5 per cent.

The spurt in food inflation to 8.04 per cent from a 20- month low of 7.33 per cent for the week ended July 16 is mainly driven by rise in prices of onions, fruits and milk, the Wholesale Price Index (WPI) data released on Thursday stated.

The rate of price rise of food items was 16.27 per cent in the corresponding week of July 2010. Replying to a debate on price rise in Parliament, Mukherjee said efforts were on to bring down the food inflation to a comfortable level of around 5 per cent.

State likely to get agriculture institute

August 05, 2011 12:23:42 AM

Staff Reporter | Bhopal

Chief Minister Shivraj Singh Chouhan met the Union Agriculture Minister Sharad Pawar in New Delhi on Thursday. During the meeting, Chouhan urged the latter to set up NM Borlaug Agriculture Research Institute in Madhya Pradesh. Pawar gave his approval to Chouhan's request.

The Chief Minister suggested to the Union Agriculture Minister to open the warehouse on PPP mode on a contract of seven years in order to meet the situation of storage in the State. This will not only help overcome the problem of storage being experienced by the State presently but will also help safe storage of food grains, the Chief Minister pointed out.

The Chief Minister also met the Union Rural Development Minister Jairam Ramesh. During the meeting, the Chief Minister reiterated the demand for linking the villages of the State with a population of one thousand with Pradhan Mantri Gramin Sadak Yojna. He also requested the Union Minister to provide funds for creation of permanent assets under the Indira Awas Yojna to combat Naxalism through the Mahatma Gandhi National Rural Employment Guarantee scheme.

Chouhan, during his meeting with the Union Chemical and Fertilizers Minister Srikant Jena, urged the latter to ensure adequate supply of DAP fertilisers in the State. The Union Ministers gave a patient hearing to the demands of Chouhan and assured him of providing all possible assistance at their respective Ministries' level.

Jharkhand's paddy farmers to get immediate payment

August 04, 2011 11:44:43 PM

PNS | Ranchi

The Jharkhand Government would soon open 500 centres across the State wherein paddy would be procured from farmers. The farmers would receive payment through cheques against their paddy immediately.

The step has been taken to help out farmers in districts witnessing below-average rain, Food Processing Minister Mathura Prasad Mahto and Minister for Cooperative Husain Ansari told mediapersons at a joint Press conference here on Thursday.

"The farmers can sell their paddy that they produce this season at 500 paddy procurement centres. The decision has been taken jointly by the food processing and cooperative departments," Mahto said.

Nine districts including Deogarh, Pakur, Dumka, Jamtara, Godda, Saraikela-Kharsawan, Hazaribagh and Singhbhum have been placed in Grade A. Eight districts have been placed in Grade B while seven belong to Grade C.

Farmers can sell common grade paddy at Rs 1,080 per quintal and Grade A paddy at Rs 1,110 per quintal. “They will receive their cheques immediately,” the Minister said. Clearance of cheques will take place within 72 hours.

There would not be any limit to farmers selling their produce to the Government and a ‘revolving corpus fund’ of Rs 10 has been earmarked with a procurement target set at 50 lakh quintals. The centres will have the facility of beam scale, portable balance, moisture meter, sacks and publicity items.

Mahto said the State has seen good rainfall and is expecting a huge production of paddy this year. "This step will result in a morale-booster for farmers," he said.

Procurement agents at all centres would be trained on uniform specification of paddy and common rice. Expressing concern over a brief dry spell in some of the State's 24 districts in July, Mahto said the Government has taken steps to help farmers of these districts by providing subsidised diesel to irrigate land.

Ansari said the need of the hour is to promote measures and schemes of the Government through media. "We shall be bringing more transparency in the whole procedure so that the farmers get maximum benefit. These steps would help the farmers get rid of the network of brokers who siphon off funds allotted to them," he said.

No loan for sugar mills, no payment to farmers

August 05, 2011   12:14:49 AM

Rajendra S Markuna | Haldwani

Delay on part of the State Government in sanctioning loans to the sugar mills that owners demanded to clear dues of cane farmers seems to have only aggravated the farmers’ woes.

As per laid-down norms, the sugar mills are supposed to clear the dues of the cane farmers as soon as the cane crushing season is over around March and April. But they still owe Rs 68.70 crore to the cane farmers.

However, due to paucity of funds the sugar mills applied for loans to the Government so that cane farmers' dues could be cleared as early as possible.

Now it seems two months have already passed since the sugar mills applied for loans, but the loan is yet to be sanctioned by the Government.

Though keeping in view delay on part of the sugar mills, the State Government prior to sugar mills' request for loan, also issued May 15 as deadline for clearance of dues but of no use.

Out of 10 sugar mills eight sugar mills are still to pay Rs 68.70 crore to the cane farmers. Among the two sugar mills which have cleared farmers' dues are the Kichha sugar mill and the Laxar sugar mill.

Now, the sugar mill officials are of the opinion that unless or until the State Government grants loans they can't clear rest of the dues.

As the figures provided by the office of the cane commissioner office are any indication out of a huge Rs 68.70 crore cane dues, the Nadehi sugar mill is yet to pay Rs 12.93 crore, while the Gadarpur sugar mill has still to pay Rs 11.63 crore to the cane farmers.

Similarly, the Baazpur sugar mill still owes Rs 10.74 crore to the cane farmers followed by the Sitarganj sugar mill with Rs 10.17 crore,the Iqbalpur sugar mill with Rs 8.16 crore, the Liberhedi sugar mill with Rs 6.11 crore.

Doiwala sugar mill has to pay Rs 5.51 crore, while the Kshipur sugar mill is still to pay Rs 3.45crore.

As of now it is up to the Government as and when it clears loans to the sugar mill, sugar mills can't be pressurised to clear dues, said US Nagdali, secretary, Haldwani cane cooperative society, while talking to The Pioneer.

But alone cane farmers from Haldwani region are yet to get Rs 58.48 lakh as dues from the Baazpur sugar mill, while the Sitarganj sugar mill is yet to clear Rs 3.78 lakh to the local cane farmers, he added.

Farmers encouraged to take up herb cultivation

August 04, 2011 11:56:05 PM

PNS | Dehradun

State Agriculture and Disaster Management Minister, Trivendra Singh Rawat has directed the State Horticulture Secretary to ensure that problems preventing Government grants from being provided to farmers cultivating aromatic and medicinal herbs should be resolved within a week.

The Minister said this while speaking as the chief guest at the medicinal and aromatic herbs buyers and sellers meet organised at a local hotel to mark the second Uttarakhand Jadi Buti Diwas in Dehradun on Thursday.

Addressing the gathering, the State Agriculture Minister said that this was the first event of its kind organised by the State Government to facilitate direct interaction between cultivators, sellers and representatives of pharmaceutical enterprises in order to resolve the problems being faced by various stakeholders in the sector.

He sought details from about a dozen farmers from different parts of Uttarakhand about their enterprise, the herbs they grow, their income and employment along with the problems they faced.

Referring to a suggestion made by the principal secretary, Home and Forest and Rural Development commissioner Rajiv Gupta, the Minister said that Ayush will be linked with the next such event held for drafting measures aimed at development in the herbal sector.

Rawat pointed out that presently, four lakh hectare of land area in Uttarakhand is not in use which can be otherwise used for farming. Cultivating aromatic and medicinal herbs on this land is a viable option because unlike food crops, the medicinal and aromatic plants are not generally damaged by wild animals.

Herb cultivation will not only prove to be more financially viable for farmers but more convenient as well than farming of traditional crops, which is already being abandoned in various regions due to fear of wild animals.

In addition to reforming the department concerned, the State Government has also formed a new agriculture policy which has certain features like provision for cash incentives and prioritising different Union Government schemes for villages which adopt voluntary land consolidation.

Addressing departmental officials, Rawat said that Chief Minister Ramesh Pokhriyal Nishank has sought a progress report on the execution of the CM Harit Vikas Yojna which aims to involve 50,000 farmers in the next year.

FRDC, Rajiv Gupta, said that though the State has progressed in the herbal sector, there is a gap between cultivators and the industrial sector which needs to be redressed. Referring to farmers facing steep costs in transporting their raw harvest to the processing centre prior to sale was up to twice the cost of processing, Gupta said that the option of semi-processing the harvest should be explored.

The special guest on the occasion, president of the Himalaya Drug Company and CII State council head S Farooq, State Medicinal Plant Board vice chairman Dr Aditya Kumar, Herbal Research and Development Institute, Gopeshwar director Dr RC Sundriyal, Horticulture secretary Vinod Fonia, former VC of Garhwal Central University AN Purohit and UCOST DG Rajendra Dobhal were also among those present on the occasion.

Business Standard

Friday, Aug 05, 2011

Global natural rubber output may rise 3.3% in April-June

George Joseph / Kochi August 5, 2011, 0:52 IST

Global production of natural rubber (NR) is expected to rise 3.3 per cent in April-June period of this financial year according to the latest data of the Association of Natural Rubber Producing Countries (ANRPC). The total production in this period is expected to be 2.15 million tonnes (mt), as against 2.09 mt in the same period last year.

In April, the actual production was 601,000 tonnes, while according to preliminary estimates production in May is expected to be 718,000 tonnes and 835,000 tonnes in June.

Except April, other two months recorded an increase in production. In April, 0.5 per cent decline was recorded in production, while in May it increased 5.3 per cent and in June it went up 4.4 per cent.

The production for the next quarter (July -September) is likely to be 2.77 mt as against an actual production of 2.68 mt in the same period of 2010, registering an increase of 3.4 per cent.

The production in July is likely to be 854,000 tonnes, 924,000 tonnes in August and 992,000 tonnes in

September, expecting a growth of two per cent, 3.4 per cent and 4.6 per cent respectively.

This year's (January-December) total supply of NR is expected to be 9.96 mt, up 4.9 per cent from the previous year. Thailand will be the largest supplier with a production forecast of 3.35 mt followed by Indonesia with 2.95 mt and India will be on the fourth position with a 899,000 tonnes, ANRPC data said.

Starch makers wilt from both ends

Rajesh Bhayani & Sharleen D`Souza / Mumbai August 5, 2011, 0:51 IST

High maize prices, low demand to hit margins.

With the price of maize, its prime raw material, trading at a high of Rs 13,000 a tonne, the starch industry is having a hard time, with poor demand from its major consumer, the now-ailing textile industry.

Other by-products such as glucose are also selling at prices lower than before and margins are under pressure.

The situation is not expected to improve for quite some time. Maize prices have risen by 10.3 per cent in the past two months from the beginning of the sowing season, as acreage were expected to shift to cotton, which has happened. Last year was very good for the maize crop, which was 21.2 million tonnes (mt). This year, maize prices are 10 per cent higher, since farmers are sowing less —the estimate is 5.93 million hectares as against 6.39 mha last year at the same time. This is because many farmers opted for sowing cotton, while in the sowing areas of Gujarat-Saurashtra and parts of Andhra, rainfall has been deficit. The crop is estimated at 15.5 mt this kharif, compared to last season's 17 mt.

Experts say if rain does not catch up in a week in the sowing areas, farmers will have to sow shorter-cycle crops such as sorghum (jowar), trading around Rs 15,500 a tonne. Maize prices are Rs 12,700-13,200 in various mandis. (They were Rs 6,000 a tonne in 2005 at this time).

Strong international prices might also keep maize export demand buoyant. The latest release from the United State Grain Council says Indian maize exports would scale a record high to three mt, almost three times more than last year, in the current marketing season ending August 31.

Starch prices have come down from Rs 24 a kg four months before to a little below Rs 20 at present. Textile makers are running on lower capacities for the past three months due to a glut in cotton yarn stocks. This has affected starch demand and companies have started selling this stiffening material at below production cost. A starch manufacturer said some companies are already facing a glut.

“As we cannot pass the hike in raw material prices down to consumers due to weak demand, this will definitely start to eat into the margins of starch companies,” said Ganpatraj L Chowdhary, managing director, Riddhi-Siddhi Gluco Biols.

Export ban removal won't benefit Gujarat cotton ginners

Vimukt Dave / Mumbai/ Rajkot August 05, 2011, 0:35 IST

Even as restriction of cotton export is being removed, the ginning industry in Gujarat has been expressing its dissatisfaction over the move by Centre.

Terming the decision as late, the ginning industry in Gujarat says the removal of export restriction on cotton will not benefit its players at all.

"The recent decision to remove restriction on cotton exports will keep up the price of the commodity. As this decision is a bit late, it will not give any benefits to ginning industry as international cotton market is also down. The government should have removed the export cap three months back when export demand was so good. It would not only deprive the ginning industry in Gujarat from any benefits but also across the country," said Bharat Vala, president of Saurashtra Ginners Association (SGA).

India's decision to remove quantity restrictions on cotton exports comes at a time when both global and domestic prices have dropped nearly 50 per cent since March on declining demand from textile makers.

"It is not a timely decision by government as overall demand in international market as well as domestic market is dull. We are not so bullish on cotton price as yarn market is not so good. There will be no chance for any big domestic or export demand save for some marginal demand," said Dilip Patel, president, Gujarat Ginners Association. Cotton prices have declined to about Rs 29,000-30,000 per candy from the peak of Rs 62,500 per candy in March-end.

After government announcement of export, price of Gujarat Sankar-6 cotton has increased by Rs 2,000 per candy to Rs 32,000 from Rs 29,000-30,000 per candy of 356 kg in last two days.

Ginners lobby believe that prices will not go beyond Rs 35,000-36,000 a candy in coming days or till the new season starts. "International as well as domestic prices of cotton run parallel. Cotton prices in global markets is about Rs 33,000-34,000 per candy while that in India it is Rs 33,000-33,500 a candy. Moreover international demand is weak and in this condition chance of export demand is very low," said Arvind Raichura of Balkrishna Ginning from Padadhari near Rajkot.

India mainly exports cotton to top importers like China and other Asian countries such as Bangladesh and Vietnam. In October last year, the government had capped cotton exports at 5.5 million bales (170 kg each) to protect the domestic textiles industry in the face of rising raw material prices.

An additional one million bales were permitted for export in June, after prices had corrected sharply.

According to the estimates of the Cotton Advisory Board (CAB), the cotton surplus at the end of the current season would be 5.25 million bales on account of lower industry demand. In February, the CAB had estimated it at 2.75 million bales.

Govt bats for organic spices to stop use of illegal crop protection products

Dilip Kumar Jha / Mumbai August 04, 2011, 0:42 IST

Faced with extensive use of illegal crop protection products resulting in losses worth crores of rupees, the Spices Board has decided to lay emphasis on organic crop production in the coming years. The board, under the commerce ministry, plans to incentivise farmers and encourage them to increase sowing area under organic spices.

Farmers producing organic crops use no fertiliser and other crop protection products. Hence, the commodity grown organically leaves no residue of these products, thereby fetching a premium over conventional products. The Rs 300-crore organic farming sector is growing rapidly in India.

According to the recent survey by Belgium-based independent consultancy firm CropLife International, 25-40 per cent of illegal crop protection products, like insecticides, herbicides and weedicides, are used on crops in India. These illegal products, worth Rs 2,000-3,000 crore, are produced by unregistered producers, mainly in Andhra Pradesh, Karnataka and Maharashtra; and are rapidly spreading in other states too. The consultancy estimated crop damages to the tune of several times the value of illegal pesticides, said D'Arcy Quinn, director (anti counterfeiting), CropLife International, on his recent visit to India.

The Kochi-headquartered Spices Board planned to establish an organic input and output testing lab at the Indian Cardamom Research Institute in Myladumpara next year, said its chairman, A

Jayathilak. Spice-producing companies will be formed, besides setting up of a research-cum-demonstration plot for organic farming in cardamom. Jayathilak also promised support to organic farmers in gaining experience through exposure visits to elite farms in various states.

A mix of illegal crop protection products are used by many small pesticide producers and traders. The government must address this before it is too late, says Partho S Lahiri, chairman, CropLife India, an arm of CropLife International. He says these pesticides not only cause crop failure but also have a long-lasting impact on domestic and international trade of agri crops.

THE HINDU Business Line

Fertiliser firms end row with global potash cartel

To buy nutrient at $470/tonne till Dec and $530 during Jan-March

MOP IMPORTS BY INDIA

	Imports*	Price**
2003-04	25.79	124
2004-05	34.09	163
2005-06	45.78	220
2006-07	34.48	215
2007-08	44.21	258
2008-09	56.72	625
2009-10	52.86	460
2010-11	63.57	370

*lakh tonnes;
**Average $/tonne, CFR India.

Hyderabad/New Delhi, Aug. 4:

The over four-month-long deadlock over prices between Indian fertiliser companies and international muriate of potash (MOP) suppliers has finally ended.

Coromandel International Ltd (CIL), Indian Potash Ltd (IPL), Tata Chemicals, Zuari Industries and Indian Farmers Fertiliser Cooperative, on Wednesday night, clinched a deal with a global supply cartel to import the nutrient at a landed cost of $470 a tonne till December and at $530 for the remaining three months of this fiscal.

Fair deal

“It is a good deal, as we were adamant on not paying a single cent more than the $470-a-tonne rate offered in June to Chinese buyers for supplies till December. In our case, we have been extended a 180-day credit facility as well, which makes it even better”, claimed a fertiliser industry official.

He termed even the $530 price payable during January-March as ‘reasonable' in the context of current spot deals happening at $ 550-plus a tonne.

“We don't see world prices easing from here, as demand is likely to remain robust and the recent flooding at the Belarusian Potash Company's (BPC) Belaruskali mine may constrain supplies. It is better to lock ourselves at these rates”, the official added.

For 2010-11, Indian firms had jointly negotiated a price of $370 a tonne (cost & freight, Indian ports) with the MOP cartel that consists of BPC, Canada's Canpotex, Israel's ICL Fertilisers and Arab Potash Company of Jordan.

Less imports

The country imported nearly 64 lakh tonnes (lt) of MOP during last fiscal worth some $2.35 billion.

“This year, imports will be lower, as not a single new contract was struck during the first four months. Whatever material has been imported and used this kharif season is against contracts entered into during 2010-11,” the official pointed out.

The MOP from the new contracts – signed after the impasse with suppliers being broken – will be ready for use only in the ensuing Rabi planting season.

“Our first vessel of 20,000 tonnes will arrive by mid-September,'' said Dr G. Ravi Prasad, President (Marketing) of CIL, which has already contracted five lt of imports from Canpotex and ICL.

Of the five lt that CIL will be importing in 2011-12 – half of what it did in the previous fiscal – 2.5 will be at $470 and the balance half at $530 a tonne.

IPL imported 36 lt on 2010-11. this fiscal it will import 27-28 lt, of which roughly 65 per cent will be at $470 and 35 per cent at $530 a tonne, the company's Managing Director, Mr P.S. Gahlot, told *Business Line*.

Zuari Industries imported 10 lt of MOP last fiscal.

“This year, it may be lower, though we will definitely import the five lt required for our own captive production of NPK fertilisers," said Mr Suresh Krishnan, Managing Director.

Import parity price

At the start of this fiscal, Indian companies were not prepared to pay more than $420 a tonne, which is the Centre's benchmark import parity price (IPP) used to compute the subsidy payable on potash, both for direct use and as ingredient for NPK fertilisers. Towards late-May, they sweetened the offer to $445-450, which was again below the $500-plus being demanded by the global cartel.

The final compromise deal agreed to by the two sides will require a hike in maximum retail prices (MRP) charged to farmers.

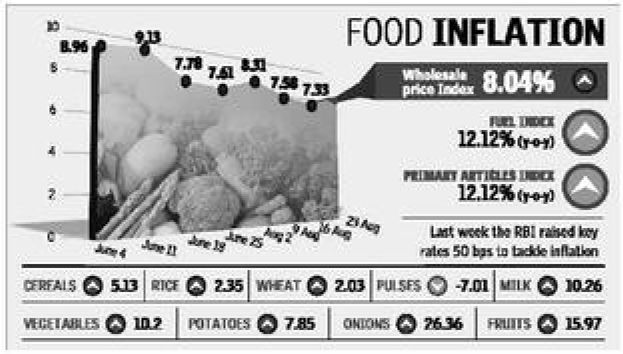
The MRP, currently at Rs 6,300 a tonne, is expected to go up to Rs 7,500.

The only way this can be averted is through an increase in the IPP from $420 a tonne, which the Centre is unlikely to concede. Since March 31, 2010, the MRP of MOP has gone up from Rs 4,455 to Rs 6,300 a tonne.

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

Surging onion, fruits drive food inflation over 8%

Milk, vegetables too soar; pulses slip over 7%



New Delhi, Aug. 4:

Food inflation climbed sharply to cross 8 per cent after a two-week long declining trend, even as fuels held steady.

The annual food inflation estimate, based on the Wholesale Price Index, rose 8.04 per cent during the week ended July 23, up from the previous week's annual rise of 7.33 per cent. The surge in the pace of food inflation happened despite a decline in the food index level, which clearly reflects the base effect coming into play.

On a week-on-week basis, the index for food articles fell a marginal 0.6 per cent. On an annual basis though, items such as onions, fruits and milk continued to witness high inflation levels.

The fuel price index increased 12.12 per cent year-on-year, the same growth as reported in the previous week, Government data released on Thursday showed. The primary articles index was up 10.99 per cent, compared with an annual rise of 10.49 per cent a week earlier. Primary articles have a share of over 20 per cent in the WPI.

Interest rates

In a bid to curb runaway inflation, the RBI had, last week, hiked interest rates by 50 basis points. Headline inflation had surged to 9.44 per cent in June, data released last month showed.

According to ICRA, food inflation is expected to average around 8 per cent during the month of July 2011 and may rise above 9 per cent in August 2011 on account of an adverse base effect.

During the latest reported week, onions surged over 26 per cent on an annual basis, while fruits were up 16 per cent. Milk and vegetables surged by over 10 per cent, while cereals were up by 5.13 per cent. Pulses bucked the trend to dip by over 7 per cent on an annual basis.

Inflation in non-food articles, which include fibres, oil seeds and minerals, was recorded at 15.60 per cent during the latest reported week, lower than the 16.05 per cent in the previous week.

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

Wheat falls below support price on slack demand

Karnal, Aug. 4:

Sluggish domestic demand coupled with low quality pulled dara wheat prices below Rs 1,120 a quintal, the minimum support price, once again, on Thursday. After witnessing a drop earlier this week, the dara variety dropped further by Rs 20 to Rs 1,105 a quintal.

The support price for this season is Rs 1,120 a quintal and the Government also announced a bonus of Rs 50.

Following the drop in sales of flour, big flour millers are not buying fresh and have also cut back production to maintain prices, said a wheat trader, Mr Subhash Chander. Around 600 quintals of dara variety arrived from Uttar Pradesh but the quality of the stock was not good. Hence, there were no buyers , he added.

There are hardly any buyers even though prices have fallen below the support price, said Mr Chander. The *Dara* variety has dropped by Rs 30 a quintal during this week.

On the other hand, low stocks pushed *desi* wheat varieties up. Tohfa variety rose by Rs 15 and quoted at Rs 2, 140 a quintal, Maruti increased by Rs 20 and sold at Rs1, 800 a quintal, Lal Quila was at Rs1, 950-2,000 while Kangan sold at Rs 2,005 a quintal. Due to uncertain weather, traders are not placing new orders of desi wheat, said Mr Chander .

Flour Prices

Despite a fall in wheat, flour prices were unchanged and quoted at Rs1, 160 for a 90-kg bag. After witnessing a drop earlier this week, chokar recovered a little and increased by Rs 10 and sold at Rs 490 for a 49-kg bag.

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

Eggs unchanged as consumption slows

Chennai, Aug. 4:

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 last week's level of Rs 2.37 a piece and rates for its layer birds at Rs 38/kg for the past ten days. Meanwhile, Palladam-based Broiler Coordination Committee has raised the prices of live chicken to Rs 51/kg (Rs 43).

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, led to the slowdown.

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 uncertainities.”

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

Exports

On the export front, the country has shipped 309.37 lakh eggs in 2011-12 (till July) as against last fiscal's 446.34 lakh. 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 5, 2011)

Govt reconstitutes Tea Board

Coonoor, Aug. 4:

The Union Government has reconstituted the Tea Board, effective from the date of publication in the Official Gazette (July 1, 2011).

Mr C.N. Nataraj (President, UPASI, Coonoor), Mr C.S. Bedi (Chairman, Indian Tea Association, Kolkata), Mr D.K. Sarma (Vice-President, All Assam Small Tea Growers' Association), Mr Sankar Malakar (West Bengal), Mr Koshy Baby (Gudalur, Nilgiris), Mr P V Balachandran (Wayanad, Kerala), Mr R.S. Thakur (Himachal Pradesh) and Mr J.L. Butail (Himachal Pradesh) will represent growers.

Dr S. Ramu (Doddacombu, Coonoor, who is also President, Nilgiris Bought Leaf Tea Manufacturers' Association) and Mr Sanjiv Sarin (Regional President, South Asia, Tata Global Beverages Ltd) will represent manufacturers.

Mr Hiranya Bora (Assam), Mr A.K. Mony (Kerala), Mr Aloke Chakraborthy and Mrs B.D. Mohinta (both West Bengal) will represent employees. Mr Chandrakant (Coimbatore) and Mr Anushman Kanoria (Kolkata) will be dealers representatives.

Dr A.K. Agarwala (Siliguri) and Mr Samir Roy (Japaiguri) will serve the interest of consumers. Ms Chitra Ramesh (Bengaluru) and Mr Deba Prasad Ray (Kolkata) will represent other interests.

Secretaries of the Governments of Assam, Kerala, Tripura, Tamil Nadu, West Bengal and Himachal Pradesh are representatives of Governments of principal tea growing States. Mr Rajen Gohain (Lok Sabha), Mr P. Vishwanathan (Lok Sabha) and Mr Saman Pathak (Rajya Sabha) will represent Parliament. The members term is valid till March 31, 2014.

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

Agri-commodities sparkle on bourses despite farm woes

Hyderabad, Aug. 4:

Despite several problems on the field front and shortcomings in supply chain and storage, agriculture commodities sparkled on futures exchanges.

GROWTH

They registered a growth of 53 per cent in the first quarter of the current fiscal with cumulative value rising to Rs 3,84,658 crore against Rs 2,51,476 crore in the corresponding quarter last year.

Performance of agri-commodities has been phenomenal in the last fortnight of the quarter.

The growth was 102 per cent in terms of value.

The accumulated value of these commodities, in the fortnight ended June 31, was put at Rs 75,627 crore against Rs 37,490 crore in the comparable fortnight last year.

“The top five agri commodities traded in the futures market during the April- June 2011 were soya oil, guar seed, chana, rape/mustard seed and soyabean/seed. Surge in prices were triggered by independent fundamentals of each commodity. Across the globe demand for edible oil has been increasing. Festive season in India and Ramadan in Gulf countries starting this month kept importers active,” Ms Vimala Reddy, Research Analyst at Karvy Comtrade Limited, told *Business Line.*

Decline in soyabean

Decline in soyabean production in China by 7 per cent led to direct imports of palm oil from Malaysia. Chinese directly imported soya oil during this period to meet their bio-diesel requirements. Soya oil futures in India took cues from rising demand for edible oil across the globe.“Soyabean crop prospects were at crossroads due to concerns over US weather conditions and shifting acreage to corn from soyabean. Ongoing harvest in Brazil and Argentina during April also kept the investors in the industry interested,” she said.Overall, commodities markets clocked a cumulative value of trade of Rs 38,29,230 crore in the quarter against Rs 24,55,987 crore, showing a growth of 56 per cent in the same quarter last year.

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

Offtake lifts jeera futures by Rs 150/quintal

Rajkot, Aug. 4:

Rising demand and lower arrivals pushed up jeera futures by Rs 150 a quintal on Thursday. August contract of jeera on the National Commodity and Derivatives Exchange (NCDEX) increased by Rs 140 to 16,090 a quintal, with an open interest of 14,475 lots. September contract gained Rs 151 at Rs 16,525, with an open interest of 17,724 lots.

Jeera traded at Rs 2,089-2,805 for a *maund* of 20 kg, up Rs 30, at the Agricultural Produce Marketing Committee (APMC) yard in Rajkot. It traded at Rs 1,555-3,185 for a *maund* at the APMC in Unjha.

Arrivals in Gujarat dropped to 4,000-5,000 bags from 6,000 yesterday.

Market experts believe the Gulf demand could shift to India ahead of Ramzan as the country had higher stocks of quality crop. Demand from the US and the European Union could also rise pushing up prices in the coming weeks.Outputin Syria and Turkey is likely to be around 45,000 tonnes (around 30,000 tonnes in Syria and 15,000 tonnes in Turkey), down almost 10,000 tonnes from earlier projections because of inferior quality of crops in these countries.The country's output, sources said, in the current season is likely to be around 21 lakh bags of 60 kg each against 28 lakh bags last year mainly because of sharply lower sowing acreage in Gujarat. While exports slumped by 46 per cent to 5,750 tonnes, their value dipped by 36 per cent to Rs 75.60 crore during April-June, 2011.

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

Slumping futures drag spot soya oil

Indore, Aug. 4:

Weak futures dragged down soya oil a little despite good buying in the physical market ahead of the festive season. Soya refined was traded at Rs 634-636 for 10 kg on Thursday in the local market against Rs 636-639 on Wednesday.

Demand for soya refined was as usual at the current price despite weak foreign markets, said Mr Mukesh Purohit, a soya oil trader. Resellers sold soya refined at Rs 633-634. Soya solvent saw scattered buying at Rs 605-609 for 10 kg against Rs 606-610 on Wednesday. Traders expect soya oil prices to rise further as demand goes up ahead of the festival season amid depleting stocks. Taking cues from weak global markets and projections, demand for soya oil weakened in the futures market. August contract of soya refined National Board of Trade closed lower at Rs 662.20 after opening at Rs 666 in the morning. Soya oil futures traded lower on the National Commodity and Derivatives Exchange, too, with August and September contracts closing lower at Rs 660.25 and Rs 655.65.

Soyabean, on the other hand, ruled firm at Rs 2,300-2,350 a quintal despite subdued demand. Plant deliveries of soyabean were quoted at Rs 2,400-2,425 a quintal against Rs 2,370-2,500 on Wednesday. Arrivals dropped in *mandis* across Madhya Pradesh ex Ujjain and Indore to 25,000 bags against about 40,000 bags on Wednesday. While 2,500 bags arrived in Indore *mandis*, 3000 arrived in Ujjain. Soya de-oiled cake ruled at Rs 18,500 a quintal in the port on scattered buying in the export market and at Rs 17,500 a quintal in the domestic market.

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

Bearish sentiment drives down sugar

Mumbai, Aug. 4:

Bearish sentiment prevailed on the Vashi wholesale sugar market on Thursday. Spot sugar prices came down further by Rs 10-15 a quintal in line with decline in mill tender rates.

Naka rates were up Rs 10 on lack of selling. Less than expected bulk consumer demand and selling pressure for high free sale quota for the current month kept volume steady and morale weak, said a wholesaler.

Mr Mukesh Kuwadia, Secretary of the Bombay Sugar Merchants Association, said during festival season sweets and confectionery makers are the main bulk consumers of sugar. About 60 per cent sugar from the monthly quota is used by bulk consumers. Domestic sugar futures market was further weakened by Rs 10-15 till noon. Retail demand was also lower than expected due to fasting days of festivals. Prices ruled weak in other producing – consuming centres like Uttar Pradesh, Delhi, Rajasthan, and Gujarat – on subdued demand. Rain in the city in the early part of the day also affected local demand.

However, due to the beginning of the month the day's arrivals and dispatches were steady, he said.On Wednesday about 24-25 mills offered tenders and sold 35,000-40,000 bags (each 100 kg) in the range of Rs 2,575-2,615 (Rs 2,585-2,630) for S-grade and Rs 2,630-2,700 (Rs 2,610-2,690) for M-grade. Arrival in the market was 53-54 truckloads (each of 100 bags) and local dispatches were also at similar levels.

Bombay Sugar Merchants Association's spot rates: S-grade Rs 2,721-2,811 (Rs 2,721-2,762) and M-grade Rs 2,766-2,911 (Rs 2,7612,931).

Naka **delivery rates**: S-grade Rs 2,670-2,710 (Rs 2,670-2,700) and M-grade Rs 2,700-2,860 (Rs 2,720-2,860).

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Low arrivals fail to boost turmeric

Erode, Aug. 4:

Spot turmeric prices dropped for most varieties on Thursday despite low arrivals. However, the hybrid variety shot up by Rs 570 a quintal on demand.

“Turmeric varieties fetched low prices in the market which opened after a day's holiday on Thursday even though only 4,000-odd bags arrived,” said Mr R.V. Ravishankar, President, Erode Turmeric Merchants Association.

North Indian merchants have not placed any orders in the past few days, he said. Only 30 per cent of arrivals were sold in Erode even as turmeric futures dropped. The finger variety dropped Rs 200 a quintal in Erode.

The market will remain volatile until merchants from North India start placing orders from the first week of September, he said. Even as some traders expect prices to slide further from the next week, farmers said they sold a little as they needed cash immediately.

Prices at the Regulated Market Committee and Erode Cooperative Marketing Society decreased by Rs 250-300 a quintal. In the Erode Turmeric Merchants Sales yard, the finger variety fetched Rs 5,016-6,389 a quintal and the root variety Rs 4,836-6,034.

Salem crop: The finger variety was sold at Rs 6,689-8,039 and the root variety at Rs 6,074-6,734. Only 298 of the 1,054 bags that arrived were sold.

At the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety was sold at Rs 5,527-6,867 and root variety at Rs 5,579-6,189. All the 67 bags that arrived were sold.

At the Erode Cooperative Marketing Society, the finger variety was sold at Rs 5,389-6,479 and root variety at Rs 5,295-6,369.

Out of the 536 bags that arrived, 517 were sold. At the Regulated Marketing Committee, finger variety was sold at Rs 6,169-6,676 and the root variety at Rs 5,887-6,419.

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Bitter benefit

Meetha karela:A trader arranges the season's freshly arrived teasel gourd (Cucumis Dipsaceus), a wild, spiny melon with 5 per cent bitterness, in Hyderabad on Tuesday . Growing wildly in eastern India, it is popularly known as 'meetha karela' in North India. Priced at Rs 40-50 a kg, the bright, green vegetable is a substitute for bitter gourd .

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Spot rubber improves on limited supplies

Kottayam, Aug. 4:

Physical rubber prices improved on Thursday. According to observers, the market firmed up following the early gains on the National Multi Commodity Exchange (NMCE) but it failed to react in tune with the late declines in domestic futures. Volumes continued to be dull.

Limited supplies due to the ongoing monsoon and the gap between the domestic and international markets cushioned the prices to a certain extent. Meanwhile, TOCOM rubber futures regained initial losses since Japan decided to intervene in the forex market to control its currency. Sheet rubber increased to Rs 210.50 (209) a kg, according to traders. The grade bounced back to Rs 211 (208) a kg both at Kottayam and Kochi, according to the Rubber Board.

In futures, the August series slipped to Rs 210.89 (211.61), September to Rs 210.95 (211.25), October to Rs 210.80 (210.96), November to Rs 211.80 (212.25), December to Rs 214 (215) and January to Rs 217.01 (217.46) a kg on the NMCE.

RSS 3 (spot) weakened to Rs 216.36 (216.83) a kg at Bangkok. The August futures dropped to ¥381.5 (Rs 213.07) from ¥382.3 a kg during the day session but then recovered marginally to ¥381.7 (Rs 213.17) in the night session on the Tokyo Commodity Exchange.

Spot rates were (Rs/kg): RSS-4: 210.50 (209); RSS-5: 206.50 (206); ungraded: 200 (199); ISNR 20: 207.50 (207) and latex 60 per cent: 135 (133.50).

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Dhunseri Tea profit rises 18%

Kolkata, Aug. 4:

Dhunseri Petrochem and Tea Ltd (DPTL) reported 18 per cent rise in net profit to Rs 21.76 crore in the first quarter of this fiscal compared to the corresponding quarter of the previous year. This is despite a 16 per cent decline in profit before tax to Rs 29.54 crore. Net sales increased by 37 per cent to Rs. 476.72 crore .

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