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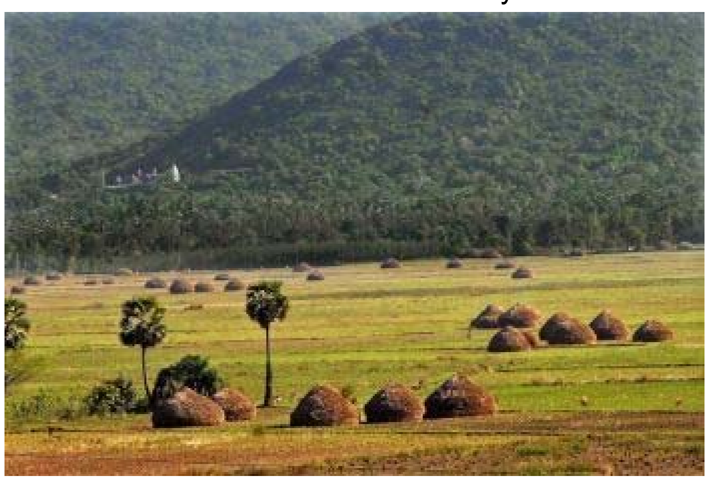
Awaiting harvesting

— Photo: C.V. Subrahmanyam



Paddy is still left stacked on the fields owing to adverse climatic conditions and for want of manpower in Visakhapatnam district.

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Protesting farmers torch engine, coaches

Shoumojit Banerjee

Patna: The Bihar Government's plans for a mega power plant at Nabinagar in Aurangabad district went for a toss as an agitation by a large mob of farmers turned violent on Saturday, resulting in the torching of an empty passenger train.

The farmers were agitating against the acquisition of 1871 acres of private land by the State Government for setting up 3300 MW power project, on grounds that the State Government had not paid them adequate compensation.

Despite attempts at pacification by the district administration, the protest took an ugly turn as the police lobbed tear gas shells on the angry mob, which torched an engine and two coaches of the empty Gomo- Barkakana express near Ankhora village, said ADG (Headquarters) P. K. Thakur.

The Nabinagar project is a joint State Electricity Board (BSEB) - National Thermal Power Corporation (NTPC) venture, which aims to turn the area into an industrial hub. Authorities said that the land had been acquired by the Government and that the title deeds did not belong to the farmers.

District officials stated that the agitators were unjustly demanding higher compensation despite the fact that the floor rates varied from place to place.

According to the Aurangabad District Magistrate, some villagers had been recompensed at the rate of Rs.4-5 lakh per acre, while others had been paid as high as 12-13 lakh depending on the quality of the land acquired.

Sources within the NTPC said that only a small section of farmers were disrupting work, despite completion of the land acquisition process and doling out of adequate compensation packages.

Meanwhile, Rashtriya Janata Dal (RJD) chief Lalu Prasad has condemned the police action on the agitating villagers and has deputed a fact-finding team, headed by the leader of opposition in the State Assembly, Mr. Abdul Bari Siddiqui.

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Farmers' conference on pollution

Staff Reporter

KARUR: Farmers of Karur district, who are plagued by industrial pollution for several decades now, have decided to intensify their struggle to put a permanent end to the menace.

The affected farmers have decided to convene a regional conference in Karur, Erode and Tirupur districts on January 28 and chalk out a strategy to counter the pollution threat to save farm lands and farmers.

Effluents discharged by textile and allied industries in Karur, Tirupur, Erode and Coimbatore districts have wrought havoc in Amaravathy, Noyyal and Cauvery rivers, which in olden days enriched Kongu region in general and Karur district in particular.

“Over the past few decades dyeing and bleaching activities had left Noyyal and Amaravathy ravaged and is threatening to engulf Cauvery . We have been fighting at several levels to stem the rot and resurrect full-scale agriculture. It is estimated that more than 75,000 acres in Karur district has been affected partially or fully due to industrial pollution. More over, health of human beings and cattle has been upstaged while drinking and irrigation water sources are left spoiled.

Despite the pleas of several farmers' organisations and environmentalists to prevent further damage to the rivers precious little has been done. To make our voices heard we need to remain and fight united," said former MLA T.N.Sivasubramanian, who has been involved in anti-pollution activities over the past couple of years.

To take the struggle forward and to intensify the efforts, a special conclave of farmers' representatives, social organisations and activists was held here, in which farmers affected by pollution gave vent to their anguish.

Presiding over the deliberations, president of the Association of Farmers Affected by Pollution R.Ramasamy, said that farmers' demands especially those relating to pollution and environmental damage must be readily heeded by the governments.

The show of strength is a signal to the governments and other agencies involved in pollution control, to act immediately and effectively, he added.

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20 farmers from Rasapatti village honoured

Special Correspondent

Farmers' Day celebrated at Thilagavathiar Tiruvarul Adheenam

appreciation: Sri Dayanantha Chandrasekaran, head of Thilagavathiar Tiruvarul Adheenam, honouring farmers with Pongal gifts in Pudukottai.

PUDUKOTTAI: Strict norms should be framed and enforced to ensure preservation of cultivable land, so as to enable higher productivity, said speakers at the ‘Farmers' Day' function organised by Thilagavathiar Tiruvarul Adheenam here on Wednesday. Land as a rich natural resource should be properly preserved for conservation of soil, ground water and to put a check to pollution.

Sri Dayanantha Chandrasekaran, the head of the Adheenam, said that every individual should take up the responsibility of conserving the land and abstain from exploiting the resource for commercial benefits.

This was the fourth year in succession that the adheenam has been honouring farmers on the occasion of ‘Pongal' festival, indicating the importance of the farming community. This year, a total of 20 farmers from Rasapatti village, about 15 km from here, were invited for the honour.

S. Meyyappa Chettiar, a senior advocate, C. Sethuraman, a faculty from the H.H. The Rajah's College, Pudukottai; Valliammai Subramaniam, president of Rotary Club of Maharani were among those who spoke. They said that adequate awareness programmes should be organised for conserving land as a vital resource for livelihood.

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Increase in food prices hits many households

M. Soundariya Preetha

Prices of vegetables expected to come down as arrivals increase

COIMBATORE: Increase in food prices is not only resulting in surge in inflation and making headlines, but also hitting hard on several households.

Fluctuating vegetable prices and high prices of agricultural commodities have forced many to find alternatives or cut down on vegetables.

Prices of several vegetables had been volatile and seen some steep increases in the last one-and-a-half months. With a hike in prices, consumers had either reduced the volume of purchase or gone in for the next quality. However, the rates of most of the vegetables were expected to start coming down soon as arrivals increase. With availability of water, more farmers were expected to go in for vegetables and this would increase arrivals. The retail prices were usually 15 to 20 per cent higher than the whole sale prices. It varied according to the location of the retail outlet and movement of vegetables in that area, said M. Rajendran, President of Kovai Thyagi Kumaran Market Vegetable Merchants' Association.

Coimbatore Malligai Merchants' Association secretary C.R. Baskaran said while 50 per cent of rice needs of Coimbatore were met from Karnataka, the rest were from Andhra Pradesh and Tamil Nadu. Most of the pulses came from Punjab, Rajasthan, Gujarat, Madhya Pradesh and Maharashtra. With high and fluctuating prices, even not many traders were going in for bulk purchases.

New arrivals of most of the agricultural commodities had just started and it usually gained momentum a week after Pongal. Excess rain had benefitted some crops and damaged some others. Hence, it was difficult to predict the arrivals now.

If the current price of an agricultural commodity was reasonable, the decline was likely to be marginal with the new arrivals. If it was unusually high, the decline could be significant. Consumers were also expecting the new crop and postponing purchases. Hence, prices were likely to come down only after this demand was met. Prices of some of the commodities were already marginally lower than that of December 2010.

“However, it is unrealistic to compare today's prices with what prevailed about three years ago,” he said. There was manpower shortage in all sectors. Agricultural lands, especially those near the cities, were getting converted into commercial and residential areas. Unlike earlier, the holding power of many farmers had improved and they were able to hold back the produce even till the end of the season. The cost of production had increased. Hence, earlier prices might not be reached in the foreseeable future.

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Inflation and children – curious case of price rise

Karthik Madhavan

PHOTO: S. SIVA SARAVANAN

The rise in prices of essential commodities has made life difficult for noon-meal organisers.

COIMBATORE: Over 18 per cent food inflation means nothing for children waiting to go to school and those going to school. They will learn about it in a few years, as and when they move to higher classes.

But they are feeling the pinch of it. Right at the anganwadi (child care centre) kitchens and noon meal kitchens at government-run schools. At the anganwadi, the government takes care of the pre-school children by providing food and basic education. At noon meal kitchens, the government provides food for students.

The kitchens serve as a place where the anganwadi teachers and noon meal organisers talk a lot of economics. Not macro but micro economics. Their economic debate revolves around how to bridge the widening gap between the market price of items he or she has to buy and the money the government gives. The latter supplies only rice, red gram (thoor dhal), green gram, oil and egg, leaving the anganwadi teachers to vagaries of the market.

They will have to buy ‘sambar' powder, turmeric powder, fenugreek, mustard, tamarind, other condiments, besides vegetables, including onion and potato. To buy all the aforementioned items, the government gives 70 paise a child. It gave 43 paise a child a few months ago but had to revise upwards the price following protest from the noon meal organisers.

A noon meal organiser says the government has asked them to also buy firewood at no extra money. He laments that with the money the government gives the organisers will not be able to buy even a few grams of vegetables, given the prevailing market price.

Within the 70-paisa, the organisers have to spend 32 paise for vegetables, 24 for groceries and 14 for firewood.

At anganwadi kitchen, the story is no different. An anganwadi teacher says her challenges are no different from that of a noon meal organiser. Here, the teacher gets to spend 54 paise a child.

They want the government to increase the money spent on a child or student by seeing it as an investment.

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Plea to notify toddy as food product

Special Correspondent

TIRUCHI: The Tamil Nadu toddy movement has urged the State government to notify toddy as a food product and also to lift the ban on its production.

A resolution adopted at the movement's consultative meeting held here on Sunday said that the State government should exempt toddy from the list of beverages and declare it as a food product. Another resolution suggested that steps should also be taken to market quality toddy produced from coconut trees and palmyra through the Tamil Nadu State Marketing Corporation (TASMAC) shops.

Resolutions pleading for a hike of Rs.10 for cow-milk and Rs.15 for buffalo milk; direct procurement of ragi, maize, and horticultural crops were also adopted.

Releasing a copy of resolutions to reporters here, S.Nallasamy, co-ordinator of the movement, said that the movement would observe January 21 as the annual toddy production day at Arachaloor village in Erode district.

K.Jagadeesan, president of Tamizhaga Vivasayigal Sangam presided over the meeting.

Ila. Kathiresan, organiser of the movement and R.Thangarajasu, secretary, Lower Bavani Ayacutdars Welfare Association were among those who spoke.

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Farmers protest against land acquisition, torch train engine

Shoumojit Banerjee

Demand for higher compensation

RJD condemns police action on villagers

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Varghese K George and Chetan Chauhan, Hindustan Times

Email Author

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Free up veggie trade to fix crisis: Montek

Horticulture items should all be removed from the ambit of the Agriculture Produce Marketing Committee (APMC) Act to check volatile prices of fruit and vegetable and ensure farmers get the best prices for their produce, Planning Commission Deputy chairperson Montek Singh Ahluwalia told Hindustan Times on Monday.

He was elaborating on the reasons for the recent spike in food prices and possible solutions to the crisis.

Ahluwalia admitted that the government had misread the food inflation situation "Last year's inflation was due to increase in cereals' prices. That had been stabilised. Then came a sudden burst in onion prices due to freaky weather," he said.

The noted economist said in the long-term, the strategy to curb such volatility in prices lay in modernising agricultural production and marketing. "Improving productivity, storage and transport are necessary. Private participation is necessary for this. Farmers should be allowed to sell their produce to the best intermediary who will give them and the consumers the best price," he said.

VOICE OF REASON

Montek Singh Ahluwalia

"Improving productivity, storage and transport are must to check rising prices. Farmers should be allowed to sell their produce to the best intermediary who will give them and the consumers the best price."

"Agriculture Produce Marketing Committee laws must be amended to free farmers from markets controlled by few people in the mandis and provide them access to consumer markets directly."

Ahluwalia was referring to the fact that the APMC laws in most states make it mandatory for farmers to sell their produce through local committees.

Licences for participating wholesale buyers — who are required to pay a transaction or mandi tax — are concentrated in a few hands. In the present scenario, these markets are not a free buyer-seller platform. But any change in the APMC law is sensitive as powerful people control these committees at the local level.

Ahluwalia said the APMC laws must be amended to free farmers from the markets controlled by a few people and provide them access to consumer markets directly. Ahluwalia said all horticulture products such as onions, apples and vegetables should be exempted from APMC laws and the state governments should help farmers in better marketing of their produce.

He said the need was more for the private sector to invest in infrastructure for perishable goods. “If our transport is efficient, you can move items from a surplus region in the country to an area facing shortage quickly to stabilise prices.” The eight-point action plan that the government announced last week to tame prices had called for increased private participation in the retail sector, another politically sensitive reform that is pending for long.

Ahluwalia said the prices of vegetable will come down, but prices of milk and meat could stay high, as its consumption, especially in rural areas, has increased without comparative rise its production. “Many people in rural India who used to produce milk for market are consuming more milk because of improvement in their incomes,” he said.

http://www.hindustantimes.com/StoryPage/Print/651595.aspx

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PM’s panel revises March inflation up to 7%

“Higher-than-expected” rise in WPI-based inflation in December has prompted the Prime Minister's Economic Advisory Council (PMEAC) to further revise upwards March-end inflation forecast to up to 7% from 6.5% estimated earlier.

“March-end we had originally thought, it would be around 6.5%, but given the current trend, it could be anywhere between 6.5% and 7%," said C Rangarajan, chairman, PMEAC.

Overall inflation for December, measured on the basis of wholesale prices, increased to 8.43% in December from 7.48% in November, mainly due to an increase in food prices.

The PMEAC had earlier estimated March-end inflation at 5.5%, which was revised to 6% and subsequently to 6.5%.

The present situation warrants some tightening on the part of the Reserve Bank of India in its January 25 quarterly monetary policy, Rangarajan said. “The inflation rate for December has turned out to be much higher than what was originally expected... Given the present situation, perhaps some tightening on the part of RBI may be required.”

The RBI raised key policy rates six times last year.

Food inflation remained high through December touching the year-high level of 18.32%.

Vegetables, fruits, eggs, meat and fish prices have contributed to the rise in inflation, he said. However, seasonal factors and measures taken by the Centre could lead to a decline in price rise

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Low on supply, milk could be next crisis

Onion prices may be eye-watering, but India's next food crisis could be about milk prices have risen 24% in the past year, according to food inflation data for the week ending January 1. For the month ending December last, milk prices rose 18%.

Even periodic hikes in retail prices — most recently on December 19 — have not been able to offset producers' losses. Another round of price hike is looming, industry sources said.

"Over the past two years, prices of all major inputs for milk production have increased. However, increase in MRP has not been adequate to cover the increases and bridge the gap," a spokesperson for Mother Dairy Fruit & Vegetable Pvt Ltd said.

DAIRY IN DISTRESS

- Milk prices rose a whopping **24%** in the past one year and another round of price hike is just around the corner, say industry sources
- This is because domestic demand has gone way ahead of supply
- Also, dairy farming is in a mess with cattle feed shrinking, producer costs rising and productivity almost stagnant

Dairy products are poised to quietly milk household budgets as domestic demand in the world's largest milk producer now far outstrips supply. Dairy farming in India in fact is a milky mess: cattle feed is shrinking, producer costs are rising and productivity is almost stagnant.

Hit by falling domestic supply of fresh milk, producers are increasingly importing milk constituents, such as skimmed milk. Dairy imports rose by a whopping 476% till October last year, according to the latest import data of 15 sensitive items tracked by the government.

Milch cows need to be fed well, usually on oilmeals — the solid residue left after oily seeds are pressed of their oil.

Fodder, however, is becoming costly and scarce. The Economic Survey 2009-10 put national green fodder shortage at 34%. On the other hand, fodder exports continue on the back of lucrative deals. "Fodder exports need to be curbed," animal husbandry expert Parul Sinha said. Cattle feed costs make up 70% of milk production cost.

The bigger issue, however, is a sluggish diary growth rate of 4%. Gant milk federations that once powered India's "white revolution" are aging and inefficient, Sinha says. Second-generation entrepreneurship has failed to take over from them.

expressbuzz

By PTI

17 Jan 2011 03:31:10 PM IST

After onions, cooking oils scald 'aam admi'

NEW DELHI: Adding to the woes of the common man who is reeling under high prices of veggies like Onion, cooking oil prices have surged by upto 62 percent in last one year, hurting the household budget of consumers.

According to experts, retail prices of edible oils are likely to remain firm in the coming months and there is no sign of its cooling off in the wake of high global prices.

Prices of cooking oils -- sunflower oil, groundnut oil, mustard oil, soya oil and vanaspati--have surged sharply in various parts of the country by upto 62 percent as on January 14 from the year-ago period, according to the data maintained by the Consumer Affairs Ministry.

The maximum rise in retail prices was witnessed in sunflower oil, which rose by 62 percent to Rs 110/kg in Delhi on January 14 from Rs 68/kg in the same day last year.

Whereas in Kolkata and Chennai sunflower oil prices during the period under review stood at Rs 75-85 a kilo, the data showed.

In Delhi, Soya oil prices increased by 43 percent to Rs 83/kg from Rs 58/kg, while groundnut oil rose by 19 percent to Rs 134/kg from Rs 113/kg during the review period.

In Kolkata the prices of the edible oil was ruling at Rs 68 a kg while groundnut oil stood at Rs 110 a kg in the retail market.

Similarly, mustard oil and vanaspati prices in the retail markets of Delhi have risen by upto Rs 21 to Rs 78/kg and Rs 77/kg, respectively.

A similar upward trend was seen in other metros as well.

Mumbai-based edible oil industry body Solvent Extractors Association Executive Director B V Mehta said, "Edible oils prices in the domestic market have gone up significantly from last year and may continue remain high in the next few months because of the global market."

Globally, prices of edible oils have increased by 15 percent in the last one year, thus making imports costlier for India, the world's biggest importer of edible oils, he said.

India imported 8.82 million tonnes of edible oils like palm oil, soya oil and sunflower oil in the 2009-10 crop year (November-October).

An edible oil expert said that sunflower oil prices have risen maximum because of the shortage of crop in Bulgaria.

Besides, the acreage under the crop in India has also come down, he added.
India imports largely edible oils in crude form and refines it for the domestic sale.
Food inflation still continue to remain high at 16.91 percent for the week ended January 1.

16 Jan 2011 01:34:02 PM IST

Snow cheers Himachal apple growers

SHIMLA: Widespread snowfall in the apple-growing areas of Himachal Pradesh has brightened the prospects of a bumper apple production this year too.
High hills in Shimla, Kullu, Mandi and Kinnaur districts have been experiencing moderate spell of snow since Friday and the Met office has predicted more snow later this month.
"These spells of snow are good for fruit crops like apple, peach, plum, apricot and almond," Horticulture Director Gurdev Singh told IANS.
He said regular snow and rain have sufficiently increased the moisture content in the soil that helped the apple plant get nutrients in the pre-flowering season.
The apple crop is at present dormant and will come out of it by March. In April, it will enter the pink bud stage - a period when the flowering begins.
S.P. Bhardwaj, a former joint director at the Solan-based Doctor Y.S. Parmar University of Horticulture and Forestry, said during dormancy the apple crop requires 1,000 to 1,600 hours of chilling with the temperature at 7 degrees Celsius or less.
"Frequent spells of snow will enable the crop to get the chilling hours well in advance. The extended chilling period is beneficial to the crop during blooming and fruition," he said.
Snow is considered as white manure for the apple orchards.
The meteorological office in Shimla said Kotgarh and Thanedar, the prominent apple belt in upper Shimla, Kinnaur and Mandi districts as well as the entire Kullu valley received good snow in the past few weeks.
Anil Dayal, an apple farmer from Kotkhai in Shimla district, said: "There is sufficient accumulation of snow that would also help sustain the moisture in the soil even during peak summer. We again hope to get a good yield if the weather remains congenial till the harvesting."
Ravinder Chauhan, another grower, said: "This year's timely and sufficient snow makes the farmers to replace the old plants with the new ones."
The rise in demand is giving the suppliers a bumper opportunity as they have almost doubled the rates of saplings against last year's Rs.25 to Rs.30 per sapling.

Himachal Pradesh is one of India's major apple-producing regions, with more than 200,000 families engaged in the cultivation of the fruit.

The state's economy is highly dependent on horticulture, besides hydroelectric power and tourism, with the fruit industry worth about Rs.2,000 crore (Rs.20 billion) per year.

The state had a record yield of apples in 2010 with 4.46 crore boxes of 20 kg each.

The previous record yield of 2.6 crore boxes was in 2007. In 2009, it slipped to 1.4 crore boxes.

Besides apples, other fruits like cherries, pears, peaches, apricots, kiwis, strawberries, olives, almonds and plums are the major commercial crops of the state.

16 Jan 2011 01:19:33 PM IST

Agra girls defy stereotype, drive tractors

MANOHARPUR (UTTAR PRADESH): Tractors ploughing the fields have a macho appeal that sleek cars lack. The roaring sound of the engine and the smoke coming out of its exhaust add to the tractor's machismo. But that does not mean girls can't drive it.

Ask the 16 girls in Agra who surprised everyone, including the Taj city's woman mayor, by driving the huge roaring tractors in style and even ploughing the field with amazing ease.

The girls were from Manoharpur village in Agra's outskirts and the scene was the two-day driving camp conducted by automakers Mahindra and Mahindra under their "Nai disha Nai soch" (New direction, New thought) programme.

Agra's representative in parliament Ram Shankar Katheria had opened the camp Jan 12.

The girls took Agra mayor Anjula Singh Mahaur for a drive in the tractor. The mayor did not hide her fascination and could learn a few driving tricks herself.

Company technicians Sohan Singh and Hitesh Dhingra shared with the camp participants some useful tips on tractor driving.

Camp in-charge Dileep Singh said they are planning similar camps in more Agra villages to train girls.

"It not only opened immense potential but instilled a great degree of self-confidence in our girls," commented rural activist Ravi Singh.

Poonam, Sushila, Bharti, Lakshmi, Mamata, Neeru, Gayatri and others are now ready even to help their parents and brothers on the field.

"These machines will not lie idle for want of competent drivers," promised an excited Sangeeta,

one of the camp participants.
Priti, a Class 8 student, confessed that the first time she sat on the tractor driver's seat she was pale with fear.
"But my parents were supportive. My father used to drop me on his mo-bike at the camp," Priti told IANS.
All the girls have bicycles and are now prepared to change the profile of women in Agra's conservative social milieu, said Anshu Pareek, a commentator on women's issues.
"All the girls were so happy and excited. Their transformation was such a joy to watch," Pareek told IANS.

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Friday, Jan 17, 2011

Pepper market confused over availability at origins

G.K. Nair

Kochi, Bearish sentiments influenced the market last week on assumptions that a good quantity of the new Indian crop will arrive and the Vietnamese new crop will arrive in February-March 2011. In fact, trade sources told Business Line, the market remains confused about pepper availability as the real position is unknown.The new crop arrivals in India have started only this month, unlike November generally. Volumes arrived are lower for the season too.Growers blame untimely incessant rains, which led to shedding of spikes and lack of pollination resulting in low berry formation/setting, for the poor crop.

Moreover, the usual problem of acute shortage of skilled labour for plucking the spikes from the vines made things worse. It has pushed up the wages. The outgo on this head alone is around

Rs 450-500 a day, Mr Joshua Daniel, a pepper grower in Pathanamthitta district told Business Line. Pepper production in India is officially projected at 48,000 tonnes this season while growers peg it at below 45,000 tonnes.

Meanwhile, some market players claimed the Vietnam crop will be good, others said it would be less because of the unfavourable weather in almost all the countries affecting a number of food crops and spices.

Simultaneously, black pepper is hovering around $5,000 a tonne, implying confusion about its availability.

Exporters here also anticipate orders in the coming days from pockets overseas. Indian parity at the weekend was $5,150 a tonne. The recent decline in futures coupled with a weak rupee against the dollar has brought the Indian parity in line with the origins, export sources told Business Line.

Last week all contracts showed a marginal decline. January, February and March contracts were down by Rs 237, Rs 96 and Rs 27 respectively to Rs 22,561, Rs 22,991 and Rs 23,307 a quintal.

Spot ungarbled and MG1 last week moved up by Rs 100 and Rs 300 from the previous weekend's closing to Rs 21,500 and Rs 22,300 a quintal.

The pepper that has arrived in the spot market is a mixture of old and new pepper and because of the cloudy weather in the growing areas moisture is higher, estimated at 14-14.5 per cent, hence there is an estimated shortage in weight by 3-3.5 per cent while processing.

Thus, the conversion cost will go up by Rs 3-8 a kg from Rs 5. Therefore, the difference between ungarbled and garbled (MG1) has gone up to Rs 8.

According to the International Pepper Community (IPC), the black pepper market at sources showed mixed response last week. In India and Vietnam, local prices decreased, while in Lampung and Sarawak, they increased. In Sri Lanka, prices were stable. The decrease in India and Vietnam was because of ongoing and upcoming harvesting respectively.

In Kochi, local price decreased by 2 per cent and 1 per cent in f.o.b.

Futures prices also decreased by around 2-5 per cent.

In Vietnam, local prices decreased marginally, but f.o.b price was stable. In Lampung, local prices increased by 5 per cent because of limited stock as stocks with farmers had exhausted. In Sarawak, local prices also increased marginally, but f.o.b was stable. In Brazil, the market was calm, as most of the players are expected to return only by next week. During the week, Brazil offered $4,345 a tonne locally and $5,000 f.o.b Belem (ASTA).

Except in Vietnam, local prices of white pepper were relatively stable. A marginal decrease in dollar price in Bangka was due to the strengthening of dollar against the Indonesian rupiah. In Vietnam, local price decreased by 2 per cent, while f.o.b was stable.

Sarawak white pepper was stable both in local and f.o.b. Brazil reportedly had a scarcity of white pepper and what was available fetched more than $8 a kg, which was immediately absorbed by the local market.

During January-October, 2010, export of pepper from Indonesia was 48,433 tonnes (37,740 tonnes of black and 10,693 tonnes of white) valued at $184.3 million, against 43,070 tonnes worth $117 million in the same period last year, recording an increase of 12 per cent in volume and 58 per cent in value.

Export of black pepper in the first 10 months of 2010 increased by 4,814 tonnes (15 per cent) from 32,926 tonnes in the corresponding period of 2009. Export of white pepper also increased marginally from 10,144 tonnes in January-October, 2009, to 10,693 tonnes in 2010, the IPC report said.

Industry needs to improve supply chain management

Focus: Spices processing.

G. Chandrashekhar

India's unique distinction as the world's largest in spices - as producer, consumer, exporter and importer - is well known. India's market size is also the world's largest and growing.

Even as the world market for spices is growing steadily for a variety of reasons including globalisation of tastes and greater awareness of Asian cuisine, all growth drivers are in place in India.

Investment opportunity

Higher disposable incomes, changing food habits and demographic pressure currently drive consumption of food in general and food ingredients (such as spices) in particular.

Demand for high quality, safe and natural food ingredients is expanding robustly.

The trend of value-added food consumption is expected to continue for several years until food needs of a vast majority are satisfied.

This is what makes processing of spices an attractive business and investment opportunity.

The spices market comprises segments such as food service outlets (hotels and restaurants, caterers, flight kitchens), processed foods industry (both organised and unorganised), extraction or oleoresins industry, exports in various forms and of course retail in all forms.

Interestingly, the health properties of spices are now being rediscovered, as a result of which, there is an increasing interest in spices from the food industry focussing on healthcare - for instance, nutraceuticals and traditional medicines.

Exports

Export is an integral component of spices business; but a sizeable volume of various spices exported from out of the country is raw material, as commodities for further processing abroad.

This means much of the value addition is captured abroad instead of at home. India exports nearly five lakh tonnes of various spices valued at nearly Rs 6,000 crore.

The total market size for spices is an estimated Rs 20,000 crores and growing.

Recognising the humungous market opportunities, the domestic spices processing industry has begun to modernise. New investments are flowing not only into setting up fresh capacities but also for expansion and modernisation, particularly focussing on value addition. It can be safely expected that in the coming years, value addition will grow. Also, many Indian companies have the potential to go global.

Additionally, foreign companies in spices business have begun to enter into partnership with Indian entrepreneurs with the aim of servicing domestic and global markets. Expansion of organised retail in the country has given a fillip to spices consumption with packaging and branding slowly becoming the norm. At the same time, there are challenges in raw material production and procurement. There is growing mismatch between demand and availability.

Import volumes of select spices are rising because of cost considerations.

If indigenous production and quality continue to show sluggish growth, there is danger, the industry will migrate to countries that offer a more stable business environment. To stay competitive, the industry needs to improve its supply chain management. Establishing backward linkages and undertaking contract farming to produce raw material that is tailor-made for the market will help. Adoption of modern quality assurance systems is sure to help the processing industry gain consumer confidence.

Cloves output continues to be low

Govt blamed for lack of remedial steps to promote cultivation.

G.K. Nair

Kochi, Jan 16

Production of cloves continue to remain negligible when compared with the growing demand, and if the country's current status of a net importer has to change, the State and the Central Governments and the Spices Board would have to provide special emphasis to promote its cultivation.

According to the Tamil Nadu and Kerala-based major growers of cloves, there hasn't been any encouraging or motivating effort from the Government departments concerned so far towards this direction.

The output continued to vacillate between 1,000 tonnes and 2,500 tonnes as against an annual demand of over 20,000 tonnes. The current crop, harvesting of which is to commence in late January/February, is estimated at around 1,000-1,250 tonnes because of the continuous rains in recent months, Mr Ramakrishna Sarma, Managing Director, Travancore Rubber and Tea Company Ltd, a major grower of cloves told Business Line.

Rains impact

The continuous rains punctuated by occasional sunshine have deprived the plants of flowering which in turn has reduced the output by around 50 per cent from the previous season's estimated 2,500 tonnes.

Non-remunerative prices in the past have forced several growers to switch over to other crops.

Even though the prices of other commodities have gone up significantly, cloves prices are oscillating between Rs 250-320 a kg because of import of poor quality material at low prices from the other origins for a long time.

Switching over to other crops

As a result, the growers have switched over to more remunerative other crops bringing down the area under cloves to around an estimated 2,200 ha. Tamil Nadu tops with an area of 1,100 ha followed by Kerala 750 ha, Karnataka (250 ha) and Andaman and Nicobar Islands (130 ha).

“We ourselves have taken up some research to induce flowering in cloves on an experimental basis and the result is awaited”, Mr Sarma said.

In fact, Government departments should come forward with scientific support by way of soil testing, advice on optimum spacing, inter-cropping potentials in the estates with other crops such as cocoa, pepper etc. to supplement the income, fertiliser applications to boost yield, apart from conducting trials with sprinkle irrigation after harvesting to see if it would induce flowering.

Developmental schemes

Cloves should also be included in various developmental schemes drawn up by the Spices Board, Central and State Agriculture Ministries/National Horticultural Missions etc., for providing financial assistance such as subsidy, setting up of good nurseries for supply of improved planting materials at a nominal price, Mr Sarma said.

Cardamom, which was fetching Rs 400/kg two decades ago, is sold above Rs 1,000 a kg for the past couple of years.

Whereas, the price of cloves have not crossed Rs 400 a kg. Given the current high cost of production consequent to high input costs on wages, fertilisers etc., the growers should get a price between Rs 800 and Rs 1,000/kg so as to be remunerative, Mr Sarma said.

Labour shortage

Like in the pepper plantations, non-availability of skilled workers has become a major problem, of late, he said. Due to labour shortage, wages demanded by the workers are high which, in turn, has raised the cost of production substantially, he said.

He said the demand for cloves could expand significantly if its medicinal values and usages are properly studied and promoted.

Unfavourable weather conditions prevailing in other growing countries could lead to acute shortage for cloves and that in turn would push up the prices in the international and Indian markets, the Bangalore-based importers said.

The Government “appears to be impervious towards this crop; it has not so far been given any incentive to promote this crop even when much of the demand is met by imports at higher prices”, Mr Subramani of Sri Alagappa Estates in Nagarkoil district of Tamil Nadu told Business Line.

According to him, the current crop in the State is estimated to be around 40 per cent.

The small growers, who cannot afford to process and keep their produce, are selling to the intermediaries, who buy at low prices. In fact, they are making money, the growers in Nagarkoil (Tamil Nadu) and Kerala's Kulathupuzha, Kollam and Thiruvananthapuram areas, said.

Safflower: Need to increase popularity of this crop

Medicinal and nutritional:A view of safflower plot..

Safflower is an annual crop belonging to the same family as sunflower. It is a multi-purpose crop for oil, medicinal and industrial uses. Safflower is native to the Old World, and the genus occurs naturally in the Mediterranean region, north eastern Africa, and south western Asia to India. The crop was originally grown for the flowers that were used in making red and yellow dyes for clothing and food preparation. However, nowadays this crop is grown for oil, meal, birdseed, and raw material for various industrial products.

Safflower seed contains 35-40 per cent of oil; safflower oil is flavourless and colourless, and nutritionally similar to sunflower oil. It is used mainly in cosmetics, as cooking oil, in salad dressing, and for the production of margarine. The meal that remains after oil extraction is used as a protein supplement for livestock. The meal usually contains about 24 per cent protein and a lot of fibre. Residue of oil processing is used for soap manufacturing.

India is ranked number one in global safflower production and acreage. India accounts for 41 per cent (3,00,000 Ha) of area under safflower cultivation globally. However, owing to one of the poorest productivity, Indian safflower production at 1.89 lakh tonnes is only 29 per cent of global production followed by the US (17 per cent), Argentina (13 per cent), and Kazakhstan (12 per cent). Top five countries contributed more than 76 per cent of world's production in 2009 with about 80 per cent of global safflower acreage.

The yields of safflower in India are very low with an average productivity of 630 kg/ha compared to the global average of 893 kg/ha. China is the leader in productivity with an average productivity of 2518 kg/ha followed by the US (1,639 kg/ha), Argentina (897 kg/ha) and Kazakhstan (750 kg/ha).

Safflower occupies the seventh place in the area dedicated to oilseeds in India. Nearly 99 per cent of the area under the crop is located in the southern plateau. However, area under safflower cultivation is continuously declining over the last 10 years, and has declined by 64 per cent since 1991. Production has also declined by 41 per cent during the same period.

Major reasons for decline in area and production of safflower are higher remuneration from competing crops such as sorghum and gram, low price realisation as compared to other oilseed crops, comparatively low oil content than other oilseed crops, susceptibility to various biotic and a-biotic stresses such as aphids and import of cheap palm oil.

Key safflower producing States are Maharashtra and Karnataka contributing 55 per cent and 31 per cent respectively. Maharashtra, Karnataka along with Gujarat and Andhra Pradesh accounts for 94 per cent of Indian area under safflower cultivation and about 99 per cent of country's safflower production.

Gujarat has highest productivity (1,000 kg/ha) of safflower in India followed by Karnataka (795 kg/ha), Maharashtra (565 kg/ha) and Andhra Pradesh (462 kg/ha) among major safflower producing States.

Indian safflower seed has special demand as bird seed due to its bold size and whitish colour. It is also known to be used as a substitute for sunflower seed in birdfeeders.

Undecorticated safflower seed with crude protein is rich in methionine and is useful as an ingredient in formulated poultry feed. It is also used in cattle feed along with other meals such as cotton seed meal. In the domestic market, use of safflower oil as cooking medium is increasing as it is rich in polyunsaturated fatty acid (linoleic acid), which play an important role in reducing blood cholesterol level and has lower saturated fats – even lower than olive oil. Global trade of safflower is continuously declining from the last 10 years and barely warrants notice in the recent past. Export of safflower meal and safflower oil from India is almost nonexistent as they have good domestic market and price realization is better than in the international market.

The edible oil prices at national and international level affect the price of safflower seed. While the commodity price of safflower oil moves in lieu with niger seed, that of safflower meal tend to move in conjunction with prices of other oil meals and oilcakes.

Under the present situation of available varieties, achievable yield potential and price structure it does not appear that safflower can be a very popular crop in India under high-input conditions.

It can, however, be grown profitably under rain-fed conditions and by applying selected low-value inputs. It will be very important to identify its exact niche, if its continuous decline in India is to be reversed.

Exploitation of safflower as a source of pigment and for medicinal and nutritional uses may be the key intervention required to increase the popularity of this crop.

Source: YES bank

(Responses are invited from readers. The responses may be sent to agri-biz@thehindu.co.in)

Friday, Jan 15, 2011

Pepper futures continue downward move

G. K. Nair

Kochi, Pepper futures continued its downward movement on Friday on liquidation and switching over in thin trade.

Activities were limited due to the declining trend in the capital market.

Reports of availability of inferior quality farm grade pepper mixed with spent pepper at Rs 215 a kg in the main North Indian hub, Delhi, which caters to the States of Uttar Pradesh, Rajasthan, Haryana, Himachal Pradesh, Jammu and Kashmir and Punjab, slowed down demand from these States.

Spent pepper, mixed with crushed pepper, is also exported at a premium.

According to official sources, 485.04 tonnes of ‘de-oiled spent pepper' were exported during October 1 -31, 2010.

Some 80 bags of 70 kg each of new pepper were bought by Delhi-based dealers at Rs 205 a kg while other dealers bought 10 tonnes of new pepper from dealers in Pathanamthitta district at the same price, market sources told Business Line.

Sluggish market

The market remained sluggish for want of sufficient buying support. Sellers were also limited.

And because of high volatility the small and medium players moved away from the market. They were liquidating.

Arrivals of new pepper have not picked up as anticipated and at the usual levels at this time of the season, they said.

January contract on the NCDEX declined by Rs 40 to close at Rs 22,392 a quintal.

February and March dropped by Rs 48 and Rs 46, respectively, to close at Rs 22,823 and Rs 23,093 a quintal.

Total turnover dropped by 2,084 tonnes to 5,342 tonnes.

Total open interest declined by 97 tonnes to close at 12,572 showing a liquidation of about 100 tonnes. January open interest dropped by 542 tonnes while that of February and March moved up by 408 tonnes and 28 tonnes, respectively, to close at 8,175 tonnes and 678 tonnes showing switching over.

Spot market remained steady at previous levels on matching demand and supply situation at Rs 21,400 (un-garbled) and Rs 22,200 (MG 1) a quintal.

Weakening of the rupee against the dollar coupled with marginal decline in the futures market brought down the Indian parity in the international market to $5,175-5,200 a tonne (c&f) and very much in line with other origins, export sources said.

Vegetable oil import slips 4.4% in Dec

Slipping imports*

Edible oils	Nov-Dec'10	Nov-Dec '09
RBD Palomolein	178,259	250,260
Crude palmoil	1,001,252	927,189
Crude olein	—	3,438
Sunflower oil	104,795	83,128
Rape oil	—	5,876
Soyabean oil	80,695	178,435
Coconut oil	999	4,198
Crude palmkernel oil	16,456	21,988
Non-edible oils	39,149	66,877
Grand total	1,421,605	1,541,389

* - in tonnes

Our Bureau Chennai, Import of vegetable oil declined 4.4 per cent to 7.52 lakh tonnes (lt) in December against 7.87 lt the same period a year ago. However, it increased around 12 per cent month-on-month, with November imports estimated at 6.68 lt.

According to the Solvent Extractor's Association of India (SEA), the total import of vegetable oils in the first two months of the current oil year (November 2010-October 2011) slid eight per cent to 14.21 lt compared with 15.41 lt to the year-ago period.

Data available with SEA said during December 2010, the import of edible oils declined by nearly four per cent to 7.30 lt compared with 7.61 lt the same period last year. The import of non-edible oils also declined by over 12 per cent in December 2010 to 22,494 tonnes (25,588 tonnes).

“Current stock of edible oils at various ports (as on January 1) is estimated at 6.45 lt and about 7.5 lt are in pipeline,” according to a press release from SEA.

Robust rupee

Aided by the appreciating rupee, India, the world's largest importer of palm oil, imported 6.38 lt (6.25 lt) palm oil during December 2010.

Bearish global cues flatten edible oils

Our Correspondent

Mumbai, Edible oil prices on Friday ruled flat, taking cues from bearish world markets and thin local demand. Arrivals of oilseeds in main producing States – Madhya Pradesh, Gujarat, Maharashtra and northern States were almost nil because of Makar Sankranti/Lohdi festival. The Malaysian market closed lower and absence of demand put pressure on sentiment despite bullish reports from Brazil, Argentina and the US.

In the Mumbai market, lack of local demand and thin presence of players on Makar Sankranti festival mood kept volume in palmolein low at 80-100 tonnes and prices in the range of Rs 578-

580 in resale. Trades with direct refineries were absent as they were quoting higher rates. Ruchi was quoting palmolein Rs 583-584, soya refined oil Rs 620 and sunflower oil Rs 704. In the Mumbai market, groundnut oil too was flat on poor demand and weak undertone in producing areas. In Gujarat, the Rajkot market was closed due to festival. Absence of local demand, weakness in foreign market, cold weather in the country affected volume heavily. At Saurashtra, prices were steady at Rs 1,145 (Rs 1,155) a tin and Rs 740 (Rs 745) a 10 kg.

Malaysia's crude palm oil February contracts closed at MYR 3692 (3718 and March at 3680 (3694) MYR. Indore NBOT soya oil February contracts closed at Rs 639.80 (Rs 642.50) and New March contracts opened at Rs 645 before closing at Rs 646.

Mumbai commodity exchange spot rate (Rs/10 kg): Groundnut oil 760 (760), soya refined oil 615 (615), sunflower exp. ref. 670 (670), sunflower ref. 720 (720), rapeseed ref. oil 630 (635), rapeseed expeller ref. 602 (603), cotton ref. oil 600 (600) and palmolein was 578 (578).

Rice rules steady in a tepid market

Our Correspondent

Karnal, Prices of aromatic and non-basmati rice ruled flat amidst restricted activity in the market on Friday. Though the weather is favourable for the trade now, rice prices continued to rule around their previous levels.

Pusa-1121 steam (new) ruled at Rs 5,150-5,180 a quintal, while the old variety was quoted at around Rs 5,200-5,250.

Pusa-1121 sela (new) was at Rs 4,100-4,150; old variety was at Rs 4,250. Pusa-1121 raw (new) ruled between Rs 5,070-5,100, while the old variety was quoted at around Rs 5,200. Pusa (sela) ruled at Rs 3,150-3,200 and Pusa (raw) around Rs 4,200. Basmati sela quoted at Rs 5,950-6,000, and basmati raw at Rs 6,950-7,000.

Among brokens, Tibar was at Rs 3,000-3,100, Dubar at Rs 2,200-2,300 and Mongra at Rs 2,000. Permal sela ruled at Rs 2,000-2,150, while Permal steam sold at Rs 2,170 a quintal. Sharbati sela sold around Rs 2,700 and Sharbati steam at Rs 2,970-3,000 a quintal.

In the Delhi market, Pusa-1121 varieties ruled between Rs 4,300-5,100 a quintal. Basmati common quoted at Rs 5,500-5,600, Permal raw Rs 1,800-1,850, Permal wand Rs 1,950-2,100, Sela Rs 2,100-2,155 and Rice IR-8 Rs 1,670-1,695.

Lal Quila Basmati rice ruled at Rs 9,500, Shri Lal Mahal at Rs 9,300 and Super basmati rice was at Rs 9,000.

Around 3,000 bags of PR were sold between Rs 1,025 and Rs 1,050. About 2,000 bags of Sharbati ruled at Rs 1,650. Sugandha-999 arrived in about 3,000 bags, and was quoted at Rs 1,500-1,600.

Futures, retail offtake boost sugar

Our Correspondent

Mumbai, Sugar prices on the Vashi wholesale market continued to rise for the second day, taking cues from firm futures market and fresh retail demand.

On Friday, spot rates rose by Rs 10 and naka delivery rates increased by Rs 15-20. The sentiment was steady as the Government has declared higher free sale quota of 17 lakh tonnes for current month, which is believed to be high for State's mills to offload fully, said sources.

Mr Jagdish Rawal, a wholesale trader told Business Line: “This month sugar prices have declined Rs 90-100 in the first 12 days due to lower demand and higher free sale quota. Prices recover in last two days because of bounce back in future market, higher price in foreign market (over $800) due to flood in the main producing country Brazil and at local level mills' unwillingness to sell in line with market scenario.

“So, in the coming days, higher free sale quota's selling pressure is bound to mount on mills. Sugar prices may not run away, but may see some support at present level with local/State level demand.”

Meanwhile, sugar production till now this season in Maharashtra has been estimated about 85-90 lakh tonnes compared with 78-80 lakh tonnes in the corresponding period last year.

For the season year 2010-2011, total sugar production in the country is estimated at 245-250 lakh tonnes, said industry sources.

According to the Bombay Sugar Merchants Association, spot sugar rates were S-grade Rs 2,881-2,936 (Rs 2,891-2,931) and M-grade Rs 2,916-2,991 (Rs 2,911-2,991). Naka delivery rates were S-grade Rs 2,850-2,880 (Rs 2,840-2,860) and M-grade Rs 2,900-2,930 (Rs 2,880-2,920).

Sugar coop wants exports allowed

Our Bureau

Chennai, The National Federation of Cooperative Sugar Factories on Friday pitched in for export of 5 lakh tonnes of sugar under open general licence (OGL).

According to a statement from the federation, allowing the export of sugar under OGL will enable sugar mills to make timely payment of remunerative price to the sugarcane growers.

The Centre had last month said that five lakh tonnes sugar would be allowed for exports under OGL but following a surge in inflation, it has put the decision on hold.

The federation drew support for its demand on production estimates 25 million tonnes (mt) during the current season (October 2010-September 2011) against a demand of 23 mt in the domestic market.

It said production in January is projected at around 4.77 mt compared with 4.11 mt last year. Up to January, sugar production is expected to be 11.2 mt against 10 mt in the year-ago period, up 11 per cent.

The federation said carryover stock is pegged at around 5 mt providing for a 7 mt surplus. These estimates, it said, made a case for export of 2.5 mt of sugar through the Advance Licence scheme.

Spot rubber continues to gain

Aravindan

Kottayam, Spot rubber prices concluded the session at an all-time high on Friday. According to observers, the market was following the gains in the trendsetting international markets which ruled around Rs 25 above the domestic market. “We are expecting the prices to reach the global levels once the tapping season is over,” a trader said.

Certain tyre manufacturers were active in the market. But the gap between the demand and supply was still wide since there were no quantity sellers even at these extraordinary levels.

Sheet rubber moved up to Rs 221 (220) a kg on fresh buying and short covering. The grade firmed up to Rs 220 (219) a kg both at Kottayam and Kochi, as reported by the Rubber Board. The National Multi Commodity was closed owing to Uttarayan.

RSS 3 (spot) increased further to Rs 247.34 (245.10) a kg at Bangkok. The grade improved at its January futures to ¥447.9 (Rs 245.61) from ¥444.5 a kg during the day session and then to ¥451 (Rs 247.30) in the night session on the Tokyo Commodity Exchange (TOCOM).

Spot rates were (Rs/kg): RSS-4: 221 (220); RSS-5: 209 (208); ungraded: 205 (204); ISNR 20: 217 (216) and latex 60 per cent: 151 (150).