THE HINDU

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Millers stop paddy purchase

G. Venkataramana Rao

Rice millers in Krishna district have stopped purchase of paddy from farmers because of a new procedural red tape introduced by the Civil Supplies Department.

The Civil Supplies Department has made it mandatory for the millers to collect several details from the farmers and have them verified by either the sarpanch, ward member or panchayat officer and get a form signed by them.

Millers claim that the farmers in the district prefer to sell their paddy to them as they pay Rs. 25 more per 75 kg. bag than the paddy purchase centres. At the PPCs, farmers are being paid an MSP of Rs.1,118 for ‘A' grade paddy and Rs.1,080 for common grade.

The district administration has established 112 PPCs in association with Primary Agricultural Cooperative Societies (PACS), Self-Help Groups (SHGs) and the Food Corporation of India (FCI) to instil confidence among the farmers and prevent them from resorting to distress sale.

While the presence of large number of PPCs is pushing the rice millers to compete amongst themselves and make attractive offers to farmers, the restrictions placed by the Civil Supplies Department have made the millers stop purchasing paddy.

The pro-forma requires farmers to provide mobile and landline numbers, FAQ (fair average quality) of paddy, variety of paddy, the MSP the produce attracted, and money paid to each farmer.

In practice, small farmers do not go to the miller at all. A middleman collects their produce and hands it over to the miller saving them transport charges.

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SHG members trained to produce mushrooms

Staff Reporter

Programme sponsored by NABARD

A one-day training programme on ‘mushroom production and its uses' was held at the Krishi Vigyan Kendra (KVK) at Papparapatty in Dharmapuri district for the members of Self Help Group from across the district recently.

A release from the KVK said the programme was sponsored by the National Bank for Agricultural and Rural Development (NABARD) and the Thenkoodu Federation Society (NGO). The training programme was arranged in such a way that women attendees could start their own venture through cultivation of mushroom.

In his special address, Dr. N. Tamilselvan, Professor and Head, KVK, Papparapatty, emphasised the scope and importance of mushroom cultivation that would enhance the socio–economic status of rural masses, especially women entrepreneurs.

C. Ganesan, Assistant General Manager of NABARD, explained the schemes in operation and loan facilities for mushroom production in the district.

Delivering the technical lecture, Dr. R. Jansirani, Associate Professor, explained the history of mushrooms, varieties and its nutritional properties, commercial value, identification of poisonous mushroom, spawn production, and bed preparation particularly for oyster and milky mushrooms, followed by a demonstration.

During the demonstration, paddy straw soaking, steaming, drying and bed preparation were explained by Mr. Santhalingam, a leading mushroom entrepreneur in the district. Dr. P. Suthamathi, Assistant Professor, KVK gave training on bed preparation at KVK itself.

Training was also given in practicing and tackling practical difficulties in mushroom production in their farm premises, a release from KVK said.

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‘Returns from contract farming not farm income'

Krishnaprasad

Division Bench of High Court gives ruling

The income generated by agri-business firms through their “contract farming” agreements with farmers cannot be treated as agricultural income eligible for waiver of income tax. In a recent judgment on petitions by Namdhari Seeds Pvt. Ltd., a Division Bench of the Karnataka High Court held that such income of agri-business firms come under the purview of business income which attracts tax under the provisions of the Income Tax Act.

In this case, the firm had claimed as agricultural income the amount generated by it from the sale of hybrid seeds grown on land belonging to various persons under “contract farming” agreements. As per the Income Tax Act, according to the firm, income derived from agricultural land qualifies as agricultural income and it is not necessary to own land to derive agricultural income.

Though the Income Tax Department had rejected this claim, the Income Tax Appellate Tribunal had, in its 2006 order, treated 90 per cent of the firm's income as agricultural income.

However, the High Court pointed out that the entire terms of agreement would indicate that the foundation seeds grown by the farmer would be purchased by the firm at the end for a certain price provided seeds fulfilled the specifications as per the agreement. “It (agreement) is nothing short of a fertile womb being offered by a surrogate mother for the growth of a child of someone else. The assessee firm supervises and oversees the sowing, cultivation right from the process of sowing till the end to get the qualified foundation seeds to carry on its trade in selling certified seeds. The firm also provides scientific advice. However, the firm is not carrying out none of the normal activities of farming.

“Such input or scientific method in giving advice to the farmer cannot be termed as either basic agricultural operation or subsequent operation ordinarily employed by the farmer or agriculturist. If the basic operations of agriculture are not carried out by the firm, then the harvested foundation seeds purchased by it, and converting them to certification seeds also cannot be termed as an integral part of the foundation activity of agriculture,” the court said while treating the entire income generated by the company as business income.

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Lankan team to study dairy farming methods

Special Correspondent

To visit Kulathupuzha farm

A group of 25 veterinary doctors and animal husbandry officers from Sri Lanka have begun a tour of Kerala to study the State's initiatives in dairy farming.

The delegation, led by Hiteki Saito, Chief Adviser, Feeding and Dairy Management, Department of Animal Production and Health, is scheduled to visit the high-tech farm established by the Kerala Livestock Development Board (KLDB) at Kulathupuzha. The team will also visit the bull semen station at Mattupatty, the progeny testing units at Mavelikara, the KLDB training centre at Muvattupuzha, artificial insemination centres, and small dairy farms.

The members called on Minister for Agriculture and Animal Husbandry K.P. Mohanan at his official residence here on Tuesday morning. Secretary, Animal Husbandry, Manoj Kumar, Director R. Vijayakumar and KLDB Managing Director Ani S. Das were present on the occasion.

During its five-day tour, the delegation will interact with veterinary and animal husbandry experts in Kerala. The members will also undergo training at the KLDB international training centre, Mattupatty.

Mr. Das said the primary objective of the tour was to observe the functioning of the high-tech dairy farm at Kulathupuzha and the Milk City project involving satellite farms. The island nation, he said, was looking to equip its small dairy farms with modern technology for profitable operations.

“They chose to visit Kerala because the high-tech farm at Kulathupuzha adheres to standards followed by European countries that have made great strides in organised dairy farming. With such a facility in a neighbouring country, Kerala was a natural option.”

The team will also study the scientific feeding and breeding techniques adopted by Kerala. The delegation is looking to replicate the technology-assisted dairy farming methods to improve the quality of livestock and make dairy farming profitable.

- *Team members call on Agriculture Minister*

- *To study scientific feeding, breeding techniques*

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Less water supply during rabi

Special Correspondent

Decision taken due to precarious water levels at the sources

The Irrigation Advisory Board (IAB) has decided to reduce the duration of rabi water supply considering the precarious water levels at the sources.

Ministers E. Pratap Reddy, T. G. Venkatesh, MLAs Katasani Rambhupal Reddy, Labbi Venkata Swamy and MP S.P.Y. Reddy attended the meeting here on Tuesday which was presided over by Collector Ramsankar Naik.

The meeting decided to ensure supply under Tungabhadra LLC till the end of February for 20,000 acres as against 36,000 acre. Also, the KC canal and Telugu Ganga farmers would get supply till the end of February for the entire ayacut.

However, farmers were advised to go for a short cycle irrigated dry crops rather than water intensity crops like paddy. SRBC would get water till January end only.

Collector asked the RWS and local bodies' officials to fill the summer storage tanks and other drinking water sources.

The meeting debated intensely on the poor supply under LLC saying Karnataka was drawing much higher amounts than its entitlement. Mr. T. G. Venkatesh suggested that the problem would be solved only when the Karnataka government intervened and disciplined its farmers and motivated officials to regulate water consumption.

He said certain visual data was required to convince the Karnataka political leadership about the injustice.

- *Farmers advised to go for short cycle irrigated dry crops rather than water intensity crops*
- *'Karnataka is drawing much higher amounts of water than it is entitled to'*

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Rajasthan farmers urged to adopt new techniques

Special Correspondent

Rajasthan Agriculture Minister Harjiram Burdak has called upon farmers to adopt new practices and techniques "without hesitation" as the farm technology is developed after prolonged research at prestigious institutions in the country.

Inaugurating a new soil-testing laboratory at Laxmangarh Panchayat Samiti in Sikar district, Mr. Burdak said applying innovative techniques to farming would save water, augment crop yield and reduce the financial burden on farmers.

Drip irrigation and sprinklers were two of such techniques, he added.

Mr. Burdak said a seed processing centre coming up at Laxmangarh would immensely benefit the farmers of Shekhawati region at a time when the agricultural land was shrinking and the soil productivity was getting affected by pollution and climate change.

"Yet agriculture continues to be a life-sustaining occupation. Farmers have a very important role in the national economy," said Mr. Burdak while calling upon the youths to take up farming after completing their education instead of running after the low paid jobs.

800 crore disbursed

The Minister pointed out that the Union Government had recognised the role of the Agriculture Department in disaster management on the suggestion of Rajasthan and the State Government had disbursed among the farmers Rs.800 crore of the Rs.1,200 crore received from the Centre under the head this year. Rajasthan has also taken an initiative for honouring the successful farmers.

- *Farm technology is developed after long research: Minister*
- *"New techniques will augment crop yield"*

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Coffee export orders drop

Orders for Indian coffee exporters have turned sluggish at the start of new crop year 2011-12 (October-September) as buyers in the key market, the debt-crisis hit Europe, have preferred to keep low inventories. Will the arrivals and exports pick up in the next quarter?

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The looming perils of over-fishing

K. Narayana Kurup

Fisheries have emerged as an important economic activity that makes a substantial contribution to nutritional needs, employment generation and foreign exchange earnings in India. In recent times, fisheries have grown into a mega-industry providing employment to hundreds of thousands. It brings in a million tonnes of fish annually. Fleets of mechanised boats and motorised country craft are deployed. The growth is largely due to technological innovations in the marine fisheries sector.

Nevertheless, the use of modern technology has raised critical issues. One aspect is the impact of the intensive use of trawlers and other sophisticated fishing gadgets. It should be examined whether the level of introduction of mechanised fishing vessels matches the resources available.

Other issues include the intrusion of foreign trawlers into India's exclusive economic zone. Poaching adds to the pressures on marine resources. The Indian fisheries sector should pressure the authorities to see that fishery reserves are not thrown open for indiscriminate exploitation by outsiders. Primarily it is the state's duty to protect marine resources by effective patrolling by the Coast Guard. A fishing fleet to conserve valuable marine wealth could be formed.

Indiscriminate trawling by Indian vessels along with intruding foreign vessels, the absence of regulations regarding the size of the craft, gear and engine, have spawned formidable problems, ecological and otherwise.

Research has pointed to a need to regulate fishing. Over-exploitation could spell doom in the long run. A moratorium may be imposed on the construction and replacement of mechanised vessels to stop over-exploitation. There is a need to make periodic estimates on the status of fishery resources and deploy fishing efforts accordingly. Such a marine audit would help ensure the sustainable development of resources.

Fishing is central to the livelihood and food security of 200 million people, especially in the developing world. One in five people on this planet depend on fish as the primary source of protein. Its depletion will pose a threat to food supply. Statistics reveal that global marine fish stocks are in jeopardy, under pressure from over-fishing and environmental degradation.

What is the solution? Experts believe that the establishment of Marine Protection Agencies (MPAs) may hold the key to conserving and boosting fish stocks. Yet, less than 1 per cent of the oceans and seas are covered by MPAs.

Viewed from another angle, the rapid growth in demand for fish and fish products is leading to the price of fish soaring faster than that of meat. Investment in fisheries has become attractive to entrepreneurs and governments. This has led to a drastic fall in commercial fish population as a sequel to over-exploitation.

The situation calls for quick measures. Some experts recommend ‘zero catches' to allow for regeneration. One study projects the global collapse of all species currently fished by mid-21st century. More than 75 per cent of world stocks have been fully exploited, and this calls for a revolutionary change in the management of fishing resources. There will be total collapse of fisheries by 2050 if no action is taken to halt over-fishing. At the current rate of fishing there is a clear and present danger of stocks declining to an extent that would render commercial fishing impossible.

Global warming and climate change pose threats to fisheries. As carbon dioxide levels rise, the oceans become more acidic, rendering the water inhospitable to marine species. The impact of temperature changes on marine species can be dramatic from the standpoint of reproduction and survival. Temperature is a major factor in the occurrence of Harmful Algal Blooms (HABs) which impact areas used by the shell fish industry.

Temperature changes result in species abandoning an area and moving beyond the range of fishery, hitting the industry and not the species as such. Therefore, we should have systems to monitor any marine activity that might have a negative impact either on the species or the industry.

Another likely fallout of global warming and climate change is an increase in the variability of environmental conditions. Long-term variations and fluctuations in the marine environment call for adaptability. Sustainable economic levels of fishing capacity should be determined with a focus on the variability of environmental conditions.

One hindrance to sustainable fishing is pervasive, illegal, unreported and unregulated fishing (IUU). It works against those fishers who act responsibly, honestly and in accordance with the terms of fishing regulations. IUU fishing needs to be curbed. If fishers are given a free hand to target vulnerable stocks that are subject to management control and moratoria, efforts to rebuild stocks to healthy levels will turn futile.

Oil spills and oil wastes – approximately 706 million gallons of oil reach the oceans every year – constitute a threat to marine life and fisheries, harming the deep ocean and coastal fishing and fisheries. The immediate effect of toxic oil waste may be mass mortality and contamination of fish and other food species, but the long-term ecological effects may be worse. Toxic oil waste poisons and damages sensitive marine and coastal substrata, interrupting the food chain on which fish and sea creatures depend and on which their reproductive success is based. Also, commercial fishing may be profoundly affected.

Discharge of effluents into inland waters which eventually carry them to the oceans constitute a grave threat. Acute and chronic fish mortalities in rivers and fisheries are frequently produced by toxic pollutants in industrial effluents and agricultural wastes. The increasing pollution load and over-exploitation of water resources for drinking purposes, irrigation, industrial and thermal power plants to meet the requirements of the growing population significantly reduces their assimilative capacity. This stress on the water course is ultimately faced by the biological species inhabiting them. Aquatic life faces severe oxygen shortage due to bacterial decomposition of untreated sewage; high turbidity restricts the penetration of sunlight in the deeper layers affecting photosynthesis. Anaerobic decomposition of algal blooms leads to generation of toxic substances. The end result is excessive growth of phytoplankton due to increase in turbidity, depletion of dissolved oxygen and consequent suffocation of fish and molluscs.

In aquaculture, agricultural farms were converted into commercial aquaculture on a large scale. They utilised enormous quantities of sea water pumped through pipelines from the sea. The impact was painful and horrifying: it led to the salinisation of a large extent of groundwater, pollution of ponds and other water sources, destruction of landgroves and so on. Abandoned shrimp farms and ponds remained virtually unusable. The Supreme Court in*Jagannath Vs UOI (1997) 2 SCC* considered the question of whether the aquaculture industry is an industry that needs coastal facilities. Under the Coastal Regulation Zone (CRZ) notification, any industry that needs foreshore facilities is exempted from the prohibition. The aquaculture industry needs brackish water. The Supreme Court said this fact by itself was no justification to locate the industry on the foreshore. The court said brackish water can be brought from the sea by pipes and therefore the aquaculture industry needs no foreshore facilities. The court, while disposing of the case, referred to the "Polluter Pays" principle. This means that liability for any harm caused to the environment extends not only to the victims of pollution but also to meeting the cost of restoration.

The Central government has given shape to Marine Fisheries Management Bill. The Bill has come under criticism on the ground that it transgresses the constitutional rights of the States relating to fisheries. The core of the objection is that 'Fisheries' is a State subject under the Seventh Schedule to the Constitution (State List), and the Maritime Zones of India Act of 1976 provides that the territorial seas extending up to a distance of 12 nautical miles from the coast are under the exclusive jurisdiction of the State concerned. Therefore, the provisions of the Bill authorising the Union government to exercise jurisdiction over fishing activities in the territory legally under the domain of the State cannot be legally sustained.Advancement in science and technology can be a boon or a bane. It will be a bane the moment we become slaves to technology. We are depleting scarce resources with the help of advanced technology, forgetting that the members of the present generation are trustees and guardians of the environment for succeeding generations. It is legally and morally bound to preserve and conserve the environment, as otherwise what is left for tomorrow will be parched earth and exploited oceans and seas. Minors Oposa theory of intergenerational equity and responsibility reminds the present generation that it has to be fair and just to itself, its unborn children and to Mother Earth.

(The author is a former Acting Chief Justice of the Madras High Court)

Indiscriminate trawling and the absence of adequate regulation have spawned formidable problems, ecological and otherwise.

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Workshop held on forest conservation

Qualitative enhancement of forest land is quite important along with its quantitative increase of forest cover, opined experts at a regional workshop on the topic 'forests for the people' held on the campus of Berhampur University on Monday.

The workshop was organised jointly by the State Forest Department, Human Development Foundation (HDF), and Berhampur University. Discussions were held regarding the conflict between human habitat, forest land, and wild animals as well as the measures that can be initiated for their proper co-existence. The workshop, which was chaired by Berhampur University Vice-Chancellor Jayant Mohapatra was attended by Principal Chief Conservator of Forests (PCCF), wildlife, J.D. Sharma, Regional Chief Conservator of Forests (RCCF) AOF Bakhla, Gopalpur MLA Pradip Panigrahy, several DFOs including Berhampur DFO A.K. Jena, academicians and representatives of Vana Surakshya Samities (VSS).

Mr. Sharma, who was the chief guest of the function, highlighted the dangers that grass-root level forest officials were facing while protecting forests from unscrupulous elements. He cited the examples of two foresters who were killed in Sunabeda sanctuary area and Ranapur in recent past by the criminals involved in looting of forest reserve.

According to him, proper protection of forests surely needed ample protection and sops for these ground-level forest officials. The office, said that he recently proposed the State government to come up with some major insurance plan for the forest officials who work in extreme dangerous conditions, fight the poachers and timber mafia in Maoist-affected areas.

He said proper coordination between general public living in forest areas and forest officials was the basic need of forest protection.

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Farm equipment distributed

Special Correspondent

growth engine: Collector B. Maheswari giving away agriculture equipment to a farmer at a function in Pudukottai on Saturday.

Modernised farm equipment were distributed under the Centrally-sponsored National Agriculture Development Programme. A total of 31 farmers got rotavators while four farmers got power tillers.

Speaking after distributing the farm equipment, B. Maheswari, Collector, said that it has been planned to distribute 65 rotavators and 19 power tillers during the current financial year. The total subsidy would be Rs.36.60 lakh. The beneficiaries included 21 farmers belonging to the Adi Dravidar community, she said. The assistance would be extended in a phased manner. In the first phase, 31 farmers benefited today.

K. Naggarajan, District Revenue Officer; P.M. Perumal, Joint Director of Agriculture; K.M. Shahjahan, Gnanaoli, both Deputy Directors of Agriculture were present.

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Staff shortage hits execution of farm schemes

R. Vimal Kumar

Acute staff shortage in the agriculture department in the district has made implementation of increasing number of government-sponsored schemes and timely distribution of farm equipment/inputs to farmers difficult.

Sources in the agriculture department told *The Hindu* that though the office of Joint Director of Agriculture was constituted for the relatively new Tirupur district on December 29, 2009, with a sanctioned staff strength of 39, as many as 27 posts were yet to be filled.

At the field/block level, around 25 to 30 per cent of the 276 sanctioned posts are vacant.

Different stakeholders in the sector fear that the state government's vision of a ‘second Green Revolution', which envisages doubling the income of small and marginal farmers in the district and enhancement of production/yield by 50 per cent in three years, is not attainable in the near future, leave alone in the stipulated period, if steps are not taken on a war footing to address the human resources issue.

Officials in the department feel that senior revenue officials in the district administration who have been frequently pinpointing to the shortfall in the achievement of crop/seed distribution targets set under various government schemes in the meetings, should understand that there is only one junior assistant to coordinate the implementation of about 20 government-sponsored schemes for the entire district.

This was against the originally sanctioned strength of one superintendent, four assistants and two junior assistants for the section, which is functioning at the joint director's office.

“The single junior assistant now carries out the paper works relating to administration and accounts and goes to the post office to dispatch the materials/documents to the block level offices concerned,” agriculture department sources said.

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Increasing rice productivity

RAVIPRASAD KAMILA IN MANGALORE

Making the most of it: Shivaprasad Patte in his paddy field near Puttur. — PHOTO: RAVIPRASAD KAMILA

Even as paddy fields are increasingly giving way to rubber and arecanut plantations in Dakshina Kannada, there are many rice farmers who have taken up a method known as SRI (System of Rice Intensification) in recent years.

Shivaprasad Patte, an agriculturist near Puttur, said that he has been practising the SRI method from 2004 on one acre land. While under the conventional method, he required 24 kg of seeds per acre, his yield was only 12 quintals. Under SRI method, he requires only five kg of seeds per acre and the yield is between 15 quintals and 17 quintals. He got 70 kg rice from each quintal of paddy.

A. Padmaiah Naik, Joint Director of Agriculture, Dakshina Kannada, agrees that yields are better under SRI, a method developed by French Jesuit Father Henri de Laulanie in

Madagascar in 1983, he said. “The difference between the conventional and SRI methods lies in planting paddy seedlings,” Mr. Patte said.

Unlike the traditional method, where bunches of four to five seedlings are planted in one spot, only one seedling is planted at specified distance in columns under the SRI method. The single seedling then multiplies into a bunch on its own. Its roots gradually spread out and become stronger. Seedlings can thus more easily “breathe” air and absorb sunlight.

In conventional method, roots “compete” with each other while spreading, there is less breathing space, and seedlings get less sunlight, he said.

Mr. Patte said that the gestation period under both the methods was 100 days to 120 days after planting. He said that under the SRI method seedlings are less susceptible to diseases such as stem borer and root borer.

The Joint Director said that some members of Shree Kshetra Dharmasthala Rural Development Project (SKDRDP), a non-governmental organisation, have also adopted the SRI method. Its website claimed that 9,453 farmer members have adopted SRI method during 2010-11 on 12, 783 acres. Mr. Naik said that 32,423 hectares was under paddy in the district in 2011 kharif. Of this, he said that about 800 hectares could be under SRI method.

RAVIPRASAD KAMILA IN MANGALORE

Many farmers in Dakshina Kannada have taken up System of Rice Intensification

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UAS to promote precision farming

Staff Correspondent

Demonstration to be held in Bisanalli village

The University of Agricultural Sciences (UAS) will promote precision farming, a new concept being adopted in the State particularly in the north Karnataka region, said Vice-Chancellor R.R. Hanchinal.

Inaugurating the two-day training programme on ‘Precision farming in cotton crop' organised for the officials of the Agricultural Department, progressive farmers and the varsity staff, here on Monday, he said this method was adopted in Dharampuri in Tamil Nadu.

The farmers in Dharampuri are now earning better returns for their produce now than ever before. Besides, they are directly selling their produce at the market. This has not only enabled them to get a proper price for their produce but has also helped in containing the menace of middlemen. The Vice-Chancellor called upon the farmers and the officials concerned to understand what is precision farming all about and adopt it in their dry land. Emphasising the need for water management, Mr. Hanchinal regretted over the depleting water resources and called upon the farmers to use water judiciously. He said that because of the excess use of chemical fertilizers, soil is losing its fertility. Hence there is a need to use fertilizers meticulously.

Mr. Hanchinal said the university would hold demonstration on precision farming on the 128-acre land in Bisanalli village.

Extension Director L. Krishna Nayak released a booklet on "Precision Farming in Cotton Crop".

Research Director P.M. Salimath in his presidential remarks, stated that after Rajasthan, Karnataka is the only State which has last stretches of dry land. Hence, precision farming has popped up as a new avenue in farming for the farmers. He asked the farmers to collect detailed information on precision farming.

Earlier, Principal Researcher N.R. Mamaledesai said with precision farming, the farmers can enhance the fertility of the soil on their farmland. The method also addresses the issues of moisture and nutrient deficiency.

- *'Precision farming enhances soil fertility'*
- *The method was first adopted in Dharampuri in Tamil Nadu*

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HT Correspondent, Hindustan Times

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...but a study says it controls inflation

Foreign direct investment (FDI) in the retail sector would help contain inflation while transforming the manner in which perishable items in the agriculture sector is acquired, a study by Columbia University has stated.

“It (FDI in retail sector) will transform the way perishable agricultural produce is acquired, stored, preserved, and marketed — and thus help control India’s persistent food inflation,” Nandita Dasgupta of University of Maryland, wrote in Columbia FDI Perspective which was published on Monday.

Food inflation in India remained over 10% for many months, primarily due to supply side constraints. For the week ended November 22, it stood at 8%. Though inflation showed signs of easing it continues to remain a concern.

IT'S GOOD FOR THE CROPS

- FDI in multibrand retail with effective checks to protect SMEs will ease supply-side hurdles to agriculture
- This can help bring down food price inflation, which is a major problem in India right now
- Several developing economies such as Argentina, Brazil, Chile and Indonesia allowed 100% FDI in retail, and have not suffered.
- China opened FDI in retail in 1992, and has attracted huge investments

FDI in the retail sector would bring in foreign capital, technology and managerial expertise of big international retailers while developing an efficient linkage between the back-end supply chain and the front-end operations, the paper suggested.

“In Indonesia, even after 10 years of opening FDI in multi-brand retail, 90% of the business remains with small traders,” the study noted.

http://www.hindustantimes.com/StoryPage/Print/778697.aspx

By Express News Service

06 Dec 2011 01:34:22 AM IST

Jasmine turns too dear

THIRUVANANTHAPURAM: The ‘queen of fragrance’ sprang a surprise on customers in the city last week, with the prices touching highs and lows in a matter of hours. The price of jasmine, the most-sought after fragrance in the flower market, stood at Rs 600 per kg on Monday after touching a high of ` 2,000 on Saturday.

The worst-affected owing to the price rise were marriage parties, for whom jasmine flowers are inevitable for the celebrations. While a few opted for ‘Thulasi malas’, majority of the customers bought the jasmine garlands by paying exorbitant rates.

‘’Though many of the marriage customers bought jasmine flowers for the bridegroom by paying between ` 5,000 and ` 8,000 on Saturday, they all chose other flowers like ‘pichi’ for the relatives,’’ said Sunil, the staff at a flower shop.

‘’On Saturday, the prices went up as there were a number of marriage bookings on Sunday,’’ said Murugan, a vendor. The price came down to ` 1,200 on Sunday as there weren’t many marriages the next day, he said.

‘’The fog, which started in the last couple of weeks, is affecting jasmine farming in Tamil Nadu. The prices are likely to go up for two more months,’’ said Murugan.

The flower shops in Chalai, the largest flower market in south Kerala, are ordering less flowers as the demand has dropped. Jasmine flowers reach Chalai from the farms at Sankarankovil, Thovala and Madurai in Tamil Nadu.

‘’Usually, on an average, around 100 kg of jasmine flowers used to reach Chalai every day. But the rising prices and the subsequent drop in demand has lowered it to 50 kg,’’ said Saji, who owns two flower shops in the market.

Besides the mist, another reason for the rise in prices is the conversion of farm lands to wind farms, said Saji. ‘’Several farm lands in Sankarankovil and Thovala were bought by entrepreneurs for setting up windmills. This too has lowered the production,’’ he said.

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Mullaperiyar: Kerala meet for new dam

THIRUVANANTHAPURAM / CHENNAI: As the Centre stepped in to resolve the stand-off over Mullaperiyar row, an all-party meeting in Kerala today stuck to the state's demand for a new dam disregarding Tamil Nadu's opposition even as normalcy returned to protest-hit border areas on both sides.

The entire political spectrum in Kerala resolved to move ahead unitedly on the issue by pressing for a new dam and lowering the water level to 120 feet in the 116-year old structure over which the state has expressed safety concerns.

Reports from Idduki in Kerala and Theni in Tamil Nadu said tension in the border areas following some incidents yesterday has eased and inter-state vehicular movement resumed, though prohibitory orders remained in force in Kumily, bordering Tamil Nadu.

Welcoming the Centre's decision to convene official level talks as a "positive step forward" to resolve the issue, the meeting authorised the UDF Government headed by Oommen Chandy to pursue Kerala's case taking all legal and administrative steps without compromising good ties with Tamil Nadu.

The leaders wanted people to exercise utmost restraint as the state valued its relations with Tamil Nadu greatly, Chandy told reporters.

The meeting was held ahead of the one-day special Kerala Assembly session on December 9 to discuss the dam issue and a day after the Centre invited officials of Tamil Nadu and Kerala for talks on either December 15 or 16.

Chandy said Kerala was ready to give an undertaking that Tamil Nadu would continue to get the same quantum of water even if a new dam was built.

In Chennai, Tamil Nadu Theatre Owners Association announced all cinema houses across the state would be closed on December 15 protesting Kerala Government's stand on the dam issue.

"We will remain closed from 8 am to 6 pm across the state on December 15 and our members will hold a fast protesting the Kerala government stand. We strongly object to it," R Panneerselvam, General Secretary of Tamil Nadu Theatre Owners' Association said.

There were over 1,450 theatres across Tamil Nadu, he added.A report from Cumbum and Gudalore said shops in the area remained closed for the second day today.Six hundred police personnel had been deployed and six officials, in the rank of SPs and DSPs, were closely monitoring the situation in the border areas, Police said.A consultative committee meeting was convened by Theni District Collector Palanisamy when views were sought from various sections of the People on maitaining peace in the border area.Former President A P J Abdul Kalam's Scientific Advisor V Ponraj said the dam was 'very safe' and described Kerala's fears were 'unfounded'."Mullaperiyar dam is safe, very safe. None of the dams are in the danger zone. Mullaperiyar dam is in a safe zone. So, there is no need to worry about it," he told reporters in Chennai.

Industry chamber criticises free power for farmers

Express news service Posted online: Wed Dec 07 2011, 06:08 hrs

Ludhiana : The Apex Chamber Of Commerce And Industry has expressed its concern over the high electricity duty in Punjab which is 13 per cent at the moment, apart from 10 paise octroi per unit on power.

P D Sharma, president of the Apex Chamber of Commerce and Industry, stated that Punjab State Power Corporation Ltd (PSPCL) is giving free power to BPL families and farmers but has made no provision to reduce the electricity duty.

He added that as a result of the free power, PSPCL is becoming bankrupt and industry has to rely on captive power. The VAT rate on diesel (used in captive power) is very high and it also attracts 2 per cent octroi. Equipment for captive power also attract an entry tax.

The chamber stated that PSPCL has made provisions for increasing electricity duty up to 25 per cent and it is the highest in the country. Till the financial year, 2004-05, it was only 5 per cent and was increased to more than double in the following years.

Industrialists keeping an eye on the elections said that if the Government is serious about freebies, it should also think about industry. Sharma stated that electricity duty and octroi power should be covered under VAT to reduce the burden on industry. This is a long-pending demand, he added.

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the pioneer

3,000 paddy mandis to be opened

TUESDAY, 06 DECEMBER 2011 23:43

PNS | BHUBANESWAR

Considering the demand of various farmers’ organiSations, the State Government on Tuesday decided to open as many as 3,000 mandis (procurement centres) to collect paddy.

According to official sources, since the Mandia opened during the 2010-11 procurement year were inadequate for collection of paddy from the farmers, during the current 2011-12 procurement year, it was decided to open additional procurement centres to help farmers sell their produce nearer to their villages.

Last year, a total of 2,727 procurement centres were opened. This year, another 273 Mandis would be set up. The Procurement Committee, headed by respective district Collectors, would decide opening of the new centres. The additional Mandis would be opened by December 15, the sources said.

Last year, the procurement of paddy was fixed at 32 lakh MT while during the current year the target rice has been fixed at 28 lakh MT due to the floods and drought. PNS

State ponders special Cabinet for agri sector

TUESDAY, 06 DECEMBER 2011 23:00

PNS | RANCHI

HITS: 10

Chief Minister Arjun Munda said that the State Government is mulling to form a special cabinet for the agriculture and agro-based industries in Jharkhand.

Munda announced this at a Press conference after a meeting of the State Coordination Committee headed by JMM Chief Shibu Soren, on Tuesday. Talking about his proposed visit to Palamu division from Wednesday, Munda said that he will take stock of infrastructural developments. Briefing about the meeting, Munda said that views and priorities of the coalition partners in the Government have been obtained to draft a development policy.

“All Ministers having delegated responsibilities of the development works of districts of Jharkhand have been asked to hold regular review,” he said. He said that State Government’s flagship programmes like Dal Bhat Yojana, Ladli Lakshmi Yojana and others will be reviewed for its proper implementation. “We have fixed priorities for the next five years. We will ask the Centre to allow local budgeting of the NREGA schemes. We have focused attention on water resource management,” Munda added. He said that the State Government will soon undertake surveys of the water resources in Jharkhand.

Munda once again raised the issue of grant of special status to Jharkhand, blaming Centre for ignoring the due rights of the State. “The Government is determined to bring development in areas which remained un-developed from centuries,” he claimed. He put special emphasis on social security schemes.

“We are trying to perform as per the expectation of people. Our works have been appreciated. Since we have fewer resources, we are working overtime for resource mobilisation,” Munda said.

Asked about the timeline under which panchayat body will be delegated rights, Munda said that State Planning body has already held meetings over the matter. “Now the meeting will be held at the district level. Rights will be delegated very soon,” Munda said.

Kerala’s Cong to join stir over Mullaperiyar
MONDAY, 05 DECEMBER 2011 17:57
VR JAYARAJ | KOCHI
HITS: 67

After continuously asking other parties to show restraint in their struggles over the Mullaperiyar dam issue for over the past two weeks, the Congress in Kerala on Monday decided to join the ongoing agitation even as reports about Tamil Nadu’s readiness for talks with Kerala on the issue generated relief and hope across the State.

“The prayers have become fruitful,” said State Finance and Law Minister KM Mani, also chairman of the Kerala Congress (M), third biggest party in the ruling coalition, about the Tamil Nadu decision, at Chappath , Vandipperiyar near the Mullaperiyar dam where he observed a dawn-to-dusk fast on Monday “to open the eyes” of the neighbouring state.

After a meeting of the executive committee of the Kerala PCC in Thiruvananthapuram, its president Ramesh Chennithala said that his party had decided to join the “people’s movement” over the Mullaperiyar issue demanding a new dam to replace the 116-year-old existing one, lowering of reservoir water level to 120 feet and an out-of-court settlement of the issue.

The district Congress committee in Idukki, where the dam was located, would organize a “people’s collective” at 2.00 pm Tuesday at Vandipperiyar where an agitation demanding a new dam by local people had been going on for the past 1,809 days. People’s collectives would be organized in all the 140 Assembly constituencies in the State on December 12, Chennithala said.

State Congress general secretary EM Augusty would start an indefinite hunger strike at the venue of the collective on Tuesday. Observers pointed out that the Congress party had so far been against agitations like hunger strike – officially – by political leaders on the ground that such agitations would amount to whipping up of passions.

At the same time, the KPCC executive meeting called for an examination of whether Advocate General KP Dandapani, who had on Friday given an affidavit in the High Court that effectively went against the interests and contradicted the stand of the State Government in the dam issue, should continue in that post.

“The AG is appearing at a Cabinet meeting on Wednesday and a decision would be taken after he presents his position on the matter,” Chennithala told newsmen as KPCC executive sources said Chief Minister Oommen Chandy had tried to justify the Advocate General at least partially while admitting that his statement had caused problems for the Government.

Chandy said that Dandapani’s affidavit in the court – that there would be no huge disaster even if the Mullaperiyar dam burst – was not incorrect but he could not convince the court about the threat posed to the dam by its high water level and the recurring tremors. “But the last laugh in the issue will be ours (Kerala’s)” a PCC source quoted Chandy as saying at the meeting.

Law Minister KM Mani and Water Resources Minister PJ Joseph observed fast – which they termed as mere acts of prayer – on Monday over the Mullaperiyar issue by totally ignoring the instruction given by Chief Minister Chandy that Ministers should not take part in direct agitation programmes over the highly sensitive inter-state issue.

Mani held the fast at Chappath in Idukki while Joseph did it in Delhi. Deputy Opposition leader in the State Assembly Kodiyeri Balakrishnan alleged that this reflected the loss of collective responsibility of the Cabinet but Joseph replied that one might not be able to stick to collective responsibility when the issue was about the lives of lakhs of people.

Business Standard

Wednesday, Dec 07, 2011

Jeera futures down 1.82% on poor demand

Press Trust of India / New Delhi December 6, 2011, 18:37 IST

Jeera prices tumbled by Rs 248 to Rs 13,360 per quintal in futures trade today as traders reduced their positions on poor demand in the spot market.

Reports of increased sowing in the top producer state -- Gujarat -- due to favourable weather conditions, also put pressure on the jeera prices.At the National Commodity and Derivatives Exchange, jeera for delivery in December dropped by Rs 248, or 1.82%, to Rs 13,360 per quintal, with an open interest of 9,330 lots.Similarly, the spice for delivery in January fell by Rs 217, or 1.56%, to Rs 13,690 per quintal, with an open interest of 16,347 lots.Market analysts said traders offloaded their positions on the back of a weak trend at spot market on poor demand, pulling down jeera prices at futures trade.

Pepper futures rise on pick up in export demand

Press Trust of India / December 06, 2011, 17:49 IST

Pepper prices rose by Rs 270 to Rs 35,300 per quintal in futures market today due to pick-up in export demand in spot markets.Estimates of lower output this season also supported the uptrend in pepper prices.

At the National Commodity and Derivatives Exchange, pepper for delivery in January rose by Rs 270, or 0.77%, to Rs 35,300 per quintal with an open interest of 1,661 lots.Similarly, the spice for delivery in December gained Rs 160, or 0.45%, to Rs 35,730 per quintal, with an open interest of 9,450 lots.Market analysts said pick-up in export demand and reports of lower output estimates mainly pushed up pepper futures prices.

Potato futures remain weak on subdued demand

Press Trust of India / New Delhi December 06, 2011, 14:15 IST

Potato prices fell by Rs 8.30 to Rs 581 per quintal in futures trade today, as speculators offloaded their positions, driven by a subdued demand in spot market.

At the Multi Commodity Exchange, potato for delivery in April fell by Rs 8.30, or 1.40%, to Rs 581 per quintal, with a trading volume of six lots.

The potato for March delivery also declined Rs 3.60, or 0.58%, to Rs 613.90 per quintal, with a trade volume of 74 lots.

Traders said fall in potato futures prices was mostly due to off-loading of positions by speculators amid increased arrivals from producing regions.

Mustardseed futures up on renewed buying support

Press Trust of India / New Delhi December 6, 2011, 13:46 IST

Mustardseed prices looked up by Rs 26 to Rs 3,216 per quintal in future trading today, on speculators buying driven by a firm spot market sentiment.Marketmen said reports of less showing areas this season, triggered buying by oil mills, mainly encouraged traders to raise their holdings.At the National Commodity and Derivatives Exchange, mustardseed prices for December contract added Rs 26, or 0.82%, to R 3,216 per quintal, with an open interest of 62,960 lots.Prices for January contract, too, moved u by Rs 21, or 0.65%, to Rs 3,268 per quintal, clocking an open interest of 84,460 lots.

Cardamom futures fall on profit-booking

Press Trust of India / New Delhi December 06, 2011, 13:23 IST

Cardamom futures prices fell by Rs 4.70 to Rs 603.40 per kg today, as traders reduced their holdings on account of sluggish demand at the prevailing increased levels.Sufficient stocks holdings in the physical market also influenced the prices of the spice.At the Multi Commodity Exchange, cardamom for December contract declined by Rs 4.70, or 0.77%, to Rs 603.40 per kg, with a business turnover of 624 lots.The spice for delivery in February month fell by Rs 3.50, or 0.52%, to Rs 658.20 per kg, with a trading volume of 46 lots, while January contract prices eased by Rs 3.20, or 0.49%, to Rs 637 per kg in of 250 lots.

Marketmen said, besides profit-taking by speculators at existing higher prices, fall in demand in spot market also put pressure on cardamom prices at futures market.

Chana futures up on firm demand in spot market

Press Trust of India / New Delhi December 06, 2011, 13:20 IST

Chana futures prices rose by Rs 20 to Rs 3,280 per quintal today, as speculators enlarged their positions on strong demand in the domestic market to meet the marriage season demand amid lower arrivals in spot market.At the National Commodity and Derivative Exchange, chana for February contract rose by Rs 20, or 0.61%, to Rs 3,280 per quintal, with an open interest of 31,250 lots.

Similarly, chana for delivery in January traded higher by Rs 14, or 0.43%, at Rs 3,246 per quintal, with an open interest of 99,010 lots, while December delivery gained Rs 11, or 0.35%, to Rs 3,149 per quintal, with a trade volume of 1.69 lakh lots.

Traders said speculators increasing their positions on hopes of a rise in demand in the spot market due to domestic and marriage season demand.

Low global prices dent sugar export hopes

Sanjay Jog / Mumbai December 6, 2011, 0:41 IST

Prices slump 18% in three months to $613 a tonne.

Suddenly, all the work done by the sugar industry in lobbying the government to allow more exports and in crushing extra cane, has been made irrelevant by the market. For, global prices have been on a steep slide.

Just a short while after the central government said it allowed the industry to ship abroad a million tonnes under Open General Licence, global prices have dropped from $750 a tonne to $613 a tonne in the last three months.

This has happened after a focus on more output. About 2.1 million tonnes has been produced in November as compared to 1.8 mt in the same month of last year. The Indian Sugar Mills Association (Isma) says 350 mills have started operations (it was 355 last year at this time) and though crushing began slightly late, especially in Maharashtra, production this year is 17 per cent higher.

Uttar Pradesh alone has produced 500,000 tonnes in November as compared to 100,000 tonnes for the corresponding month last year. In Maharashtra, where nearly a third of the county's production comes, the output of sugar was been 1.13 mt by crushing 11.8 mt of cane, compared to 1.04 mt by crushing 11.4 mt of cane in the same month last year.

Ajit Chougule, acting managing director of the Federation of Cooperative Sugar Factories in Maharashtra, told Business Standard: "The recovery (of sugar from cane) is 9.6 per cent compared to 9.2 per cent during the same period (last year). In the current season, 161 mills are participating, compared to 147 last year."

However, Abinash Varma, secretary-general of Isma, said: "International sugar prices have been continuously falling and there is hardly any premium over the domestic prices for most of the mills. Only mills in the coastal states may still find it slightly viable to export because of lower transportation cost."

Said the managing director of a big cooperative mill in Maharashtra: "Of the previous quota of 500,000 tonnes of OGL export, around 200,000 tonnes of contracts have been terminated following the crash in global prices. Millers now expect extension of the validity of the previous OGL order from the central government."

Mentha oil futures declines on profit-booking

Press Trust of India / New Delhi December 06, 2011, 13:43 IST

Mentha oil futures prices fell by Rs 8.70 to Rs 1,290.30 per kg today, as traders booked profits amid fall in demand in the spot market.

Increased arrivals in the physical market from producing belts in Uttar Pradesh also weighed on mentha oil futures prices.

On the Multi Commodity Exchange, mentha oil for February contract drifted by Rs 8.70, or 0.67%, to Rs 1,290.30 per kg, clocking a business volume of four lots.

Similarly, the oil for delivery in December eased by Rs 8.60, or 0.65%, to Rs 1,308.30 per kg, with a turnover of 230 lots, while January contract fell by Rs 7.40, or 0.56%, to Rs 1,299.10 per kg in 66 lots.

Market analysts said the fall in mentha oil prices was mostly due to profit-taking by speculators and weakening trend at spot market on subdued demand.

THE HINDU Business Line

World cotton price crash may impact output next season

G. Chandrashekhar

World cotton supply and distribution (in million tonnes)

	2010/11	2011/12	2012/13
Production	24.88	26.88	25.14
Consumption	24.49	24.39	25.02
Exports	7.62	7.72	8.40
Ending stocks	9.01	11.50	11.62

(Source: ICAC)

Mumbai, Dec. 6:

After registering unsustainably highs levels, world cotton prices have faced a sharp correction in recent months following a healthy change in the market fundamentals.

From a tight demand-supply balance in 2010-11, the world cotton market has got into a state of surplus in 2011-12 thanks to a big rebound in output.

Ending stocks are expected to show a substantial increase. With supplies far ahead of demand, prices have reacted as they naturally would. The supply pressure driven price slump has surely affected growers' incomes in many countries; and as the Washington DC-based International Cotton Advisory Committee (ICAC) put it recently, the price fall in the current season has not only reduced farmers' incomes but also decreased for the first time in three years the attractiveness of this crop when compared to that of its main alternatives.

Indian scene

Domestic cotton has been no exception. Cotton growers in India, especially in Maharashtra, have begun to demand higher support prices to compensate the loss of income resulting from sharp price fall.

The Government has, unfortunately, not been able to persuade cotton growers to accept the reality.

It is necessary to educate cotton growers about the futility of expecting higher and higher prices disregarding demand and supply conditions.

It is necessary to build capacity among growers to withstand the vicissitudes of the market.

Currently, the global commodity market picture in general and agriculture market in particular is far from inspiring. In general agricultural prices have come under severe pressure in recent weeks.

The ongoing concerns about the Euro zone debt, the health of the global economy and changing (read, deteriorating) sentiment are currently driving the market.

The selling pressure is reflected in the US commodity futures market regulator (CFTC) non-commercial positions which in many of the commodities including cotton are at their lowest in over a year.

Price forecast

No wonder, many analysts have revised their price forecast for 2012.

As for cotton, the market is probably poised to post the most marked year-on-year price fall. It would be no surprise if prices come under further downward pressure following large crops in at least three major origins.

Worse, falling prices or consumer-friendly prices are unlikely to stimulate demand as macroeconomic concerns still rule and leading indicators point to a slowdown across nations.

In ICAC assessment, the price levels of the current season will result in a decline in global cotton production in 2012-13 to around 25.14 million tonnes compared with 26.88 mt in the current year.

This would mean production and consumption will be evenly matched next year. Of course, many imponderable factors may operate between now and the next season.

However, what is certain is that in 2011-12, world cotton prices will continue to face pressure.

If the global economic outlook worsens, demand will be impacted too.

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(This article was published in the Business Line print edition dated December 7, 2011)

Coonoor tea turnover up 9.16%

P. S. Sundar

Coonoor, Dec. 6:

The turnover at Coonoor Tea Trade Association auctions increased by 9.16 per cent till November over the same period a year ago, reveals an analysis of the Market Reports.

This has happened because of 20-lakh kg increase in the volume sold, and every kg fetching Rs 3 more on the average.

In all, 47 auctions were held between January and November when 4.81 crore kg was sold against 4.61 crore kg in 2010. The average price increased to Rs 63.56 per kg from Rs 60.75.

Consequently, the overall turnover increased to Rs 305.72 crore from Rs 280.06 crore. This increase of Rs 25.66 crore marked a growth of 9.16 per cent.

Till May end, the turnover was Rs 2.30 crore less than last year, despite an increase in price because of lower volume sold. For the first time this year, in June, both the volume sold and the prices fetched increased resulting in cumulative gain of Rs 8.26 crore in the first half over H1 of 2010.

(This article was published in the Business Line print edition dated December 7, 2011)

Futures perk up spot chana

Indore, Dec. 6:

Strong futures perked up chana in the physical market on Tuesday.

Chana (kanta) quoted at Rs 3,275-3,300 a quintal (Rs 3,225-3,250), while chana (desi) sold at Rs 3,200. Its dal, too, followed, with chana dal (average) being quoted at Rs 4,000-4,025 (Rs 3,950-3,975), chana dal (medium) rising to Rs 4,100-4,125 and chana dal (bold) up at Rs 4,225-4,2250 (Rs 4,175-4,200).

Buying support also perked up masur (bold) to Rs 2,800-2825 (Rs 2,775-2,800), while masur (medium) was firm at Rs 2,300-2,500. Masur dal was flat, with masur dal (avearge) at Rs 3,150-3,175, masur dal (medium) at Rs 3,275-3,300 and masur dal (bold) at Rs 3,400-3,425.

Tur (Maharashtra) rose on buying support at Rs 3,500-3,550 (Rs 3,475-3,525), while tur (Nimari) was unchanged at Rs 2,300-2,500. Tur dal was (full) quoted at Rs 5,500-5,600, tur dal (*sawa* no.) at Rs 4,800-4,850 and tur (marka) at Rs 6,200.

Moong (bold) was flat at Rs 4,100-4,300, while moong (medium) was unchanged at Rs 3,600-3,800. Urad (bold) quoted at Rs 3,400-3,500 and urad (medium) at Rs 3,000-3,200.

Urad dal was unchanged, with urad dal (average) at Rs 3,850-3,900, urad dal (bold) at Rs 4,700-4,750 and urad (monger) at Rs 5,600-5,900.

(This article was published in the Business Line print edition dated December 7, 2011)

Spot rubber rules steady

Our Correspondent
Kottayam, Dec. 6:

Physical rubber prices ended unchanged on Tuesday. Though the domestic futures were in a positive mood on the National Multi Commodity Exchange (NMCE), the spot market remained neutral as there were no active traders on either side to set a definite trend. Meanwhile, ISNR 20, the only gainer of the day, increased further on better demand. Volumes were extremely poor.

Sheet rubber closed steady at Rs 202 a kg, according to traders. The grade was static at Rs 201.50 a kg both at Kottayam and Kochi, as reported by the Rubber Board.

RSS 4 improved at its December series to Rs 204.07 (203.35), January to Rs 204.67 (203.39), February to Rs 207.79 (205.27), March to Rs 209.71 (207.32) and April to Rs 211.60 (208.25) a kg on the NMCE.

RSS 3 (spot) weakened to Rs 175.26 (175.63) a kg at Bangkok. The December futures inched up to ¥262 (Rs 173.34) from ¥261.9 during the day session and then to ¥264.8 (Rs 175.20) a kg in the night session on the Tokyo Commodity Exchange.

Spot rates were (Rs/kg): RSS-4: 202 (202); RSS-5: 198 (198); ungraded: 192 (192); ISNR 20: 187 (186) and latex 60 per cent: 110 (110).

(This article was published in the Business Line print edition dated December 7, 2011)

Fertiliser makers seek Govt backing to acquire overseas mineral assets

Our Bureau
New Delhi, Dec. 6:

Fertiliser makers have sought creation of a $20-billion sovereign fund to help support acquisition of overseas assets of minerals such as potash and phosphates.

“We want the sovereign fund to be opened up to private sector companies and the corpus increased to $20 billion,” Mr A.Vellayan, Chairman, the Fertiliser Association of India (FAI).

Such a move would not address fertiliser security but would help the Government control the bloating fertiliser subsidy besides keep a control on prices.

“China has done it and India has to go the same way as there are no quality reserves available in the country,” Mr Vellayan said. He was speaking to reporters ahead of the FAI Annual Seminar, 2011, which will focus on fertiliser reforms.

India consumed 58 million tonnes (mt) of fertilisers in 2010-11, of which 22 mt were imported, said Mr Satish Chander, Director-General, FAI. Of the 36 mt produced domestically, about 16 mt were based on imported raw materials, thereby leading to high import dependency.

Reduced usage

The scope to increase the maximum retail price of fertilisers was limited as farmers have started resisting such a move, resulting in reduced usage, Mr Vellayan said. Farmers who were blindly using some three-to-five bags of DAP per acre have now reduced their usage to two-to-three bags given the way prices have gone up.

The prices of non-urea fertilisers have shot after the Government de-control in April 2010 mainly on account of increase in global prices and a weakening rupee in the recent past.

The prices of di-ammonium Phosphate (DAP) have almost doubled from a level of Rs 9,350 a tonne in April 2010. The DAP prices, which ruled at Rs 11,000 a tonne at the beginning of kharif season in June have shot up 65 per cent to Rs 18,500 a tonne at present.

The process of de-control initiated for the non-urea fertilisers should be extended to urea also, Mr Vellayan said.

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(This article was published in the Business Line print edition dated December 7, 2011)

Sugar continues to head south

Our Correspondent
Mumbai, Dec. 6:

Sugar prices on the Vashi wholesale spot market declined for the fourth consecutive day by Rs 30-50 in the ready market, while naka rates dipped by Rs 20-30 a quintal on Tuesday. There are chances of further decline in price, a wholesale trader said.

On Monday as usual 16-17 mills offered tenders and sold about 45,000-50,000 bags in the range of Rs 2,905-2,990 (Rs 2,930-2990) for S-grade and Rs 3,000-3,050 (Rs 3,000-3,070) for M-grade. Arrivals in Vashi market were higher 50-52 truckloads and local dispatches were around 48-50 truckloads. ***Bombay Sugar Merchants Association's spot rates****: S-grade Rs 3,052-3,181 (Rs 3,080-3,212) and M-grade Rs 3,180-3,271 (Rs 3,156-3,342). Naka delivery rates: S-grade Rs 3,000-3,040 (Rs 3,000 - 3,060) and M grade Rs 3,100-3,170 (Rs 3,120-3,200).*

(This article was published in the Business Line print edition dated December 7, 2011)

Mixed trend in edible oils

Our Correspondent
Mumbai, Dec. 6:

After witnessing sharp rise previous day, edible oils price show mixed trend on Tuesday tracking bearish trend abroad. According to observers, need-based demand despite month beginning and declines in Malaysian, Chicago and Dalian exchange weighed on domestic market.

Groundnut oil, sunflower oil and palmolein rule unchanged. Soya refined oil lose Rs 2 in line with reduction of rates by refineries. Rapeseed oil and cotton refined oil increased by Rs 3 and Rs 1 each taking cues from firm producing centres. Volume was lower due to public holiday.

A wholesaler said that local refineries have increased their rates marginally for palmolein at the beginning but later due to poor response, Ruchi lowered the price by Rs 3. In Saurashtra, Rajkot cotton oil shot up to Rs 596-598 on higher demand while groundnut oil ruled steady at Rs 1,320 (Rs 1,320) for *Telia* tine and Rs 855 (Rs 855) for loose — 10kgs. In Mumbai physical market refineries sold about 200-250 tonnes of Palmolein for nearby delivery.

End of the day Liberty's rates for Palmolein was Rs 581-583 for December, Super Palmolein Rs 590 and soya refined oil Rs 626 and sunflower refined oil Rs 700.

Ruchi was quoting palmolein at Rs 576-579, soya refined oil Rs 623 and sunflower refined oil Rs 692 for December 15-30. Allana's palmolein was Rs 580 while Mewah was quoting palmolein Rs 581 and super palmolein Rs 596.

Bombay Commodity Exchange spot rates (Rs/10 kg): Groundnut oil 860 (860), soya refined oil 623 (625), sunflower exp. ref. 640 (640), sunflower ref. 705 (705), rapeseed ref. oil 725 (722), rapeseed expeller ref. 695 (692), cotton ref. oil 606 (605) and palmolein 578 (578).

(This article was published in the Business Line print edition dated December 7, 2011)

Buying lifts dara wheat, flour

Our Correspondent
Karnal, Dec 6:

Some fresh buying pushed flour and dara wheat prices upwards while desi wheat varieties remained unchanged on Tuesday.

Mr Sewa Ram, a wheat trader, told *Business Line* that increased off-take by flour mills to meet the ongoing season demand, mainly pushed dara prices up.

In the physical market, dara prices increased Rs 20 a quintal and quoted between Rs 1,160 and 1,170 a quintal. Around 50 tonnes of dara variety arrived from Uttar Pradesh and the stocks were directly offloaded at the mills.

Mill delivery was at Rs 1,160-1,165 a quintal while delivery at chakki was at Rs 1,170 a quintal.

On the other hand, with not much trading, prices of desi wheat varieties continued to rule flat.

Samrat quoted at Rs1,850, Tohfa variety was at Rs 2,000 while Lok-1 was trading at Rs 1,800 a quintal.

Good demand pushed flour prices up Rs15-20 and quoted at Rs 1,160-1,165 for a 90-kg bag.

On the other hand, Chokar prices eased marginally Rs 5 and sold at Rs 645 for a 49-kg bags.

(This article was published in the Business Line print edition dated December 7, 2011)

Coffee export orders drop on sluggish Europe demand

VISHWANATH KULKARNI

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Volatile futures, rains add to woes; orders seen rising in Jan-Mar

New Delhi, Dec. 6:

Orders for Indian coffee exporters have turned sluggish at the start of new crop year 2011-12 (October-September) as buyers in the key market, the debt-crisis hit Europe, have preferred to keep lowinventories.

"Our order books are thin this year as buyers, especially in Europe, are not keen on building up their stocks," said Mr Ramesh Rajah, President of Coffee Exporters Association.

Europe accounts for about 70 per cent of India's coffee exports that were valued at Rs 4,737 crore or $1.036 billion in the coffee year that ended in September. The coffee-buying pattern is witnessing a shift in the financial-crisis ridden European markets as customers are now opting to buy as and when they need to cover their requirement for a couple of months rather than buy and stock coffees for six to eight months.

“Normally, 30 per cent of the crop is sold by December-end, but this year we expect to sell only 10 per cent,” Mr Rajah said and added that late arrivals of the crop this year, especially in Tamil Nadu, has compounded the problem.

The harvest of arabica variety has already begun in Karnataka, while it has been delayed by a couple of weeks in Tamil Nadu, mainly on account of recent rains. “We expect the arrivals to pick up later this month,” Mr Rajah said. The October-December shipments this year will also be a bit sluggish, Mr Rajah said, adding that he expects arrivals and exports to pick up in January-March .

India is expecting a bumper crop for 2011-12 similar to that of last year. According to post-blossom estimates of the State-run Coffee Board, the 2011-12 crop size is pegged at 3.22 lakh tonnes. This is against the final estimates of 3.02 lakh tonnes for the 2010-11 season.

The volatility in coffee futures is also hurting contract bookings, said Mr M.P. Devaiah, General Manager, Allanasons Ltd, a coffee exporter. “Both buyers and sellers are a bit cautious as the futures prices are volatile. Unless the real flow of coffee starts, bookings may not pick up,” Mr Devaiah said.

The Coffee C contract, the world benchmark for arabica coffee at the Inter Continental Exchange in New York, for March delivery settled at $2.364 a pound on Monday against $2.86 a pound in September.

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