

Call to establish Pulses Board in Tamil Nadu

Special Correspondent



TO OVERCOME SHORTAGE: P. Murugesha Boopathi, Vice-Chancellor, Tamil Nadu Agricultural University, in talk with a delegation in Madurai on Thursday. — Photo: G. Moorthy

In view of acute shortage of pulses in Tamil Nadu, a strong appeal has been made to start a Pulses Board in the State.

The Tamil Nadu Agricultural University (TNAU) also has voiced its support to this appeal and has announced that increasing the production or growing of pulses will be one of its top most priorities from now on. A representation was made to its Vice-Chancellor P. Murugesha Boopathi here on Thursday by a delegation, requesting him to take the issue with the State government so that a Pulses Board is set up on the lines of Spices Board to boost production of pulses through a focused approach.

After meeting the representatives of Tamil Nadu Food Grains Marketing Yard at the university's Agricultural College and Research Institute campus, the Vice-Chancellor told reporters that he also was of the opinion that the State required a Pulses Board. "It is the State government which has to take a decision. However, there is a need to step up overall pulses production because we are facing a severe shortage. While Tamil Nadu's requirement is seven lakh tonnes a year, it is getting only about three lakh tonnes and hence it is important to increase the area under cultivation of pulses," he said.

Only about 4.5 lakh hectares of land was under cultivation of pulses in Tamil Nadu, and most of that too was rain-fed cultivation. "Farmers view pulses only as a bonus crop. Because of the huge shortage, we had to get supplies from the northern States. It is high time pulses were viewed as commercial crop. Chief Minister Jayalalithaa is also determined to increase foodgrains production," Dr. Boopathi said.

Stating that the university would focus more on pulses and oilseeds, he said that farmers should make use of the State government schemes. "Our university has given critical technology for increasing the yield of foodgrains, especially in paddy where laser levelling technique showed excellent results. We have advanced technology for pulses and sugarcane also," he said.

He was in the city to inaugurate 'INSPIRE' Science Camp organised by the Agricultural College and Research Institute for school students with the support of Department of Science and Technology, Government of India.

S. Rethinavelu, Chairman and Managing Director, Tamil Nadu Foodgrains Marketing Yard at Sikkandarchavadi here, who made a request for setting up the Pulses Board, said that this demand would be made to the Agriculture Minister and senior officials of the State government soon.

K.Vairavan, Dean, Agricultural College and Research Institute-Madurai, and P. Banumathi, Dean, Home Science College and Research Institute, were present.

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Kiran assures best of relief to farmers

Staff Reporter

The government will provide the best of relief to farmers affected by drought, Chief Minister N. Kiran Kumar Reddy said in the Legislative Council on Thursday.

He urged the members to bring to the government's notice better relief measures and incentives, if any, being provided by other States for implementation in Andhra Pradesh.

Intervening in a short discussion on the drought and farmers' problems, Mr. Reddy claimed that

his was the first government to offer interest-free crop loans up to Rs. One lakh, provided it was repaid in time.

Admitting shortage of godown space, Mr. Reddy said the government was planning to construct 25-lakh tonne storage facility in the next two years by spending Rs. 1,000 crore. He also offered to pay compensation for kharif crop loss.

Earlier, Minister for Revenue N. Raghuveera Reddy said the government had so far declared 865 mandals affected by drought. They were planning to send a report to the Centre by December 15.

Initiating the debate, Leader of the Opposition Dadi Veerabhadra Rao (TDP) said one farmer was committing suicide every day in the State according to the NCRB data.

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Distribution of 98 farm implements

Special Correspondent

A subsidy of Rs.62.40 lakh to be utilised, says Collector



latest technology: Collector B. Mageswari, right, giving away assistance to a beneficiary at a function in Pudukottai on Thursday.

A total of 98 high tech farm implements adopting latest techniques will be distributed to farmers, under the National Agricultural Development Programme (NADP).

The Centre-sponsored programme aims at enhancing agricultural productivity, said Collector B. Maheswari.

Speaking on the sidelines of a function to mark the first phase of distribution of implements, the Collector said that a subsidy of Rs.62.40 lakh would be utilised for the purpose.

Implements such as multi crop thrasher; mini tractors and power tillers would be distributed to the farmers through the Agricultural Engineering Department.

In the first phase, 30 farmers got agricultural implements worth Rs.16.11 lakh. As many as 24 farmers got power tiller; five got mini tractors while one farmer got multi-crop thrasher.

S. Rajendran, Executive Engineer (in-charge), Agricultural Engineering, said that the implements would ease farming activity in the wake of the scarcity of agricultural labourers for clearing the weeds or harvesting the produce. The mechanisation of farming sector aimed at easing the problem being faced by the farmers and also ensures expeditious agricultural operation.

K. Nagarajan, District Revenue Officer and P. Raju, Personal Assistant (Agriculture) to Collector, were present.

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Private sector to get land for breeding cattle, sheep

Staff Reporter

Tendering process to hand over about 1,000 acres of land belonging to Animal Husbandry Department to the private sector for breeding cattle, sheep and goats will commence in a fortnight's time.

According to the plan, about 100 acres each in two sheep farms at Chitradurga and Tumkur districts and a similar quantum of land from the poultry farm at Gangavati has been included in the first phase of privatisation. "Detailed project report is ready, and within the next 15 days request for proposals from the interested parties would be invited," a senior department official told *The Hindu* at two-day Global Agribusiness and Food Processing Summit, which was inaugurated here on Thursday.

The official said that only small portion of the land would be given in each of the farms, and that there was no need to fear about complete privatisation.

“In the next one month, tendering process to hand over land in goat farm at Tumkur, and from farms for Amruthamahal, jersey and buffalo — all in Tumkur district would be initiated,” he added.

In all, there are about 15,000 hectares under the department's control spread across 13 cattle breeding farms, two buffalo farms and 6 sheep/ goat breeding farms in the state.

Even though the meat production in the State is growing at a rate of 5 per cent annually, there is acute shortage of meat. Karnataka produces one lakh tonnes of meat annually. “This is one of the reasons for the sharp increase in meat prices in the last one year. Any increase in meat production would help stabilise the price and privatisation of farms is in line to involve them in breeding activity.”

Meanwhile, according to the official, the government is also expecting investments in modern abattoirs and cold storage facilities among others. “There is a potential to set up 80 modern abattoirs in 80 taluks where sheep activity is intensive,” the official said.

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- *Tender process to hand over about 1,000 acres of land to begin in a fortnight*
 - *Government expecting investments in modern abattoirs and cold storages*
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Efforts on to revive mangrove region

Staff Reporter



Hope for future: Students of the Velliman Vocational Higher Secondary School engaged in planting mangrove saplings on the banks of Ashtamudi Lake in Kollam on Thursday.

National Service Scheme volunteers of Velliman Vocational Higher Secondary School launched a scheme to protect the banks of Ashtamudi Lake by planting mangrove saplings at Asramam Adventure Park Zone, a rich mangrove forest once.

NSS programme officer of the school Zachariah Mathew said the aim was to revive mangrove forests with the participation of students.

Kollam district panchayat vice-president B. Jayanti inaugurated the project in which over 300 saplings were planted by 50 students. The NSS had conducted a study on the ecological threats faced by lake.

Kollam DTPC secretary K. Prasad, Social Forestry Wing representative Rajan, and Kanjirakode St. Antony's High School Principal Felix Miranda were present.

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Inflation drops to 4-month low of 8 per cent

Special Correspondent

At last there was some piece of good news for the government which is facing heat inside and outside Parliament with food inflation dropping to a four-month low of 8 per cent during the week ended November 19 against 9.01 per cent in the previous week. On July 16 food inflation stood at 7.16 per cent.

The fall in inflation is due to fall in prices of essential items such as onions, potatoes and wheat giving relief to the common man, while rice and vegetables prices increased at a moderate pace. The declining trend has come as a relief to the government which is facing flak from the corporate India as well as the Opposition parties for not being able to manage the economy efficiently and effectively.

Reacting to the declining inflationary trend, a relieved Finance Minister Pranab Mukherjee said: "If this trend continues, perhaps we may have the year-end inflation at around 6-7 per cent."

Onions became cheaper by 40.65 per cent year-on-year during the week under review, while potato prices were down by 10.98 per cent. Wheat prices also fell by 4.71 per cent.

There was respite for the households as rice prices increased only by 2.52 per cent and vegetables by 5.13 per cent. Inflation with regard to vegetables, which are also affected by

seasonal factors, had remained in double digit in the past months. However, prices of protein-based items such as milk, egg, meat and fish rose by double-digits.

Experts feel that the fall in inflation could also have a positive spin-off for the industry and the middle-class borrowers since it sends a signal to the Reserve Bank of India (RBI) for a pause in the interest rates hike.

The RBI will review the interest rates on December 16.

“After August, for the first time food inflation has come down to 8 per cent. Non-food inflation is steadily declining. In October 29, it was 6 per cent and now it has declined to 2.14 per cent,” Mr. Mukherjee said.

Inflation in the overall primary articles category stood at 7.74 per cent during the week ended November 19, as against 9.08 per cent in the previous week.

Inflation in non-food articles was 2.14 per cent during the week under review, as against 4.05 per cent in the previous week ended November 12.

Headline inflation has been above the 9 per cent-mark since December, 2010. It stood at 9.73 per cent in October this year.

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Cane crushing season begins at Alanganallur sugar mill

Special Correspondent

Mill to procure sugarcane at Rs. 1,943.80 a tonne, proposed to crush 3 lakh tonnes



Fresh start: Officials and elected representatives participating in a function organised to mark commencement of cane crushing season at National Cooperative Sugar Mill at Alanganallur near Madurai on Thursday. — Photo: S. James

Cane crushing season began at the National Cooperative Sugar Mills, Alanganallur near here on Thursday.

District Revenue Officer B. Murugesh, Special Officer (Alanganallur sugar mill) R. Nandagopal, MLAs Muthuramalingam, P.V. Karupiah and K. Tamilarasan among others participated in a function organised for the purpose.

Dr. Nandagopal said that it had been proposed to crush three lakh tonnes of sugarcane. Around 9,550 acres, on which sugarcane had been raised, had been registered with the sugar mill for this crushing season. Cane cutting instructions had been sent to all the areas falling under the mill jurisdiction. He hoped that sugarcane growers would ensure steady supply of cane and facilitate uninterrupted crushing.

While the mill would procure the sugarcane at Rs. 1,943.80 per tonne from the growers, it would await for any revision on the price from the State government. As and when the official communication was received, the arrears (difference) would be given to the suppliers, he said.

“Contact officers”

Further, it has been proposed to raise the crop in 12,000 acres during the ensuing 2011-12 season to produce 4.30 lakh tonnes of sugarcane. Farmers in Madurai, Virudhunagar and Dindigul regions may approach the respective cane officers once the harvest was completed and begin cultivation activities for the next season.

The State government had announced attractive subsidies for small and marginal sugarcane growers to establish drip irrigation facility in their fields. This would not only help in effective water management but also ensure even feeding of water for the crops till the end.

The State Commissioner (Sugars) had urged cane growers across the State to use modern technologies to raise their crop to reap more profit. The cane officers had been instructed to disseminate the modalities on implementations to the farmers. Better yield would help crushing units to meet its target and achieve full production, he said.

By PTI

01 Dec 2011 07:51:15 PM IST

Mullaperiyar issue: PM writes to Jayalalithaa

NEW DELHI: Seeking to calm passions over Mullaperiyar Dam issue, Prime Minister Manmohan Singh today wrote to Tamil Nadu Chief Minister J Jayalalithaa saying nothing should be said or done to create "undue alarm" and hoped the issue would be sorted out amicably through dialogue.

Replying to letters written by Jayalalithaa, Singh said he had asked the Water Resources Ministry to arrange an early meeting between officials of Tamil Nadu and Kerala to "sort out outstanding issues and allay genuine concerns".

He sought Jayalalithaa's cooperation on the issue.

"I have made a note of the points raised by you and also heard the issues raised by a delegation of Ministers from the Government of Kerala. I have pointed out to them that the matter is currently before the Supreme Court Empowered Committee," Singh wrote.

"I believe that nothing should be said or done to create undue alarm among the people," he said.

The issue has triggered passions in both Tamil Nadu and Kerala which apprehends that rising water level in the dam posed a major risk to it. Tamil Nadu rejects any such fears.

Singh expressed the confidence that "given goodwill on both sides, an amicable and mutually-acceptable solution can be found through a process of dialogue and communication."

"I have accordingly advised the Ministry of Water Resources to arrange an early meeting between the officials of the two sides to sort out outstanding issues and allay genuine concerns," the Prime Minister told Jayalalithaa.

Kerala says fears about the weakness of the 116-year-old dam had increased since the area around the site had been shaken by 26 tremors in the last five months alone.

Food inflation falls to 8 percent

THURSDAY, 01 DECEMBER 2011 14:04

IANAS | NEW DELHI



India's food inflation fell sharply to 8 percent for the week ended Nov 19 as compared to 9.01 percent in the previous week as onions, potatoes and wheat became cheaper and the rise in the prices of other items moderated on the back of a good monsoon, official data showed Thursday.

Food inflation has dropped sharply in the last three weeks. It had come down in single digit for the week ended Nov 12 from 10.63 percent in the previous week.

Onion became cheaper by 40.65 percent during the week under review, while price of potato declined by 10.98 percent wheat became cheaper by 4.71 percent year-on-year, according to data released by the commerce and industry ministry.

The rise in prices of other vegetables also moderated at 5.13 percent for the week ended Nov 19. Vegetable prices had risen by 17.66 percent year-on-year in the previous week.

The primary articles index, which has a 20.12 percent weightage in the wholesale price index, also dropped sharply to 7.74 percent for the week under review as compared to 9.08 percent in the previous week and 10.39 percent for the week ended Nov 5.

However, the fuel and power index rose marginally to 15.53 percent as compared to 15.49 percent in the previous week.

The headline inflation based on the wholesale price index was recorded at 9.73 percent in October, according to the latest official data.

The Reserve Bank of India (RBI) has hiked key policy rates 13 times since the beginning of 2010 to control the price rise. The recent decline in inflationary pressure may give some comfort to the economic policymakers who have been struggling to control the price rise for the last two years, without much success.

The following are the yearly rise and fall in prices in the week under review of some main commodities that form the sub-index for food articles:

Onions: (-) 40.65 percent

Vegetables: 5.13 percent

Fruits: 7.98 percent

Potatoes: (-) 10.98 percent

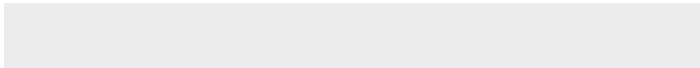
Eggs, meat, fish: 13.55 percent

Cereals: 2.86 percent

Rice: 1.97 percent

Wheat: (-) 4.71 percent

Pulses: 13.80 percent



Indian basmati rice consignments held in US being cleared

Press Trust Of India / New Delhi December 02, 2011, 0:39 IST

The US government is in the process of clearing Indian consignments of basmati rice held at its ports for traces of pesticide called tricyclazole, a senior official of the agri-export promotion body, the Agricultural and Processed Food Products Exports Development Authority (Apeda) said.

Tricyclazole is a widely used pesticide in rice-growing countries, including India, Thailand, Japan and China.

"The US has cleared the maximum containers of basmati rice. It is in the process of examining the remaining few. The problem is easing," the official added.

As some containers of basmati rice had presence of a pesticide named tricyclazole, the US Food and Drug Administration (USFDA) had detained all consignments without physical examination, he said.

Tricyclazole, a pesticide manufactured by a US company, is, however, not registered and not found in the pesticide list that USFDA checks while detecting pesticide residues in the imported food items. If not a registered pesticide, the USFDA considers it illegal and not safe for human consumption.

According to the government sources, out of 150 containers (20 tonnes each) of basmati rice from India that have been detained since July at various ports of the US, 85 per cent have been cleared.

Noting that domestic exporters have been facing hurdles in shipping basmati rice to the US due to the pesticide issue, the Apeda official said: "There is no panic situation. The issue is

being resolved."

Meanwhile, the All India Rice Exporters Association (AIREA) has taken up the issue with the US authority and has requested it to consider registration of tricyclazole.

"About 10-15 per cent of our detained containers have traces of tricyclazole, which is not registered in the US. We have informed them the traces of tricyclazole found in our containers are much lower as compared to other countries," AIREA President Vijay Sethia said.

The presence of tricyclazole in the aromatic grains are within safety levels of 0.02-0.04 ppm (parts per million) set by the Indian government. In comparison, Japan and Europe allows a maximum pesticide residual level of one and three ppm, respectively, he said.

India exports around 80,000 tonnes of basmati rice to the US annually. 50,000 tonnes has been shipped this year.

Palm oil demand may gain 3% in '12

Bloomberg / Jakarta December 02, 2011, 0:37 IST

Global demand for palm oil is expected to climb next year as China and India, the largest buyers, continue to drive growth and the supply of substitute cooking oils drops, said the Indonesia Palm Oil Board.

Consumption may increase two-three per cent from an estimated 40 mt this year, said Derom Bangun, a vice-chairman of the Jakarta-based producers and refiners group.

"Supply and demand conditions will remain tight," Bangun said in an interview in Bali, Indonesia, on Thursday. "Biodiesel producers may use more canola and other vegetable oils, reducing supply for the food industry, which will benefit palm oil." Increased purchases may limit a 19 per cent plunge in prices this year of the tropical oil, used in everything from cookies and potato chips to detergents and fuel, on concerns that a deepening European debt crisis would slow the global economy and curb demand. Indonesia and Malaysia supply about 80 per cent of the world's most-consumed cooking oil.

Production and exports from Indonesia, the largest grower, may increase as much as nine per cent next year, said Bangun. The Southeast Asian country is estimated to produce 24 mt and export 18 mt this year, he said.

THE HINDU Business Line

Food inflation eases to 8% as onion, potato prices dip



New Delhi, Dec. 1:

The food price index rose 8 per cent in the week to November 19, its slowest pace in nearly 4 months and well below the 9.01 per cent rate reported in the previous week.

The sharp dip was despite an adverse base effect and the fact that most agricultural items, barring potatoes, onions and wheat, continued to move up on an annual basis.

While analysts expect some volatility in the price levels of food items to persist in the coming weeks, based on the supply-demand dynamics, the broad consensus view is that the RBI is likely to keep the policy rates unchanged in the upcoming mid-quarter review of the monetary policy.

Headline inflation has stayed above 9 per cent for the 11th month, despite 13 rate increases by the central bank since March 2010. In its October review, the Reserve Bank of India had said if inflationary pressures started to abate by December, more rate increases may not be needed.

According to data released by the Ministry of Commerce and Industry on Thursday, the non-food articles index too eased sharply to slightly over 2 per cent on an annual basis during the latest reported week. Fuels, though, bucked the trend and climbed slightly. Onions were down 41 per cent year-on-year, potato by 11 per cent and wheat by close to 5 per cent. Apart from these, nearly all other food items surged upwards on an annual basis.

The data showed the index for 'Food Articles' group declined by 1.4 per cent to 195.7 due to lower prices of fruits and vegetables, ragi, fish, gram, poultry chicken and spices. Inflation in the overall primary articles category stood at 7.74 per cent during the week ended November 19 against 9.08 per cent in the previous week.

Primary articles have over 20 per cent weight in the wholesale price index. Inflation in non-food articles, which includes fibres, oilseeds and minerals, was recorded at 2.14 per cent compared with 4.05 per cent. Fuel and power inflation stood at 15.53 per cent (15.49 per cent).

anil@thehindu.co.in

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Centre under pressure to check fall in cotton prices

M.R. SUBRAMANI

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4 States want hike in minimum support price



Chennai, Dec. 1:

With raw cotton (kapas) prices dropping to the level of Rs 4,000 a quintal, the Centre is coming under great pressure to try and stop the rates from falling further.

More importantly, at least four States, three of them ruled by the Congress, are putting pressure on the Centre to raise the minimum support price (MSP) for cotton.

Punjab, Haryana, Maharashtra and Andhra Pradesh are urging the Centre to act on the cotton price front. These States are facing agitation by farmers who are feeling let down by the falling prices, according to official sources.

In fact, the Centre is now looking at whether it should begin procurement operations since prices are close to MSP levels. According to the sources, the Cotton Corporation of India may step in to procure cotton if prices drop to MSP level.

Market rates

For the current year, the Centre has fixed the MSP for long staple cotton at Rs 3,300 a quintal. Currently, cotton prices in Gujarat and Maharashtra are ruling around Rs 4,000, while in Andhra Pradesh, rates are around Rs 3,800.

Sources said that the Maharashtra Government has demanded that the MSP be increased to Rs 4,285 a quintal.

On his part, the Union Agriculture Minister, Mr Sharad Pawar, who hails from Maharashtra, has also demanded a hike in the MSP for cotton.

Cotton prices have crashed from a record Rs 7,000 a quintal in the last week of March on lack of demand in domestic and export markets. A record crop projection of 356 lakh bales (of 170 kg each) for the current season that began in October has proved to be another dampener. Production was 325 lakh bales last year when farmers enjoyed a double bonus of higher production and higher prices.

“Hardly 10 per cent of the crop has come to markets this year but prices have already dropped sharply,” said a trading source.

Arrivals

According to the Cotton Corporation of India, arrivals until last weekend were 43.10 lakh bales against 57.17 lakh bales during the same period a year ago. Daily arrivals are 1-1.1 lakh bales against 1.8-1.9 lakh bales, a year ago.

“Farmers are holding back, expecting some rebound in prices. But it looks unlikely, particularly when only 11 lakh bales of cotton have been registered for exports,” said the source. During the same time last year, 60 lakh bales had been registered for exports.

“The situation is such that efforts are being made to raise the MSP to current market price level and then start procurement operations,” said an industry source who did not wish to be identified.

“There is no economic reason for raising the MSP,” said Mr D.K. Nair, Secretary-General of Confederation of Indian Textile Industry. “If we buy cotton at current prices and convert it to yarn, there is a loss of Rs 15 for every kg taking total costs into consideration,” he said.

Though movement in cotton yarn is being reported, especially with neighbouring countries such as Bangladesh coming forward to import, industry officials say that prices have increased only five per cent now after having dropped 45 per cent.

“Unless the European economy recovers, there may not be a real recovery in the yarn sector,” said Mr Nair.

Meanwhile, a meeting of the textiles industry, banks, the RBI, Finance, Commerce and Textiles Ministries' officials is likely to be held next week to help restructure loans of textiles companies. The banks have exposure worth Rs one lakh crore to the textiles industry and therefore, restructuring of the loans is viewed as one of the key elements to help the industry recover.

mrsbramani@thehindu.co.in

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Spot rubber stretches gain on short covering

Our Correspondent

Kottayam, Dec. 1:

Physical rubber prices improved further on Thursday. According to sources, the market gained strength on fresh buying and short covering in tune with the moderate gains in the domestic futures. Meanwhile, TOCOM rubber futures hit a three-week high, tracking overall gains in commodities and equities reacting favourably to the global economic news and reports.

Sheet rubber increased to Rs 197 (195) a kg, according to traders. The grade firmed up to Rs 198 (195) a kg both at Kottayam and Kochi, as reported by the Rubber Board.

RSS 4 recovered at its December series to Rs 199.25 (196.91), January to Rs 200.02 (197.65), February to Rs 201.50 (199.65), March to Rs 202.25 (200.50) and April to Rs 205.75 (203) a kg on the National Multi Commodity Exchange.

RSS 3 (spot) flared up to Rs 177.50 (171.68) a kg at Bangkok. The December futures bounced back to ₹262.3 (Rs 173.92) from ₹251 during the day session and then to ₹263.5 (Rs 174.72) a kg in the night session on the Tokyo Commodity Exchange.

Spot rates were (Rs/kg): RSS-4: 197 (195); RSS-5: 194 (191); ungraded: 188 (185); ISNR 20: 178 (176) and latex 60 per cent: 110 (109).

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Food Processing Ministry to improve supply chain in 12 {+t} {+h} Plan

Our Bureau

Bangalore, Dec. 1:

The Union Ministry of Food Processing plans to give emphasis on improving supply chain in the 12th plan by creating large primary collection and distribution centres throughout the country involving private sector.

Addressing the 'Bounteous Karnataka' global agri-business and food processing summit 2011 in Bangalore, Mr Rakesh Kacker, Secretary to the Ministry of Food Processing Industries, said: "During the 11th Plan, we gave emphasis on creating infrastructure, now the time has come to improve supply chain efficiencies; it is here we plan to create collection and distribution centres."

"To achieve this, we plan to make Karnataka a model State for the State has food parks, cold chains and modern abettors," he added.

Involve state govt

The Union Government is also planning to involve States to implement some food processing projects which benefit both the farmers and consumers.

"For effective implementation and monitoring of projects, we plan to involve State governments, here Karnataka can take advantage," he said.

Dr S. Ayyappan, Director General (ICAR) & Secretary (DARE), in his address, said: "For the 12th Plan, we plan to focus on human resources development and already discussions are underway to make 'Students Ready' by involving agriculture universities and 'Farmers First', where in students as part of the course have to spend 25 per cent of their time with farmers".

"This is being done to help farmers for they need experts to guide and equip them with timely farm technology or knowledge," he said.

"About 10 incubators related to agriculture are planned in the country to give major push to farm level innovation. In Karnataka, University of Agricultural Sciences, Bangalore and Dharwad are being included.

This is expected to give a push in developing low cost farm technologies in the State," he said.

As skill building exercise, ICAR is planning to use ICT to create Virtual Krishi Vigyan Kendra network in the country. The VKVK platform expects to connect all KVKs with farmers through internet and mobile technology

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Zero duty sugar imports extended till March

Shishir Sinha & Vishwanath Kulkarni

New Delhi, Dec. 1:

Sugar may not turn bitter for the time being, as the Finance Ministry on Thursday extended zero duty on imports for another four months till March 2012.

“With a price difference of just Rs 1.50-2 a kg between the domestic and international prices, domestic sugar mills will certainly not think of raising prices at least for some time,” a person familiar with the development said. The earlier notification expired on November 30.

Faced with high inflation, the government first allowed sugar import at zero duty in the beginning of this calendar year till March, but extended it repeatedly. Without such a notification, the import duty on sugar would be 60 per cent. It is believed that increase in state administered prices (SAP) in Uttar Pradesh and the first instalment of cane in Maharashtra alone can force the industry to hike the price. The recent approval by the government to export up to one million tonnes has already reflected in an increase of about 15 per cent in sugar prices ex-factory, and by about Rs 3 a kg in retail. However, the Directorate General of Foreign Trade is yet to formally notify the empowered group of ministers' (EGOM) decision to allow sugar exports of 10 lakh tonnes. The Agricultural Ministry has estimated that production would be between 255 and 260 lakh tonnes, while the Food Ministry has estimated it at 246 million tonnes. *Shishir.s@thehindu.co.in*

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Dhanuka in talks with 2 global majors for pesticide joint ventures

Vishwanath Kulkarni & Harish Damodaran

Seeking 37 acres of land at Dahej in Gujarat

New Delhi, Dec. 1:

Dhanuka Agritech Ltd (DAL) is in talks with two global pesticide majors to set up manufacturing facilities here for technical material or active ingredients that go into proprietary formulations being marketed by it in India.

“We are negotiating with two multinationals, one an American and the other Japanese, to manufacture technical (raw) material that we are now importing from them. These could be joint ventures or production under licensing arrangements; both for our own formulation requirements

and as well as for exports. It would work out much cheaper to manufacture these molecules here,” said Mr M.K. Dhanuka, Managing Director, DAL.

The Rs 500-crore company, which claims to be the fifth largest domestic branded pesticide formulation marketer after BayerCropScience, Syngenta, Rallis India and DuPont, currently has 24 products based on technical material sourced from Dupont, Chemtura Corporation, FMC Corporation, Dow AgroSciences, Sumitomo Chemical Company, Mitsui Chemicals, Hokko Chemical Industry and Nissan Chemical Industries.

REVENUE

These 24 formulations, out of DAL's total 80-plus branded pesticides portfolio, generate about 60 per cent of its total revenues.

These include some Rs 160 crore from just four products – Rs 100 crore from ‘Targa Super’ (a proprietary herbicide, with quizalofop-p-ethyl active ingredient, belonging to Nissan Chemical), Rs 40 crore from ‘Caldan’ (a cartap hydrochloride-based insecticide of Sumitomo Chemical), Rs 15 crore from ‘Omite’ (a propargite miticide of Chemtura Corporation), and ‘Dunet’ (a methomyl insecticide of DuPont).

In the above four cases – besides also for Dupont's ‘Qurin’ (chlorimuron-ethyl herbicide), and Chemtura's ‘Vitavax’ (carboxin fungicide) and ‘Dimlin’ (diflubenzuron insecticide) – even the brands are owned by the foreign firms, with DAL effectively being a distributor for these products.

For the remaining products, DAL has created its own brands such as ‘Sheathmar’ (validamycin), ‘Nukil’ (ethofenprox) and ‘Kasu-B’ (kasugamycin), though their technical material is imported from Sumitomo, Mitsui and Hokko.

“Having built up a market for these molecules here, it would make sense to go for their manufacture. We have applied for 37 acres of land at Dahej in Gujarat, which could be the right site for this purpose to supply both the domestic as well as export market,” Mr Dhanuka told *Business Line*.

Existing Facilities

DAL's existing facilities at Gurgaon (Haryana) and Sanand (Gujarat) only manufacture formulations.

“We have no intention of going in for manufacture of bulk active ingredients, barring the new generation molecules that we are now importing through our foreign tie-ups. There is no point in manufacturing generic technical materials such as cypermethrin, monocrotophos or glyphosate, where there are hardly any margins and we can very well source them cheaper locally from United Phosphorus, Excel Industries, Gharda Chemicals or Rallis,” he added.

But how sustainable is the company's model of being essentially a local distributor for multinational crop protection majors?

“We have a huge advantage of 7,000-strong dealer network, reaching 70,000 outlets and 10 million farmers. Not many multinationals – except Bayer, Syngenta, DuPont or Monsanto – have this kind of distribution infrastructure in India. The Japanese, particularly, are not keen on investing in dealer depots, branch offices, godowns and marketing teams for selling just two or three molecules,” he pointed out.

vishwa@thehindu.co.in

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Edible oils static despite positive Malaysian cues

Our Correspondent



Mumbai, Dec. 1:

Edible oils ruled steady on Thursday even as crude palm oil (CPO) futures on the Bursa Malaysia Derivatives (BMD) rebounded after falling for seven days.

Local refiners did not change quotations for palmolein, soya refined oil and sunflower oil. There was no trading in the spot market on the Bombay Commodity Exchange as retailers went on

strike protesting against the Centre's decision to allow foreign investment in the retail sector. New buying is absent because of lack of local demand and higher kharif arrivals in producing areas, a wholesaler said.

Cotton oil was unchanged at Rs 578-580 for 10 kg in Saurashtra on stable demand. Groundnut oil was unchanged at Rs 1,305 for a *telia* tin and at Rs 845 for loose (10 kg) in Saurashtra and Rajkot.

Resellers sold palmolein at Rs 570-572. Liberty offered palmolein at Rs 580-582, super palmolein at Rs 595 and soya refined oil at Rs 624. Ruchi quoted palmolein at Rs 577-579, soya refined oil at Rs 621 and sunflower refined oil at Rs 688. Allana offered palmolein at Rs 575 for delivery between December 1 and 10.

Malaysia's BMD CPO's December contracts settled at MYR3,040 (MYR3,000) and January at MYR3,062 (MYR3,012) a tonne. Soya oil for December delivery closed at Rs 627.60 (Rs 633) while for January closed at Rs 639 (Rs 645) on the National Board of Trade in Indore.

Mumbai spot prices (Rs/10 kg): groundnut oil — 850, soya refined oil — 620, sunflower exp. ref. — 630, sunflower ref. — 700, rapeseed ref. oil — 725, rapeseed expeller ref. — 695, cotton ref. oil — 600, and palmolein — 572.

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Weak offtake, global cues pull down soya oil

Our Correspondent



Indore, Dec. 1:

Soya oil was sluggish on weak foreign markets and slack local demand on Thursday.

Soya refined sold at Rs 600-602 for 10 kg (Rs 602-605). However, resellers mostly traded it at Rs 596-598 for 10 kg.

Slack buying and weak foreign markets also dragged down soya solvent in spot and delivery markets at Rs 562-566 for 10 kg ((Rs 565-568).

With lower spot demand, soya refined's December contracts fell on the National Board of Trade by Rs 10.40 at Rs 626.90 for 10 kg. On Wednesday, soya refined's December contract on the NBOT had closed Rs 3.20 lower at Rs 633.80 for 10 kg. Similarly, its December contracts declined sharply at Rs 628 for 10 kg on the National Commodity and Derivatives Exchange (NCDEX).

Except from buyers in Uttar Pradesh, there was no local demand for soya oil.

There were hardly any soyabean arrivals as mandis across the State shut down in protest against the Centre's move to allow 51 per cent foreign direct investment in multi-brand retail.

While soya seeds were unchanged at Rs 2,100-2,170 a quintal, plant deliveries of soyabeans declined by Rs 10 at Rs 2,240-2,240 a quintal. Soya seeds fell on the NCDEX for December delivery at Rs 2,100-2,170 a quintal, Rs 32 down, and for January delivery at Rs 2,225 a quintal, Rs 36 down.

Soya de-oiled cake sold at Rs 17,200 a quintal in the port, while in the local market it was unchanged at Rs 16,100.

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Sugar turns bitter on higher open sale quota

OUR CORRESPONDENT

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Mumbai, Dec. 1:

Sugar prices dropped across the country by Rs 25 a quintal on Thursday after the Centre announced a higher open market sale quota of 17 lakh tonnes for this month.

In Uttar Pradesh, sugar produced last season that ended in September was quoted at Rs 3,025 a quintal, while sugar produced this season was Rs 3,125.

“There were no buyers because people are still scared to trade fearing further fall,” said a trading source in Uttar Pradesh.

The sentiment in the Vashi wholesale sugar market was weak after the announcement of the free-sale quota. Traders expect the market to open weak on Friday, but the trend will depend on how millers sell their stocks.

Traders think the quota for December looks sufficient to meet the local demand. Traders on Wednesday evening said there were no tenders from the millers on expectation of the official announcement of quota. In view of traders' bandh on Thursday, there was no buying-selling interest. Rates for sugar at the mill level were reported to be at Rs 2,940-3,030 for S-grade and at Rs 3,050-3,100 for M-grade.

Mumbai spot rates: S-grade — Rs 3,100-3,230, and M-grade — Rs 3,220- 3,375.

Naka delivery rates: S-grade — Rs 3,050-3,120, and M-grade — Rs 3,150-3,230.

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Turmeric falls on lack of N. India orders



Erode, Dec. 1:

Heavy arrivals and cold weather in North India cut buying interest in turmeric on Thursday. Traders received fewer orders from north Indian merchants resulting in spot prices dropping by Rs 100-200 a quintal. Heavy arrival of nearly 12,000 bags also pulled down the price," said Mr R.K.V. Ravishankar, President, Erode Turmeric Merchants Association. Traders bought in the root variety to fulfil orders from north Indian buyers that came a few days ago. Even the hybrid variety decreased by Rs 120 a quintal due to lower demand. At the Erode Cooperative Marketing Society, there was activity due to quality goods on sale. Expecting orders for the yellow spice, some bulk buyers stocked up quality turmeric. Farmers said inclement weather in rural areas made taking back unsold turmeric difficult, so they sold stocks at lower prices. More worry from the depressed prices of both varieties, which have not improved from below Rs 5,000 a for a month; they have remained below Rs 5,000 a quintal for the past one month. They said if the prices improved by another Rs 2,000 a quintal, they will sell all their stocks. On Thursday, 12,000 and odd bags arrived for sales, of which 50 to 55 per cent were sold. At the Erode Turmeric Merchants Association Sales yard, the finger variety was sold at Rs 3,499-4,331 a quintal; the root variety Rs 3,391-4,369.

Salem Crop: The finger variety fetched Rs 3,700-4,889, the root variety Rs 3,734-4,660. Totally 2,473 bags arrived for sale, of which 502 were sold.

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Wheat unchanged amid lukewarm trade

Our Correspondent



Karnal, Dec. 1:

After witnessing a decline earlier this week, dara and desi wheat prices remained unchanged on Thursday amid lukewarm trading in the market. Arrivals of stock meant for the below poverty line people in the open market for sale is putting pressure on the market, said Mr Sewa Ram, a wheat trader. Wheat prices may decrease further in the coming days by Rs 10-15 a quintal, he added. In the physical market, dara quoted between Rs 1,140-1,150 a quintal. Around 55 tonnes of dara variety arrived from Uttar Pradesh and the stocks were directly offloaded at the mills.

mill delivery

Mill delivery was at Rs 1,140-1,145 a quintal, while delivery at chakki was at Rs 1,150 a quintal.

Similarly, desi wheat varieties ruled flat. Samrat quoted at Rs 1,850, Tohfa variety was at Rs 2,000 while Lok-1 was trading at Rs 1,800 a quintal. On the National Commodity and Derivatives Exchange, wheat for December delivery decreased by Rs 9 to Rs 1,176 a quintal (it had touched a high at Rs 1,183 a quintal during the day) on Thursday, while wheat for January delivery went down by Rs 8 to Rs 1,216 a quintal.

Flour Prices

Following a steady trend in wheat, flour ruled flat and quoted at Rs 1,145 for a 90-kg bag while branded flour such as Lal Quila and Ashirwad were ruling around Rs 155 and Rs 210 for a 10-kg bag, respectively. Similarly, Chokar continued to rule firm and sold at Rs 650 for a 49-kg bag.

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Slack offtake cools poultry products



Chennai, Dec. 1:

Prices of poultry products dipped this week because of seasonal uncertainties and slack offtake after remaining flat for almost two weeks.

The National Egg Coordination Committee (NECC), Namakkal zone, has trimmed the egg price to Rs 2.89 a piece to perk up consumption. Egg, that witnessed an increase in demand at the start of this month on the onset of winter, stayed flat at Rs 2.94 a piece due to fears of buyer resistance.

The price of broiler chicken, too, is on a sliding spree and has been trimmed to Rs 42 a kg from last week's Rs 46 on account of the Sabarimala season. NECC has retained the rate of layer birds (for birds of 1.3 kg) at last week's Rs 43 a kg. Namakkal and Palladam prices are the benchmarks for eggs and chicken in the country.

"This is a usual phenomenon, and prices will not be hiked till Christmas when the demand for poultry products resumes," said an NECC spokesperson.

Exports, too, have taken a hit since 2006 due to continual outbreak of bird flu in pockets of the country. Egg exports, which peaked at 1,019.03 lakh eggs in 2007-08, have plummeted to just 446.34 lakh eggs in 2010-11. Table eggs are already out of the Gulf menu and the trade is now looking at Africa and SAARC nations. But industry sources say players are keen on catering to the home turf and focus on value-addition as many mid-sized units have invested heavily and put in place environmentally controlled sheds eyeing export markets. Ever since the export basket dried up, the trade is gradually exploring newer possibilities to cater to the domestic market.

gayathri.gururajan@thehindu.co.in

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