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TNAU sends SMS to farmers on vegetable prices

Special Correspondent

SALEM: To make farmers, especially the vegetables-growers, aware of the fluctuating day-to-day prices of vegetables of leading markets in Tamil Nadu and Kerala, the Tamil Nadu Agricultural University (TNAU) has adopted an innovative idea of sending short messaging services (SMS) to them daily on the prices of various vegetables being sold at the mega vegetable markets of Oddanchatram, Koyembedu and Cochin.

“These SMS are dispatched at 11 a.m. every day to 1.75 lakh farmers in Tamil Nadu,” said P. Murugesu Boopathy, TNAU Vice-Chancellor, after participating at a ‘Harvest Festival,’ at Kullampatti village in Sankagiri block organised recently by the Department of Cooperatives in which the success of ‘Rajarajan 1000’ Paddy Cultivation method was explained.

The SMS service had received widespread accolades since the farmers could command good prices for their produce with the purchasers. “Thus we have effectively neutralised the middlemen who always enjoy the benefits,” he said.

The Vice-Chancellor also told the farmers who took part in the festival that if they were ready to send photo details from their mobile phones to the University about the pest-attack on their crops, the institution could reply back with relevant information to tackle the same.

He said that new cane cutting machines would be supplied to four cooperative sugar mills very soon.

Agriculture Minister Veerapandi S. Arumugam had taken steps to procure agriculture machines such as power tillers, harvesters, mini tractors and other machinery from China and Thailand so that the farmers could overcome the shortage of farm workers.

“Since all cannot afford to buy these machines, they could be rented out through farmers’ committees, co-operative societies etc.,” he pointed out. The University had been providing vital technical know-how to the farmers and was actively engaged in modernising the farming by sweeping mechanisation. The lab-to-farm approach was a tremendous success and ‘Rajarajan 1000’ method was a fine example. He asked the farmers to adopt modern methods to enhance production with little input cost. Joint Registrar of Co-operative Societies, Salem District K.C. Ravindran and other senior farm and university officials took part in which farmers who showed good results after using machinery were given awards.

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Steps in a day or two to rein in inflation

Gargi Parsai

Wheat, rice issue price increase for Above Poverty Line beneficiaries put on hold

- PHOTO: PTI/ VIJAY KUMAR JOSHI



TAKING STOCK: Prime Minister Manmohan Singh with Finance Minister Pranab Mukherjee and Home Minister P. Chidambaram at a meeting on food inflation, in New Delhi on Tuesday.

NEW DELHI: Prime Minister Manmohan Singh on Tuesday held a high-level meeting with senior Ministers to discuss inflation and ways to tackle it, particularly the zooming prices of onions, other vegetables, fruits, eggs, meat and milk. Official sources said the government would come up in a day or two with measures to tame food inflation that soared to 18.32 per cent for the week ended December 25.

No decisions were announced after the meeting but informed sources said the move to export five lakh tonnes of sugar would be “reconsidered” by the Empowered Group of Ministers headed by Finance Minister Pranab Mukherjee. The Food Ministry has assigned a quota for 661 sugar mills for export on the back of a high output estimate this year.

Also, the decision to raise by 40 per cent the Central issue price of wheat and rice being sold to Above Poverty Line (APL) beneficiaries through the Public Distribution System will be put on hold. The Food Ministry's decision, approved last month by the Cabinet Committee on Economic Affairs which is chaired by the Prime Minister, has already been “minuted” and therefore is implementable. But it will now be put on hold.

Kharif crop

As for onions, availability will be enhanced from this weekend with higher arrivals of the late kharif crop from Gujarat, Maharashtra and Karnataka. Official agencies will launch mobile outlets to sell onions at a subsidy. Owing to supply constraints, prices have shot up to Rs. 60 a kg in most retail markets.

Presentation

According to informed sources, the Prime Minister's Office made a presentation at the meeting on inflation, which is at 7.48 per cent, and the high food inflation on account of the rise in the prices of vegetables, eggs, meat milk and edible oils.

The presentation gave an overview of inflation, both domestic and international, and the increase in demand due to a better consumption pattern in a growing population, and

highlighted the steps that could be initiated to contain food inflation such as improving the supply-side and augmenting availability.

The government has already banned exports of rice, wheat, pulses and onions.

Role of States

The role of the State governments in cracking down on hoarders was highlighted and suggestions were made to take them on board to tackle the situation.

The 90-minute meeting was attended by Mr. Mukherjee, Agriculture and Food Minister Sharad Pawar, Home Minister P. Chidambaram and Deputy Chairman of the Planning Commission Montek Singh Ahluwalia, Cabinet Secretary K.M. Chandrasekhar and Economic Adviser to the Finance Minister Kaushik Basu.

The absence of Commerce and Industry Minister Anand Sharma was raised when the ban on onion export by Pakistan through the Wagah border was discussed. The high price of commodities was also attributed to a frequent hike in fuel prices.

For the week ended December 25, food inflation rose by 18.32 per cent, onion prices by 82.47 per cent, average vegetable prices by 59 per cent, fruits and milk by about 20 per cent each and eggs, meat and fish by 20.83 per cent. The price of wheat and pulses, though still high, held.

Congress' view

The Congress said Tuesday's meeting showed the United Progressive Alliance government's "sensitivity" to the issue, but put the onus on the States to check price rise.

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Papaya mealybug parasitoid released

TIRUCHI: An imported papaya mealybug parasitoid for crops like papaya, tapioca, pulses, mulberry, vegetables, fruits, flower crops and jatropa was released by the Agricultural

Engineering College and Research Institute, Kumulur, of the Tamil Nadu Agricultural University at the field day at Makizhambadi village in Lalgudi taluk, recently.

The papaya mealybug is a major menace for horticulture crops and the parasitoid would help in the total eradication of the same.

J.Sekar, joint director of agriculture, presided and released the parasitoid. . K.Kannappan, professor and head, Department of Agricultural Sciences, D.Jayakumar, professor, S.Sabhanatesan, deputy director of agriculture (state planning) and R.Sukumar, assistant director, agriculture (in-charge), Lalgudi, spoke.

P.Yasodha, assistant professor, urged farmers to desist from spraying chemical pesticides for some time to avoid destruction of parasitoid population.

The parasitoid is being multiplied at the Agricultural Engineering College and provided to farmers of Tiruchi and Perambalur districts free of cost, a press release from Dean A.Tajudeen said here on Tuesday.

A large number of farmers from Lalgudi taluk participated in the field day

Date:12/01/2011 URL: <http://www.thehindu.com/2011/01/12/stories/2011011251330300.htm>

CPI (M) demands White Paper on farmers' suicides in state

Staff Reporter

'The State Government has not initiated any action'

Krishnagiri: The number of suicides of farmers in Tamil Nadu, according to the National Crime Records Bureau (NCRB), was 5000 for the period 2005-2010 and the CPI (M) has demanded a White Paper on the deaths, said K Balakrishnan, state president of the Tamilnadu Vivasayigal Sangam and state secretariat member, CPI (M) here Tuesday

After it was widely reported in the media and even after the release of the NCRB report, the State government has not initiated any action said the Communist leader who added that many cases were either not reported to the authorities or were not registered by the police in the state.

Thus, the state government had rendered great injustice to the farming community, the leader pointed out.

Milk procurement price

Mr Balakrishnan also said that the demand of the milk producers was not met fully met by the government. The recent hike of Rs. 1.10 per litre of cow milk and Rs. 2.10 per litre of buffalo milk was only an eye-wash. Considering the multifold increase in prices of cattle feed, the milk price hike was minimal.

The Tamilnadu Vivasayigal Sangam demanded that the price should be hiked to Rs. 5 per litre for cow milk and Rs. 8 per litre for buffalo milk with immediate effect. If not, the Sangam would launch a series of agitations in the state, Mr. Balakrishnan threatened.

Mr. Balakrishnan also demanded the government to increase the paddy procurement price to Rs. 1500 per quintal for first quality paddy and Rs. 1300 for the next lower grade variety.

Though the state government sought Rs. 1832-crore flood relief from the central government for crop loss and house damages across the state due to the recent rains in the state, not even single farmer was given flood relief for crop loss though the government distributed relief only for the house damage, Mr. Balakrishnan alleged.

Date:12/01/2011 **URL:** <http://www.thehindu.com/2011/01/12/stories/2011011250990300.htm>

Over 5,000 kg ration rice seized

Following a tip-off received over telephone, a mini-lorry was checked at Ambur B Kasp

AMBUR: Revenue officials seized 5,500 kg of ration rice from a mini-lorry stationed at Ambur B Kaspas area during the early hours of Tuesday.

Acting on information received over phone, Ambur tashildar V.K. Manoharan, Taluk Supply Officer M. Gunaseelan, Special Revenue Inspector M. Jyothiralingam and Inspector of Ambur town police station Nagaraj conducted a check and found the mini-lorry bearing a Kerala registration number, at about 3 a.m.

“There were 115 bags of ration rice in the lorry. A total of 5,500 kg of rice were seized. However, there were no persons in the vehicle,” an official said.

The seized rice had been sent to the Ambur sugar mill godown at Vadapudupet, he added.

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Egg prices edge past Rs. 3 mark

Staff Reporter

Namakkal: Namakkal poultry farmers had reason to rejoice on Monday, at the end of the National Egg Coordination Committee (NECC) price fixation meeting at the zonal office here. The new egg prices fixed at Rs.3.02 (50 paise more than December's average price of Rs.2.52), will take effect on Tuesday. This is four paise more than the previous highest price of Rs.2.98 on Saturday.

Chairman of the NECC Tamil Nadu P. Selvaraj, told The Hindu that this was still the lowest price in the country compared to other egg production hubs such as Hyderabad (Rs.3.04), Mumbai (Rs.3.28), Vijayawada (Rs.3.04), Kolkata (Rs.3.42), Barwalla (Rs.3.38) and Delhi (Rs.3.50). The procurement price from the farmers was Rs.2.82 and fixed at Rs.3.02 after including the transportation cost, he added.

“Rs 1.56 crore for 7,331 farmers in district”

Special Correspondent

Rs 30 lakh for repairs of dwellings: Collector

MADURAI: The State government had sanctioned Rs 1.56 crore as relief to 7,331 small, big and marginal farmers who lost their crops – partially or fully – in the recent floods, said Collector C. Kamaraj here on Tuesday.

After ascertaining the damages, the district administration had sent a proposal for Rs 79 crore which included relief to farmers, to carry out road repairs, relief to those who lost their dwellings and to undertake works on the Vandiyur Tank.

Surveys suggested that 2,242 hectares including 1,661 agricultural crops and 581 horticultural crops were damaged. The total number of small and marginal farmers accounted for 7,250 and 81 big farmers spread over 310 villages.

A sum of Rs 1.56 crore would be disbursed to the affected ryots. Steps had been taken to hand over the money before Pongal through the MDCC banks and Primary Agricultural Co-operative Banks.

Close to 2,400 persons, who lost their dwellings in the rains, would get Rs 30 lakh for carrying out repairs and reconstruction.

The Collector said that the PWD had been earmarked with Rs 3 crore, Highways Rs 1.50 crore, Corporation of Madurai with Rs 60 lakh and the panchayats were sanctioned Rs 80 lakh for repairing rural roads in their jurisdiction.

Inspection

Mr. Kamaraj, accompanied by Corporation Commissioner S. Sebastine inspected a few works which were completed recently. Cement roads had been laid on the Netaji Road (between Kalyani jewellers and New Cinema) in the city. About 50 per cent of works had been completed on the Vaigai Thenkarai (from Teppakulam to Arapalayam).

Mr. Sebastine told reporters that water logging spots identified in different locations of the city would get paver block stones. For instance, work is underway on the brief stretch on the Sellur Palam Station Road (near Jain Vidyalaya) where paver block stones are being laid.

In all, 37 kilometre stretch would have cement roads including the SMP Colony area and 76 kms would have tar roads laid with the funds. All works would be completed before February 28, he replied.

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Sugarcane price up in Ramnad

C. Jaishankar

It is likely to escalate as Pongal festival is just round the corner, say farmers

— Photo: L .Balachandar.



SEASONAL:Sugarcane for sale in Ramanathapuram.

RAMANATHAPURAM: Even as sugarcane harvest has gained momentum in Madurai and Sivaganga districts, the price has gone up considerably in the local market for Pongal festival, which falls on Saturday.

Though a couple of days are left for Pongal, which will trigger the sale, the people have started buying sugarcane for other purposes following the arrival of cane to the market.

Traders have heaped several loads of cane in popular converging points here, including Aranmanai, Chinnakadai and Bharathi Nagar.

Sources said orders had been given for around 5 lakh sugarcane for Pongal sale in different parts of the district.

Several loads have been despatched to interior places such as R.S. Mangalam, Thiruvadana, Kilakarai, Paramakudi and others to meet the need for Pongal.

Each bundle having 15 sugarcane is being sold at a cost of Rs.130 to Rs.200 in the wholesale market. It was Rs.100 to Rs.150 last year.

In the retail market, each piece is priced between Rs.15 and Rs.20 depending upon the size of it. It was sold at Rs.10 to Rs.12 last year.

Sugarcane traders said the price was likely to go up slightly a day before Pongal festival depending upon the arrival.

Harvest not up to mark

According to reports from Melur in Madurai district and places in Sivaganga district, where sugarcane has been raised on several hectares this year, the harvest is not up to the expectation of farmers this year, owing to excess rain in some areas.

“We were told that there was a shortage of sugarcane this year from Melur and its surrounding areas. It may lead to mismatch between demand and supply this year, resulting in high price. The actual situation will be known on Thursday,” says G. Kathiravan, a sugarcane merchant.

He added that the rise in input cost, including transport, labour for loading and offloading, were among the reasons for the high price this year. Though the wholesale price had gone up marginally, the consumers would have to pay more as it was reaching them after passing wholesale traders and a few middlemen.

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Farmers seek relief for loss of paddy crop

Special Correspondent

Compensation sought for loss of chilli crop also



AGITATION:Farmers taking out a rally in Ramanathapuram on Tuesday.

RAMANATHAPURAM: More than 1000 farmers owing allegiance to the Tamil Nadu Vivasayigal Sangam of the Communist Party of India (Marxist) on Tuesday took out a protest rally demanding the State government to compensate the loss of paddy crop due to the recent rain and pest attack.

The rally, which began at Aranmanai, went along important roads and streets in the town and culminated at Bharathi Nagar, where they stage a demonstration in which a large number of people participated.

P. Shanmugam, state secretary, were among those took part in the agitation.

They carried bunches of paddy crops, which were badly hit by the pest attack in Thiruvadanaai, R.S. Mangalam, Kadaladi, Nainarkoil, Ramanathapuram and other blocks.

Stating that the farmers had suffered heavy loss due the pest attack, the agitators demanded Rs.15,000 per acre as compensation.

They also charged that officials had prepared an incorrect report on the crop loss.

They also demanded Rs.20,000 per acre as compensation for the loss of chilli crop stating the entire Kadaladi block was badly hit by the recent heavy rain.

Later the agitators continued the rally up to the Collectorate to hand over a petition to the Collector.

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'Offer Rs.1, 500 per quintal for paddy'

Special Correspondent

THANJAVUR: Tamil Nadu Civil Supplies Corporation (TNCSC) Employees Association has urged that the government should increase the procurement price of paddy to Rs.1, 500 per quintal.

At present the government was paying Rs.1, 050 per quintal for common variety and Rs1,100 per quintal for fine variety, said C.Chandrakumar, state general secretary, here on Tuesday.

He also urged the government to set a standard criterion for moisture content, while purchasing paddy. Paddy with 20 per cent moisture should be bought by the Corporation .

On occasions where the crop is affected by heavy rain and floods, local officials should be given the power to relax norms for moisture content .

At present the authority to take a decision on relaxing moisture content is with the Central government as TNCSC is acting as an agent and procuring paddy for Food Corporation of India.

He urged the government to stop direct recruitment for the posts of assistant manager (quality control) in the Corporation and demanded that candidates with experience in the Corporation should be promoted to the post.

There are 220 quality control inspectors and 1,000 supervisors who are well equipped with adequate educational qualifications and work experience. These people can be promoted and posted as AM (quality control). The interviews scheduled to be held on January 12 for direct recruitment should be stopped, Mr.Chandrakumar demanded.

“We don't know why the government is in a haste to recruit candidates when promotions can be given to many able officers already working in the Corporation. There is also an allegation that money is demanded for giving appointment,” Mr.Chandrakumar said.

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High food prices

Numerous editorials have been written about food price inflation (Jan.11) but, I am astonished, not one has mentioned the most crucial factor. Weather-related factors and online futures trading have only served to mask the real problem. Farming as a profession has become a global nightmare. The average age of farmers, globally, is above 50 and the next generation of youth seeks employment in areas unrelated to agriculture. Cars, computers and cellphones can be produced at the flick of a switch but not one grain of rice can be done so.

Srinath R.,Theni

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Food shortages can be tackled only by modernising the farming sector and applying advanced technologies. Farmers' cooperatives should be encouraged to take up contract farming.

C. Koshy John,Pune

Date:12/01/2011 URL: <http://www.thehindu.com/2011/01/12/stories/2011011250700300.htm>

Naidu attacks Government and Jagan over farmers' issues

G. Ravikiran

He reiterates demand for compensation of 10,000 per acre

PHOTO: CH.VIJAYA BHASKAR



TDP chief N. Chandrababu Naidu winnows paddy at Gopavaram near Kaikaluru in Krishna district on Tuesday during his tour to highlight farmers' issues.

KAIKALURU (Krishna dt.): Telugu Desam Party president and former Chief Minister N. Chandrababu Naidu on Tuesday made an unsparing attack on the State government for its

“indifference” towards rescuing farmers and also on Y.S. Jaganmohan Reddy for his “irresponsible ways of spending ill-gotten wealth on raising statues of his father” and so on.

Mr. Naidu arrived here from West Godavari district as part of ‘Rytu Kosam’ tour in Kaikaluru, Kalidindi and Gudivada areas of Krishna district.

Beginning his tour about six and half hours behind schedule from the residence of former MLA Maganti Babu here, he had a whirlwind visit to the villages in the surrounding areas. He addressed several road corner meetings from his specially-designed vehicle.

Mr. Naidu alleged that the Congress government did nothing to come to the rescue of the farmers when they incurred heavy crop losses in the rains that hit the area repeatedly several times. He demanded that the Government at least now make efforts to provide Rs. 10,000 per acre of compensation in all the affected areas besides extending input subsidy for the next crop.

Stopping his convoy on seeing a large number of statues of former Chief Minister Y.S. Rajasekhara Reddy on the side of the road in Kaikaluru, Mr. Naidu addressed the passersby and took a strong objection to the installation of thousands of statues by the followers of Mr. Jaganmohan Reddy all across the State. “What good has Rajasekhara Reddy done to the State? He just robbed the State to make his son very rich. It is unfortunate that his statues are being put up obstructing traffic on roads,” he remarked.

Mr. Naidu repeatedly said that it was because of the “irresponsible” rule of Rajasekhara Reddy that Andhra Pradesh's economy was now in utter chaos. Under the TDP's nine-year rule, a lot of development and progress was made in the areas of infrastructure, roads and projects, but fruits of all that were not distributed among the people by the Congress regime. Only the family of Rajasekhara Reddy “looted” most of it. He called for enacting special laws and setting up special courts to try those found guilty of unimaginable corruption.

Mr. Naidu asserted that the TDP would continue to wage relentless struggles to see to it that the Government initiated measures for providing adequate compensation to the farmers. He also wanted steps to be taken for improving the lot of the farmers to prevent their suicides.

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Control price rise: BJP

Government urged to supply additional quota of essentials to the poor

KAKINADA: The Bharatiya Janata Party on Tuesday demanded that the State government take steps to distribute additional quota of commodities through fair price shops, so that the common man is able to celebrate the Sankranti festival.

President of the party's district unit Y. Malakondaiah, at a press conference here, criticised the government for failing to regulate the prices of the commodities. He said both the Central and State governments failed in regulating the prices of pulses and edible oils. "Even onion is beyond the reach of the common man. Unfortunately, the ruling party is not paying any attention to the problems of the poor," he said.

On farm issues, Mr. Malakondaiah said the State must fight for its share in Krishna waters and it must extend help to the farmers to resume cultivation.

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Farmers upbeat over good price for cotton

Staff Reporter

Secure Rs.5,200 per quintal at Jammikunta market yard

KARIMNAGAR: Cotton farmers are reaping riches at the Jammikunta agricultural market yard by securing a whopping record price of Rs. 5,200 per quintal on Tuesday, which is the highest price in the season in the State.

Thanks to the bumper harvest and good market for the cotton produce, the farmers have been securing more than the minimum support price of Rs. 3,000 per quintal to their produce during this season.

More than MSP

From the beginning of the season, the farmers were getting more than the MSP with the produce priced at Rs. 3,400 to Rs. 4,000 per quintal and above.

Freshly, the cotton farmers have secured a record of Rs.5,200 per quintal at the Jammikunta market yard. Market committee chairman T. Sammi Reddy said that they had secured over 10,000 bags of cotton by providing Rs. 5,200 per quintal on Tuesday. He said that they had procured over 3.1 lakh quintals of cotton during this season and did a business of Rs. 124 crore till date.

Distribute sweets

He said that they had celebrated the record price for the cotton by distributing sweets among the farmers and the employees of the market yard.

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Four-day training in ornamental fish rearing

Kozhikode: A four-day training programme in rearing ornamental fish is being organised by the National Aquaculture Society from January 17. It is intended to spread awareness on fish rearing as an enterprise and the export potential of ornamental fish. Those interested should register in advance, a press release said here. The phone number is 94463 01006.

Plea for team to study plight of floriculturists

Prices are fixed by a few traders in Bangalore

Udhagamandalam: The need for the Government of India to send a team to the Nilgiris to gain first hand knowledge of various problems confronting floriculturists here has been emphasized by the Rural Development Organisation (RDO), an Aruvankadu-based non-governmental organization.

In a letter sent to the Union Ministry of Agriculture on Monday, the Director, RDO N.K.Perumal pointed out that out of about 1,200 small farmers engaged in hi-tech floriculture in Tamil Nadu, more than 350 including self-help groups are growing lillium, carnation and gerbera in the Nilgiris.

While they have to procure planting materials and also spend on various other inputs, the prices are fixed by a few traders in Bangalore. Crores of rupees have been advanced by various banks. Many of the units have become sick.

Loan waiver sought

Since banks have informed the farmers that the immovable properties given as collateral would be auctioned to recover the dues, a loan waiver scheme should be implemented.

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Thiruvananthapuram, January 11, 2011

Environmentalists warn about GM crops



AP A Greenpeace activist dressed as a brinjal protests against Bt brinjal. File photo

Noted environmentalist and former chairman of Kerala State Bio-Diversity Board V. S. Vijayan today warned the government about the dangers of Genetically Modified (GM)crops.

“GM crops will increase yield and it is solution to poverty in the country is a myth created by the advocates of

GM crops,” Mr. Vijayan told reporters here today. Mr. Vijayan’s statement is in the back ground of CPI-M polit bureau member S. Ramachandran Pilla’s recent remark that benefis of GM crops should be made available to farmers. Mr. Vijayan wanted the government to stick to its declared stand of “GM crop free Kerala and GM Crop free India”. Opposing the move to conduct field trial of GM rubber crop in the state, Mr. Vijayan said GM crops would only the burden of farmers by “making cultivation more costly”. In the case of BT brinjal, he said Kerala alone has more than 2500 variety of brinjal. “Once BT brinjal is introduced, the traditional seeds would be contaminated and finally terminated,” Mr. Vijayan said. The environmental problems the GM crops would create would be irreversible, he added.

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Govt takes up price control on war footing, PM to meet RBI Governor

Amid rising food inflation, Prime Minister Manmohan Singh is likely to hold discussions with Reserve Bank Governor D Subbarao on Wednesday on the possibility of further monetary steps to check price rise.

The Prime Minister, according to sources, may meet RBI Governor to discuss price situation as part of the exercise to tame food inflation which soared to year's high of 18.32% on December 25.

Worried over rising prices of onion, other vegetables and milk, Prime Minister met senior Cabinet colleagues earlier in the day to work out a strategy to deal with rising inflation. Singh's meeting with Subbarao comes ahead of RBI's quarterly review of monetary policy on January 25. The Reserve Bank has already raised the short-term key borrowing and lending rates six times in 2010 in a bid to raise cost of funds and check inflationary expectations. Although the RBI action pushed up the lending and deposit rates of banks, the impact has not been profound in case of food inflation. With food inflation continuing to rise, experts were of the opinion the central bank could hike key policy interest rates (repo and reverse-repo rates) by at least 25 basis points in its monetary review later in the month.

Experts also feel that overall inflation for December would be over 8% as compared to 7.48% in November. The figures for December are scheduled to be announced later this week.

<http://www.hindustantimes.com/StoryPage/Print/649315.aspx>

New Delhi, January 11, 2011

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Last Updated: 22:52 IST(11/1/2011)

Could the economy be overheating?

The UPA government, which safely steered the economy through the downturn, is perhaps grappling with its biggest economic crisis: persistent high food prices, which rose 18.3% in the week ended December 25 from a year ago. Prime Minister Manmohan Singh and top Cabinet ministers on Tuesday prepared to grapple with what looks like an "overheating economy", as rising food prices pose for the UPA government a major political risk.

An economy is said to overheat when rapid growth pushes up demand, and thereby, inflation -- a phenomenon looming over most of the so-called high growth BRIC (Brazil, Russia, India, China) nations. Food inflation remains concentrated in a clutch of commodities, such as fruits, vegetables, meat, fish and eggs, while prices of staples such as wheat and rice are stable. Changing consumption patterns due to rising incomes have resulted in higher demand for protein-rich foods. Poor supply and distribution amid rising demand for better quality food in rural households have pushed up prices, experts say. Food items have a weight of 14.3% in the wholesale price index while manufactured food products have nearly 10% weight in the index. The government's top economic managers are yet to take a view on whether India -- which has been an engine for global recovery after the financial crisis -- was witnessing overheating.

The government's top economists are expected to closely monitor key data, like the Index of Industrial Production (IIP) due to be released Wednesday for more clues. "The IIP data that will come in tomorrow will give us a better idea (of whether the economy is overheating)," one of them said, requesting anonymity. The IMF last week predicted that the Indian economy would grow 8.75% in the year ending March 31, and 8% in the following 12 months, propelled by high consumer demand and strong industrial growth. Not all of the price rise could be because of domestic short supply. "Rising food and commodity prices especially in South Asia are a cause of concern as they hurt the poor most. To some extent these are being transmitted from abroad due to interconnected commodity markets," Nagesh Kumar, chief economist of the UN's

Economic and Social Commission for Asia and the Pacific said. Food inflation may stay on the higher side and it no longer looks temporary. "Actual prices will not come down because food inflation has acquired a large permanent component, like higher crop prices and production costs," said N.R. Bhanumurthy, an economist with the state-owned National Institute of Public Finance and Policy. Higher wages could alone combat inflation, he said.

<http://www.hindustantimes.com/StoryPage/Print/649176.aspx>

Weather

Chennai - INDIA

Today's Weather



Partly Cloudy

Wednesday, Jan 12

Max Min
30.9° | 19.2°

Rain: 00 mm in 24hrs Sunrise: 6:34
Humidity: 65% Sunset: 17:59
Wind: Normal Barometer: 1010.0

Tomorrow's Forecast



Cloudy

Thursday, Jan 13

Max Min
30° | 22°

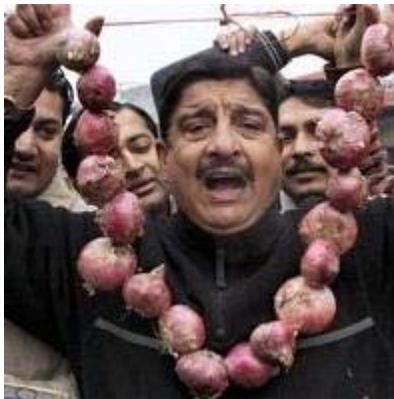
Extended Forecast for a week

Friday Jan 14	Saturday Jan 15	Sunday Jan 16	Monday Jan 17	Tuesday Jan 18
26° 21° Cloudy	28° 22° Rainy	27° 24° Rainy	29° 24° Rainy	26° 23° Cloudy

Onion traders go on strike against I-T raids

January 12, 2011 11:08:05 AM

PTI | New Delhi



Disrupting supply to retailer, onion traders in Delhi's Azadpur mandi today went on a strike, protesting against Income Tax (I-T) raids.

"The onion auction did not take place today," said Tomato and Onion Merchant Association General Secretary Rajendra Sharma.

However, according to Brahm Yadav, the chairman of Delhi Agricultural Marketing Board, "Talks are on with the Delhi government to resolve the issue."

"We are trying to resolve the matter and stop the strike in couple of hours," Yadav said.

According to Sharma, no trucks arrived in Azadpur market today, Asia's largest wholesale vegetable and fruits market.

On an average the mandi receives 800-1,000 tonnes of the commodity daily.

Impact of strike is yet to be seen in the retail market and the prices continue to rule high at Rs 60 per kg in most parts of Delhi.

'Economist PM' yet prices skyrocket

January 12, 2011 11:10:54 AM

PNS | New Delhi

On a day a wary Government struggled hard finding a way out of the unprecedented price rise tangle, it found itself under an intensified attack by the BJP on the issue.

The BJP on Tuesday not only accused the Government of failing to find a solution to the price rise problem in the last three years but also termed it as the "biggest failure" of the "economist Prime Minister".

"Whenever a question on price rise is put to (Finance Minister) Pranab Mukherjee, I see irritation writ large on his face. The chief economic adviser to the PM, and (Home Minister) P Chidambaram have expressed their inability to control price rise. The Government has not been able to find a solution to the problem in the last three years," BJP general secretary and spokesperson Ravi Shankar Prasad said while talking to mediapersons here. Prasad also questioned Mukherjee's ability to solve the problem.

Maintaining that prices have been skyrocketing "under the leadership of an economist Prime Minister", the BJP spokesperson sought to know why the Government did not import onions despite knowing that the crop had been destroyed in the country due to rains.

The PM had gone into a huddle with some of his senior Cabinet colleagues earlier in the day to

review the price rise issue. With the meeting remaining inconclusive, Finance Minister Pranab Mukherjee, Home Minister P Chidambaram, Agriculture Minister Sharad Pawar besides, Planning Commission Deputy Chairman Montek Singh Ahluwalia are likely to meet again on the issue on Wednesday.

Prasad also spoke of the achievements of the BJP during party president Nitin Gadkari's one year in office. The report card released by Gadkari claimed his tenure had seen a more aggressive and energetic organisation, which successfully cornered the Government on issues of price rise and corruption. Gadkari took over as BJP president on December 19, 2009.

The BJP claimed that the document 'Marching Ahead...A year of journey', was aimed at encouraging party workers and focused on major initiatives taken by Gadkari in the last one year which had "rekindled a new hope" in the organisation.

"The document is prepared with a view to making a small beginning towards greater accountability within the organisation, a point often stressed by the party president," Prasad said.

Enumerating Gadkari's achievements, Prasad said, "A new sense of energy and dynamism has come into the party, it has espoused the cause of the common man in an aggressive manner, has been successful in polls at the State and local body levels and there is a new hope among the party cadre."

The document states that BJP took three important issues to the people – price rise, corruption and misuse of CBI for political purposes.

Issue Date: Wednesday , January 12 , 2011

PM sizes up price busters

OUR SPECIAL CORRESPONDENT



Prime Minister Manmohan Singh with agriculture minister Sharad Pawar in New Delhi on Tuesday. (PTI)

New Delhi, Jan. 11: Prime Minister Manmohan Singh today met some of his senior cabinet colleagues to discuss steps against food inflation that had soared to 18.3 per cent.

A number of measures are on the agenda of the meeting, which will continue tomorrow. These include an interest rate hike, increasing farm production and selective reduction in tariff on farm imports.

Besides, Singh and his team will discuss the possibility of encouraging foreign retail chains to enter the food business and taking steps against hoarders.

Finance minister Pranab Mukherjee, home minister P. Chidambaram, food minister Sharad Pawar and plan panel deputy chairman Montek Singh Ahluwalia participated in the two-hour

deliberations.

The meeting took stock of the fact that Islamabad was unlikely to lift its ban on onion exports, given the price rise in Pakistan. It was decided that the commerce and agricultural ministries should explore imports from China.

Led by onions, food inflation flared up by 388 percentage points in just seven days to 18.32 per cent for the week ended December 25.

Officials, who helped the ministers in their deliberations, said “interest rate hike could be part of the solution. The RBI will of course take a call on timing and amount.” Singh is scheduled to meet RBI governor D. Subbarao tomorrow. The officials said the government was drawing up a list of commodities where there was a rising trend in prices and “these would be not only watched but action taken to cut down prices”.

Onion woes

Onion prices may increase further as traders in Delhi's Azadpur mandi has called for a strike from tomorrow against the tax raids to stop hoarding; the Delhi government has threatened to invoke the Essential Services Maintenance Act (Esma) against the traders.

Business Standard

Wednesday, Jan 12, 2011

Chilli prices to rise on low yield, export demand

D Gopi / Guntur January 12, 2011, 0:49 IST

Incessant rain in the state may have caused damage to the chilli crop, but farmers are in an upbeat mood as they are getting the highest-ever price for their produce.

This is attributed to low yield in Andhra Pradesh, Madhya Pradesh and Karnataka coupled with increased demand in the global market.



In the Guntur market, the crop was sold at the highest price of Rs 9,200 a quintal in December for the current season. The market yard received 276,696 quintals with the price ranging from a maximum of Rs 9,200 to a minimum of Rs 3,000 a quintal. In the same month, farmers were paid a maximum of Rs 7,700 a quintal in 2008-09 and 2009-10 seasons.

Among the last three seasons, 2009-10 saw a record of 2.98 million quintals arriving at the Guntur market as against 2.75 million quintals in the 2008-09 season. The Agricultural Market Committee expects the same quantity as 2009-10 this season due to lower output. The market had already received 2.25 million quintals till December.

“Rain has played a spoilsport. Most of the crop is either totally damaged or discoloured with high level or moisture,” said Agricultural Market Committee Secretary V Harinarayana Rao.

The current season, which started in April 2010, saw the prices going up to Rs 5,800. They declined to Rs 5,500 in May, rose again to Rs 6,400 in June and remained at Rs 6,500 in July and August. The price again went up to Rs 7,700 in November and settled at Rs 9,200 in December.

Besides the incessant rain witnessed in Andhra, Madhya Pradesh and Karnataka, low yield in Andhra was also due to farmers shifting from chilli to cotton. This change led to 40 to 45 per cent decline in the yield in the state.

Moreover, increased export demand from the US, Canada, Singapore, Malaysia, Pakistan, Bangladesh and Sri Lanka made traders bid higher prices for the commodity in the season.

“The fall in output made big players increase the price. The impact of exports is also a reason,” said Guntur-based trader and exporter Kilaru Rosaiah. And this has benefited the farmers, he added.

Excess rain, disease dampen Karnataka tur growers' spirits

Mahesh Kulkarni / Bangalore January 12, 2011, 0:47 IST

The Central government's target of achieving 16.8 million tonnes of pulses production during the current year (2010-11) is likely to be missed as Karnataka, one of the major producers of tur (redgram or pigeon pea) is facing multiple problems. The state's tur output has been affected owing to excess rain and disease attack in major growing areas.

Karnataka accounts for about 10 per cent of the national production of pulses with tur and bengalgram being the major crops.

During the kharif season in 2010, tur was sown on a record 833,000 hectares compared to 750,000 hectares last year. In Gulbarga alone, which accounts for majority of the state's tur output, sowing was done on 480,000 hectares. Other districts like Bijapur, Bagalkot, Bidar and Raichur had also seen area expansion this year, thus raising hopes for a bumper crop.

According to provisional estimates of the state agriculture department, the production of pulses is estimated at 1.47 million tonnes this year. Of this, tur production is pegged in excess of 400,000 tonnes as against 282,000 tonnes last year. The average production is about 5 quintals per hectare.

However, calculations have changed for worse suddenly with excess rain as well as moisture during the month of December. Incidences of sterility mosaic disease (SMD) in many parts also damaged the crop. There was decline in the germination of the crop in three taluks of Gulbarga, such as Afzalpur, Aland and Jewargi, due to occurrence of the disease. Almost 45 per cent of the crop is damaged in these taluks.

In addition to this, excess rain in other taluks like Sedam, Chitapur and Chincholi damaged over 50 per cent of the crop. The average production is likely to decline from about four-six quintals per acre to two-three quintals per acre this year. The Karnataka Pradesh Redgram Growers'

Association estimates the current year production of tur to be in the range of 1.2 million quintals to 1.5 million quintals.

“The harvesting of the tur crop has commenced in major growing areas and will continue till end of January. It is too early to predict the exact impact of SMD on tur and measure the quantity of output,” an official in the agriculture department said.

Meanwhile, prices have seen drastic fall in the open market and are currently traded at Rs 2,500-3,500 a quintal depending on the quality, a decline of 44 per cent compared to last year prices. The prices are way below the minimum support price (MSP) of Rs 3,000 a quintal announced by the Centre for the current year.

“The absence of a procurement centre by the government agencies is to be blamed for the drop in prices as most of the private trade is quoting below the MSP. The only hope for farmers in north Karnataka was the Tur Board of Karnataka, but this year, they have not opened their procurement centres till now,” said Basavaraj Ingin, president, Karnataka Pradesh Redgram Growers’ Association.

Farmers have demanded both the state and Central governments to immediately open procurement centers to help farmers get a better price for their produce. “The Central government had announced an incentive of Rs 500 a quintal for distress sale to farmers. But they are not getting any benefit out of it this year since there is no government-run procurement centre in place this year,” he said.

Farmers have demanded the state government to bring in some sort of legislation to prevent private traders purchase agriculture produce below the MSP.

Onion auctions resume in Nashik

BS Reporter / Mumbai January 12, 2011, 0:46 IST

Onion auctions in Nashik’s Agricultural Produce Market Committee (APMC) resumed this morning after a day-long boycott by traders following income tax raids.

“The two-day strike call by traders ended after one day and merchants participated in the auction,” said Ajit Shah, president of Indo Agro Produce Exports Chambers of Commerce, a Mumbai-based trade body.



Supply, therefore, in Vashi APMC restored to pre-strike levels between 80-90 trucks (10 tonnes each) from 170-180 trucks on the previous day.

Additional supply to Vashi APMC was affected for one day with arhatiyas (commission agents) diverting transportation from Nashik. Now, that the market has resumed operation, trucks from the vicinity in Lasalgaon moved to local mandis resulting in lower supply to the Vashi mandi, said Ashok Walunj, director of Vashi APMC.

However, prices remained at Monday's levels at Rs 20-35 per kg following an additional supply on the previous day. Onion prices are likely to remain upbeat until Makar Shankranti which falls on January 15.

“After that, supply from Pune and Gujarat gradually picks up and that may bring some respite to the consumers,” said a Mumbai-based trader.

He said onion prices will not come down to the Rs 8-10 per kg level this year because output in major producing states including Gujarat, Maharashtra and Karnataka had slumped.

A merchant from the local APMC said income tax (IT) officials had started checking accounts books of Nashik-based onion traders without notice but when they were told that the quality of the new crop is poor having a day's shelf life and it can not be hoarded, they were convinced.

Merchants were assured by local politicians and trade bodies that IT officials will not harass them unnecessarily in the future. Following the assurance the strike was called off. An import consignment of 10 containers of 25-30 tonnes each will reach the Mumbai port today and will be

available in local mandis in three days. This may bring down onion prices marginally, the trader added.

Nature makes up for kharif losses, Bihar upbeat on rabi output

Satyavrat Mishra / Patna January 12, 2011, 0:43 IST

Late rain and current cold wave brighten chances of bumper wheat, maize output.

The monsoon clouds left Bihar's farmers high and dry, but they have not given up hope. Late rain and the current cold wave have brightened chances of bumper wheat and maize output. The state agriculture department shares this optimism.



“The kharif left us uncomfortable, but the past is past. We are hoping for a bumper rabi crop,” said Ashok Kumar Sinha, agriculture production commissioner. “The figures are good and we believe we will be able to compensate the kharif loss. If everything goes as expected, we will produce almost seven million tonnes wheat and more than two million tonnes maize. We are also expecting a good output of pulses.”

The area under wheat in the rabi season is expected to be 2.4 million hectares, more than the last year's figure by almost 200,000 ha. The government expects a 1.5-fold rise in wheat output this season. The agriculture department is expecting seven million tonnes this season, as compared to 4.62 mt last year, besides a rise in the average yield.

Sinha said, “In the past few years, we have done extensive work in areas of seed development, farming practices and mechanisation. Our farmers now have better access to quality seeds. The state received showers in the last quarter of the previous year. The current temperatures are also good for the rabi crop.”

Apart from wheat, the department is expecting an increase in the output of maize and pulses. Last year, maize was sown on about 420,000 ha in the rabi season; the official target for this season was 550,000 ha. Officials said last year's drought meant lower maize sowing. Till now, say the data, maize has been sown on around 320,000 ha. The department expects the target to be met by the end of January, by when sowing will be complete. The expected rabi output is a little over 2.1 mt; last year, it was 1.3 mt.

The government also expects a bumper output of pulses. The area covered is expected to be around 725,000 hectares; last year, it was 480,000 ha. So far, 440,000 ha has been covered by pulses.

The department expects an output of about 750,000 tonnes compared to 420,000 tonnes in the last season.

THE HINDU Business Line

Business Daily from THE HINDU group of publications

Wednesday, January 12, 2011

Date:12/01/2011 **URL:**

<http://www.thehindubusinessline.com/2011/01/12/stories/2011011252790400.htm>

Back PM takes up food prices issue with key Ministers



Dr Manmohan Singh

Our Bureau

New Delhi, Jan. 11

The Prime Minister, Dr Manmohan Singh, on Tuesday, held a meeting with several of his key Cabinet colleagues, to review measures being taken to check rising food prices, especially that of onions, dairy products and poultry items.

The Finance Minister, Mr Pranab Mukherjee, the Home Minister, Mr P. Chidambaram, the Agriculture Minister, Mr Sharad Pawar, the Planning Commission Deputy Chairman, Mr Montek Singh Ahluwalia, and the Cabinet Secretary, Mr K. M. Chandrashekhar, were among those who attended the meeting, at the Prime Minister's 7 Race Course Road residence here. According to officials, the meeting remained inconclusive and could be reconvened in the next few days.

Food inflation surged sharply to 18.32 per cent for the week ended December 25, due to rise in prices of a majority of food items.

Retail prices of onion continue to rule well above Rs 55 a kg in major parts of the country, due to sluggish supply.

Measures such as raids on traders and slashing of the duty on onion imports, have not helped ease the situation.

Date:12/01/2011 URL:

<http://www.thehindubusinessline.com/2011/01/12/stories/2011011251671700.htm>

Back Slack buying dissolves sugar



Our Correspondent

Mumbai, Jan. 11

A sharp decline in sugar prices on the Vashi wholesale market was witnessed on Tuesday with spot and naka rates sliding Rs 35-40 a quintal on lack of demand.

Last season's sugar was sold at lower rates; mills are expecting higher rates for current year's sugar. The sentiment was weak.

Tender rates also declined by Rs 10-20 a quintal and were expected at further lower rates in the evening, said traders.

Mr Jagdish Rawal, Joint Secretary of Bombay Sugar Merchants Association, said: " Most of the mills are quoting higher rates in their tenders, resulting in poor response. Mills are bound to come under pressure in the coming days for offloading current month's higher quota. Currently, they are not very keen to sell expecting higher prices."

He said that this month due to higher free sale quota of 17 lakh tonnes, sugar prices have already declined by over Rs 80 till now.

Further decline may be expected because of desperate selling by mills.

The government is very conscious about sugar export due to high food inflation.

Arrivals in the Vashi market were higher than local demand / dispatches adding the market inventory and arresting the fresh buying of stockists. Delhi, Rajasthan, Madhya Pradesh, Uttar Pradesh and West Bengal markets are also experiencing lack of demand, keeping the sentiment bearish.

Tender offer from the most of the mills were open as they quoted higher rates.

On Monday 8/10 mills came forward with tender offer and sold about 35,000-40,000 bags of sugar in the range of Rs 2,780-2,820 for S-grade and Rs 2,820-2,870 for M-grade a quintal to local and State-level traders.

On Tuesday arrivals in the market were about 38-40 truckloads (100 bags each) and local dispatches were about 36-38 truck loads.

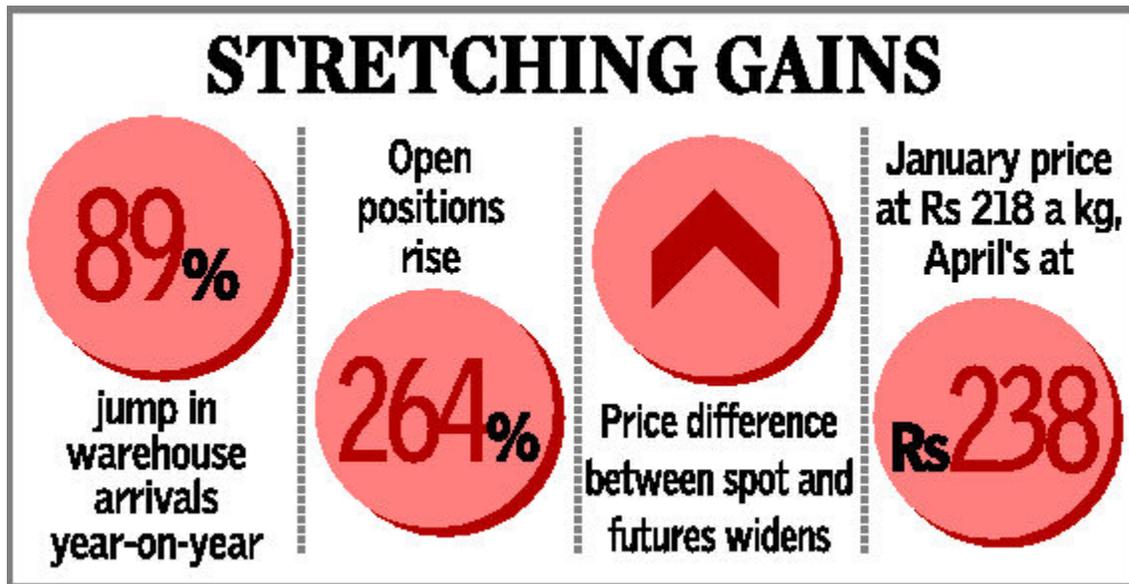
According to Bombay Sugar Merchants' Association, spot rates were: S-grade – Rs 2,896/2,942 (Rs 2,941/2,965) and M-grade – Rs 2,921/3,001 (Rs 2,946/3,021). Naka delivery rates were: S-grade – Rs 2,850/2,880 (Rs 2,880/2,920) and M-grade – Rs 2,900/2,940 (Rs 2,930/2,960).

Date:12/01/2011 **URL:**

<http://www.thehindubusinessline.com/2011/01/12/stories/2011011251721800.htm>

Back Rubber growers, traders tap warehouse route for gains

Take advantage of the price difference in spot, forward markets.



C.J. Punnathara

Kochi, Jan. 11

As futures prices of natural rubber continue to grow, arrivals at warehouses of commodity exchanges have increased, enabling farmers and traders to rake in increased profits. Arrivals on the NMCE authorised warehouses have increased sharply during the past year.

“We are seeing increased arrival of rubber at the exchange warehouse that increased 89 per cent year-on-year. From 3,480 tonnes as on January 1 last year, rubber stocks have surged to 7,787 tonnes this year. There has been increased participation of hedgers and the open market interest has gone up to 10,503 lots, which is 264 per cent of the daily traded volume on the exchange,” said Mr Anil Mishra, Managing Director and CEO of the NMCE.

This is not surprising as the price difference between the current and futures price for rubber continues to widen. While the January price was Rs 217.99 a kg, the April price has already widened to Rs 237.90 currently. Thus, the grower/trader selling in the forward market can realise over Rs 19 a kg, while delivering rubber to the exchange warehouses. The warehouse receipt would also enable the grower to receive funding from banks.

And there are numerous farmers' cooperative societies and the NAFED that have deposited rubber with the exchange warehouses. Already the exchange has a large number of warehouses in the growing regions in Kerala. But as the storage demand continues to grow, the NMCE is trying to increase the warehouse space to accommodate more stocks, Mr Mishra pointed out.

At the last Trade and Settlement Committee meeting of the NMCE held at Kochi, the stakeholders had agreed to the idea of tendering from exchange empanelled reputed sellers godowns that were to be converted as accredited warehouse for delivery in order to reduce the cost. The NMCE is working hard to implement the scheme.

Delivery

Commodity exchanges are not ideal for giving and taking delivery the world over where only one to two per cent of the delivery takes place. However, they become buyers or sellers of last resort at a time of crisis, a press release from the NMCE said. Delivery is a tool which keeps the prices aligned with physical markets and keeps a curb on manipulators.

The NMCE along with the Forward Markets Commission had recently conducted a training programme for the members of the All India Rubber Industries Association at New Delhi and Jalandhar to educate its members on 'How futures market is going to solve their problems of price risk management through hedging'. Prof. K.K. Abraham, President of Pala Marketing Cooperative Society said: "Online trading in the NMCE has been a great help to rubber marketing cooperatives and rubber dealers since it kept the price buoyant, thereby doing great service to rubber growers."

Mr Siby Monipally, Member of the Rubber Board said: "By the introduction of futures trading in rubber and other agricultural commodities, an efficient, transparent and parallel system is in place to further the interest of the farmers and cooperatives."

Date:12/01/2011 URL:

<http://www.thehindubusinessline.com/2011/01/12/stories/2011011251661700.htm>

Back Lower arrivals boost wheat



Our Correspondent

Karnal, Jan. 11

Low arrivals of Dara variety lifted wheat prices by Rs 30-50 a quintal and the market touched the highest levels of the season on Tuesday.

Prices of dara variety ruled around Rs 1,280-1,300 a quintal against Rs 1,250 a quintal quoted last weekend. The price at retail outlets ruled at around Rs 1,310 a quintal, and for finer quality it was around Rs 1,320 a quintal.

Mr Sewa Ram, a wheat trader, told Business Line that because of low arrivals from Uttar Pradesh the market witnessed a good rally. Buying options are available as the FCI's stock at Rs 1,240 a quintal and 4 per cent VAT on top of it. But due to quality issues buyers are not showing interest, he added.

Because of low availability of stocks in Delhi, dara prices were ruling around Rs 1,365-1,390 a quintal, said Mr Sewa Ram. These are the highest levels of the season. Due to low arrivals from Uttar Pradesh, Delhi traders are now demanding the stocks from Haryana, he added.

Around 200 quintals of Dara variety were offloaded at the flour mills in Karnal on Tuesday. On the other hand, desi wheat witnessed some correction on account of low trading. Bhojan King

was quoted at Rs 2,350 a quintal against Rs 2,400 quoted last weekend, Aaj Tak at Rs 2,300 and Nokia at Rs 2,350.

Flour prices

After a good rally in wheat prices, flour prices roared up and touched the highest levels. Flour prices rose by Rs 40 for a 90-kg bag and were quoted at Rs 1,310 for a 90-kg bag against Rs 1,265-1,270 quoted last weekend. Chokar prices rose marginally by Rs 5 and ruled at Rs 605 for a 49-kg bag.

Date:12/01/2011 **URL:**

<http://www.thehindubusinessline.com/2011/01/12/stories/2011011251821800.htm>

Back India emerging a certified coffee hub

'Small growers can benefit if they organise into groups'

A. Srinivas

Bangalore, Jan. 11

Certified coffee is emerging as a global trend, with major roasters planning to set aside 25 per cent of their budgets over the next 3-4 years. Major buyers in India are Swiss and Belgian roasters, apart from US-based Sara Lee.

Nespresso, which currently sources about 1,500 tonnes of certified coffee from India annually, is looking to increase this ten-fold, in view of India's diverse tree cover and habitat which render it an advantageous region for certified coffee, industry sources said. The output crisis in Central America has added to India's appeal, they said.

'Marketing tool'

Mr Rajeev Gupta, head of exports, ABC, said: "Certified coffees have become a marketing tool for the marketers/roasters to communicate to consumers that coffees have been produced in a

responsible way and the people lower most in the chain have been taken care of. For this, the roasters are willing to pay a premium. Marketing ability would play a bigger role in the sales of certified coffee, when supplies increase substantially.”

According to industry sources, the final goal is to turn all coffee into certified so that coffee roasters do not suffer the kind of embarrassment that a major shoe manufacturer went through over alleged sweat shop conditions. In the event of any controversy, the roasters can pass the blame on to certifying agencies.

Ms Sunalini Menon, CEO, Coffee Labs Private Ltd, said: “Certification should be seen as a process of systems improvement, encompassing crop management, processing and documentation practices. This leads to a higher proportion of quality coffees produced from an estate.”

On how certification will shape up if export houses stop extending support in terms of sharing costs and buying growers' produce, Dr Philippe Vaast, a project leader with the CAFNET programme, said: “The scheme of financial assistance to help certify wasn't there in Central America. In spite of that, 50 per cent of the coffee area of Costa Rica is certified, and in Nicaragua and Guatemala it is probably in the range of 15-20 per cent but growing. So, it doesn't look like the cost of certification is such a difficulty for those farmers.”

Dr Vaast elaborated: “One of the keys to the expansion of sustainable coffee in India is cooperatives. There aren't many cooperatives, especially in the Kodagu region. Certified coffee is confined to the very large, corporate coffee producer. But it also started this way in other parts. In Central America, it was large farms, except for organic, that started the certification process, and now we have gone up to a stage where certified coffee farmers in Costa Rica are small, medium and large.”

Prof C. G. Kushalappa, Professor, University of Agriculture Sciences, Ponnampet, and a coordinator in the CAFNET programme, said: “After a support period of three years, farmers will realise the benefits, as in Costa Rica and Kenya where growers bear the costs. Certification will work to the benefit of small growers if they organise themselves into groups.”

Dr Kushalappa said: “The challenge with respect to small farmers is book-keeping. Internal audits can help improve production.”

On its potential, he said: “Some certificates can be used for tourism purposes. The only way to get the young generation back into farming is to do it as an agri-business.”

Dr Kushalappa, however, observed: “There has been a shift from shade coffee to sun coffee in Kodagu. There is a loss of native trees and their replacement with silver oak.”

Medium and large growers are sceptical of the economic benefits of certifying coffee, not appreciating the medium-to-long-term gains in terms of systems improvement, industry sources said.

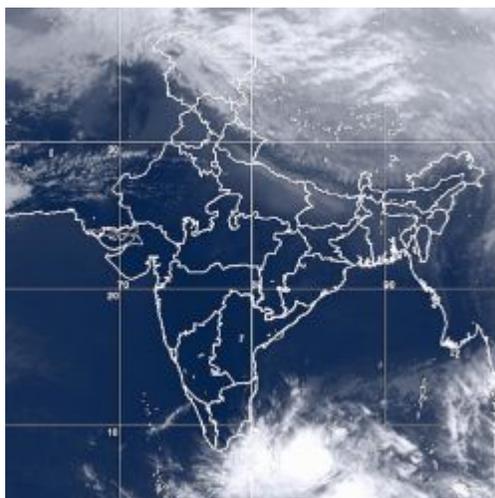
Eco-labels such as Rainforest Alliance, UTZ, Fairtrade, Organic, Nespresso, Starbucks, among others, need to be adapted to the ecological and social environment, Dr Vaast said.

“In India, we need to go a bit higher than in terms of tree diversity. The norms applicable to South America may not hold true here,” Dr Vaast said.

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<http://www.thehindubusinessline.com/2011/01/12/stories/2011011251831800.htm>

Back Core of Bay 'low' may skip Tamil Nadu coast



Vinson Kurian

Thiruvananthapuram, Jan. 11

A low-pressure area has been prowling the waters of southwest Bay of Bengal over the past couple of days, but it is initially seen as propelling itself towards eastern Sri Lanka coast.

Dry winds

Forecast analysis shows the winds over the southern peninsular India would be drier and colder northwesterly-to-northerlies blowing in from the plains of the north and west.

The wind pattern is forecast to shift to being rain-friendly easterlies only from the weekend, with scattered rains dropping over southern coastal Tamil Nadu.

This might translate into isolated showers over the interior parts of the State as well as the adjoining southern Kerala, even as the core of the erstwhile 'low' wallows in the southern Arabian Sea.

India Meteorological Department (IMD) has said in its outlook bulletin that isolated rain or thundershowers may occur over extreme south peninsular India on Wednesday and Thursday but scale up thereafter.

MERCURY CLIMB

Meanwhile, the weather over northwest India might turn a shade for the better with the arrival of a western disturbance marked by rising motion of air upfront, convection, build-up of clouds and snow and rainfall.

Growing cloudiness will cause minimum and maximum temperatures to rise by 2 to 3 degree Celsius over parts of northwest and central India.

Cold wave

This would in turn lead to abatement of cold wave conditions over some parts of these regions.

But fog to shallow fog would envelop parts of Uttar Pradesh, Bihar and some parts of sub-Himalayan West Bengal and Sikkim. This may progressively extend over Assam and Meghalaya also.

Forecast valid until Friday said scattered rain or snowfall would occur over Jammu and Kashmir, while it would be isolated over Himachal Pradesh and Uttarakhand.

Rain likely

Isolated rain or thundershowers are likely to unfold over the plains of northwest India from Thursday.

The European Centre for Medium-Range Weather Forecasts says the core of the westerly system would drift in across the northwest border around Friday, but the warming impact is expected to unfold from Wednesday.

An IMD outlook said the western disturbance would affect weather over the western Himalayan region during the rest of the week starting Wednesday.

The impact would be felt over the adjoining plains of northwest India from Thursday.

Meanwhile, international weather models see no big churn in the weather over northwest India after the westerly system passes.

There is no big follow-up westerly system seen anytime until January 21, which would clear up the air for cold to colder northwesterly winds to blow into the plains.

Relatively colder conditions are being forecast for even the southern peninsula, with only the fringes of the west and southwest coasts being the exception.

Date:12/01/2011 **URL:**

<http://www.thehindubusinessline.com/2011/01/12/stories/2011011251711700.htm>

Back Pulses rule steady on subdued offtake



Our Correspondent

Indore, Jan. 11

Barring tur dal, all pulses ruled firm on subdued demand. According to traders, demand for pulses is likely to pick up from January 15 onwards with the recommencement of the marriage season. As of now, traders have already completed trading for Makar Sankranti, leading to a decline in demand from the retailers and millers.

The State government's decision not to further extend imposition of Mandi tax on pulses coming from outside the State has set off the panic button among the pulse mills in the State, especially those milling tur, moong and urad dal. .

With increased inflow of both domestic and imported tur dal from Tanzania, tur dal declined by Rs 100-150 with tur dal (full) in the spot quoting at Rs 5,500, tur dal (sawa no.) quoted at Rs 5,000, while tur dal (bold) quoted at Rs 6,000 a quintal. In the spot, chana dal remained steady with the prices of chana dal (bold) quoted at Rs 3,000-3050, chana dal (medium) - Rs 2,925-2950, while chana dal (average) quoted at Rs 2,775- 2,800 a quintal. Moong dal also ruled firm with the prices of moong dal (chilka) quoted at Rs 5,000-5,100, moong dal (bold) - Rs 5,450 and moong mongar quoted at Rs 5,750-5,850 a quintal.

Urad dal also remained steady. In the spot, urad dal (chilka) quoted at Rs 4,700-4,800, urad dal (bold) quoted at Rs 5,800 and urad mongar quoted at Rs 6,800- 7,100 a quintal. Masoor dal also ruled firm at Rs 3,975-4,000 a quintal for bold quality while masoor dal (medium) quoted at Rs 3,900-3,924 and masoor dal (average) quoted at Rs 3,575-3,800 a quintal.

Pulse seeds also ruled firm on subdued demand with prices of chana in the spot steady at Rs 2,370-2,375 a quintal, Moong at Rs 4,300-4,400, urad at Rs 4,100, tur - Rs 3,700 and masoor quoted at Rs 3,375 a quintal, respectively.

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<http://www.thehindubusinessline.com/2011/01/12/stories/2011011251681700.htm>

Back **Bearish reports hammer edible oil**



Our Correspondent

Mumbai, Jan. 11

Edible oil prices ruled weak on bearish reports of foreign markets and lack of fresh demand at the local level. Malaysian crude palm oil (CPO) futures that closed lower, weighed on the market.

On Tuesday, most of the oils declined in the range of Rs 1-5 for 10 kg.

Groundnut oil lost Rs 10 as new arrivals hit the market in South India and selling there at lower price put pressure on markets such as Mumbai.

volume

The volume of trade in the Mumbai market and in resale was very thin.

No direct trade took place with refineries. The sentiment was weak, said traders.

On Tuesday, refineries quoted rates for palmolein and soya oil, but due to resale selling by stockiest/traders at lower rates, there was no trade.

On Monday two refineries have bought about 1,800/1,900 tonne of palmolein in buy back.

On Tuesday, Liberty quoted palmolein at Rs 583. Ruchi quoted palmolein at Rs 586, soya refined oil at Rs 617 and sunflower oil at Rs.700 for 10 kg.

About 100/150 a tonnes of palmolein were traded in resale at Rs 579-580.

In Indore, soyabean arrivals were about 1.50/1.75 lakh bags quoting at Rs 2,320-2,350 a quintal.

Malaysia CPO January contracts closed at MYR 3740 (3775), and February at 3725(3771) MYR. Indore NBOT soya oil January contracts closed Rs 630 (Rs 630) and February at Rs.638 (Rs 641.10).

Mumbai commodity exchange spot rate (Rs/10 kg): Groundnut oil 760 (770), soya refined oil 615 (620), sunflower exp. ref. 675 (675), sunflower ref. 715 (720), rapeseed ref. oil 636 (637), rapeseed expeller ref. 606 (607), cotton ref. oil 598 (600) and palmolein was 581 (582).

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Back Masala makers begin turmeric procurement



Our Correspondent

Erode, Jan. 11

Spot turmeric prices fell in Erode on Tuesday despite higher sales.

“Though bulk buyers did not get any fresh orders from North India, they were buying to fulfil local orders. The local masala producers and other turmeric powder grinding units placed some orders to the traders for their day-to-day use, so sales improved on Tuesday. Out of 3,000 bags that arrived, 2000 were sold,” said Mr R.V. Ravishankar, President, Erode Turmeric Merchants Association.

He said: “On Tuesday, more than 200 bags of fresh crop arrived at the Nizamabad market and traders are expecting higher arrivals, so there will be no demand for next 15 days from North India. Everyone is expecting further decrease in turmeric price in a couple of days.”

In the Erode Turmeric Merchants Association sales yard, the finger variety sold at Rs 10,500-15,991 a quintal, the root variety Rs 9,667-15,694 a quintal. Out of 1,319 bags that arrived, 415 were sold.

In Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety was sold at Rs 14,510 to Rs 16,109 a quintal, the root variety Rs 14,210 to Rs 15,819 a quintal. Out of 155 bags, 85 were sold. In Erode Cooperative Marketing Society, the finger variety fetched Rs 15,163 to Rs 15,969, the root variety Rs 14,539 to Rs 15,776 a quintal. All the 299 bags that arrived were sold.

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Back Groundnut oil remains unchanged



Our Correspondent

Rajkot, Jan. 11

Groundnut oil prices remain unchanged on Tuesday in the Saurashtra region as demand has petered out in the last couple of days.

Groundnut oil was quoted at Rs 1,290-1,295 for a 15 kg new tin in Rajkot, while loose groundnut was traded at Rs 740-745 for a 10 kg tin.

According to a Rajkot-based trader, a negative trend has been prevailing in vegetable oil prices for the past 3-4 days on drop in demand after prices increased last week.

Now, the price has stabilised and demand is seen to be normal. This week, groundnut oil price has decreased over Rs 25 for a 15 kg new tin.

Loose groundnut oil price has also dropped by Rs 20 in a week as branded companies have slowed buying in the Saurashtra region. Along with groundnut oil, cotton oil also decreased in the last couple of days.

cotton oil

Cotton oil was traded at Rs 975-Rs 985 for a 15 kg new tin, while cotton wash was traded at Rs 560-Rs 565/ 10 kg.

The daily trading of groundnut oil has decreased from 17-18 tankers to 12-14 tankers (each 10 tonnes).

Similarly, cotton oil trading has dropped to 7-8 tankers from 10-11 tankers.

Traders said that retail buyers are waiting for further fall in prices. The demand for groundnut oil in the market is subdued at present.

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Back Losing pungency

— P.V. Sivakumar



Prices down:Garlic prices dropped marginally due to higher arrivals in Hyderabad on Tuesday with the spice selling at Rs 280-300 a kg. Traders at the Rytu Bazaar said the slump came after three weeks of firm pricing.

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Back Spot rubber rises further on global cues

Aravindan

Kottayam, Jan. 11

Physical rubber prices continued to explore new highs on Tuesday. Another all time high in Bangkok spot and corresponding gains in the domestic and international futures catalyzed the sentiments while the market made all-round gains on fresh buying and short covering.

The market may reach unpredictable levels if its fundamental and technical positions remain uninterrupted, an observer said. Though an improvement in production was reported from plantations, arrivals were low, he added.

Sheet rubber improved to Rs 217 (215) a kg as quoted by dealers. The grade closed firm at Rs 216.50 (214.50) a kg both at Kottayam and Kochi, according to Rubber Board.

Futures gain

The January series increased further to Rs 217.99 (214.87), February to Rs 226.48 (222.95), March to Rs 231.75 (227.91) and April to Rs 237.90 (234.05) a kg for RSS 4 on the National Multi Commodity Exchange.

RSS 3 (spot) flared up to Rs 242.87 (239.68) a kg at Bangkok. The January futures for the grade improved to ₹432.5 (Rs 235.20) from ₹429 a kg during the day session but then remained inactive in the night session on the Tokyo Commodity Exchange.

Spot rates were (Rs/kg): RSS-4: 217 (215); RSS-5: 206.50 (204.50); ungraded: 202 (200); ISNR 20: 213 (212) and latex 60 per cent: 149 (148).

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Back Cashew market dull on demand uncertainty

G.K. Nair

Kochi, Jan. 11

The cashew market continued to be sluggish and for over a month now little volume has been traded with the US and Europe, though there has been reasonable business with other markets.

During the last two weeks, some processors from Vietnam and India sold W320 to the US and Europe at lower levels, that is, at around \$3.65 (f.o.b) because they do not have prior sales and need to move stocks before new crops start in March, trade sources said.

Despite the limited buying interest, most processors from both origins were quoting more than 15-20 cents higher. They do not have much to sell for first quarter and they are not willing to sell at lower prices for second and third quarter because: (a) RCN prices have been high in the fourth quarter; (b) processing costs are going up in first quarter; and (c) there is uncertainty about RCN pricing (and movement) in the second quarter.

“They do not want to sell short unless they get a reasonable premium to cover high costs (and any supply side problems),” Mr Pankaj N. Sampat, a Mumbai-based dealer, told Business Line.

Uncertainty of demand trend makes buyers wary as well, he said. “They do not want to be carrying long positions at prices, which are the highest ever and then see a dramatic drop in demand. At the same time, they need to buy at regular intervals to keep pipeline filled to the bare minimum. This hand-to-mouth buying will continue to provide floor to the market till we reach a ‘tipping point’,” he said.

Tight supply

There is no change in fundamentals, traders said. Supply will continue to be tight in first half – tightness will ease slowly in second half if 2011 crops are good (or at least normal). Normal supply will be restored only if 2011 crops are at least normal and 2011 demand is dramatically reduced.

Steady demand is expected in Asia in 2011 but there is uncertainty about the US and Europe, they said.

Some people expect a double-digit decline in 2011 due to the high prices but this seems unlikely given that prices for almost all nuts (in fact, almost all food products) are high.

Base demand for snack nuts will remain although promotions and special offers may be affected. “Unless something dramatic happens on demand or supply side, we expect market to move with 3.75 fob as middle of range for most of 2011,” Mr Pankaj said.

If buying from the US and Europe is slow in first two quarters, “we will see slight easing of prices when the new crops are being harvested. This would mean processors will be less inclined to pay high prices for RCN, even if kernel prices do not ease, processors will have to target for lower RCN prices to compensate higher processing costs”.

If 2011 RCN prices are reasonable then “we will see further easing of prices in the second half. On the other hand, if there is steady buying with some quiet periods – like what we have seen in the last two quarters – processors will have to buy RCN even if prices are high. In that case, there will be little chance of prices coming down much for most of 2011”, he said.

In next few weeks, “we can expect bouts of volatility depending on news, reports, rumours about the crops – it will be difficult to separate chaff from the grain. By Apr/May we will have a better picture of supply + demand and then it will be possible to make a realistic guess of market trend. Till then, market will continue to be delicately poised and all factors, including external factors, will have to be watched closely,” he predicted.

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Back Tea import bill declines 14.58%

P. S. Sundar

Coonoor, Jan. 11

Despite an increase in the price of imported teas, India's tea import bill dropped due to reduction in volumes, an analysis of the information available with the Tea Board and importers reveals.

In the first three quarters of calendar 2010, the latest period for which official data is available, India paid on an average Rs 88.45 a kg to import teas against Rs 85 in 2009. But the volume imported dropped to 14.68 million kg from 17.88 million kg. That means, more volume could not be imported because of increased prices. Consequently, the import bill declined to Rs 129.82 crore from Rs 151.97 crore, a fall of 14.58 per cent. In dollar terms, the price of imported teas averaged \$1.92 a kg against \$1.74 in 2009. The overall import bill declined to \$28.23 million from \$31.03 million.

Financial year analysis

In financial year terms, the volume imported in the first half of the current fiscal dropped to 9.65 million kg from 13.07 million kg last year. But the price increased to Rs 94.54 a kg from Rs 85.74. That means, 3.42 million kg less was imported as the asking price rose by Rs 8.80 a kg. Consequently, the overall import bill dropped by Rs 20.84 crore to Rs 91.22 crore. In dollar terms, the price rose to \$2.06 a kg from \$1.76.

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Back Pepper futures rebound as other origins rule firm

G.K. Nair Kochi, Jan. 11

Pepper futures on Tuesday bounced back on reports of firmer markets in other origins coupled with bullish activities. The bull operators said to have got into the driving seat today and got the

market pushed up, trading sources told Business Line. "In fact, both sides, buyers and sellers, are weak," they said.

Direct movements of new pepper from the primary markets by rail bypassing the terminal market have kept the market blind about the actual arrivals. Whatever material arrived on float were also bought by dealers from Jharkhand and Bihar, they said. There was good switching over from January to February and additional buying today, they said. January contract on NCDEX went up by Rs 385 to Rs 22,597 a quintal. February and March also shot up by Rs 440 and Rs 381 respectively to Rs 22,997 and Rs 23,213 a quintal. Total turnover dropped by 169 tonnes to 12,281 tonnes. Total open interest moved up by 103 tonnes to 13,031 tonnes. Open interest for January dropped by 1,086 tonnes to 5,559 tonnes while February and March increased by 1,087 tonnes and 112 tonnes respectively to 56,512 tonnes and 587 tonnes.

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Back Training in rubber sheet making

Kottayam, Jan. 11

A training programme is organised in rubber sheet making and grading at the Rubber Training Institute, Kottayam on January 24 and 25. The training fee is Rs 300. SC/ST participants are eligible for 50 per cent concession in fee, according to a press release issued by the Rubber Board. The training is intended for growers and workers engaged in latex processing and sheet making. The payment may be made by money order or demand draft drawn in favour of the Director (Training), Rubber Board payable at Kottayam. Application on white paper along with fee may be forwarded to Director (Training), Rubber Training Institute, Rubber Board P.O., Kottayam-686 009, Kerala. For details contact: 0481 2351313.

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