

# THE HINDU

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Wednesday, January 19, 2011

Date:19/01/2011 URL: <http://www.thehindu.com/2011/01/19/stories/2011011954560600.htm>

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## Farmers plan conference

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. President of the Association of Farmers Affected by Pollution R. Ramasamy, said that farmers' demands must be readily heeded by the governments.

Date:19/01/2011 URL: <http://www.thehindu.com/2011/01/19/stories/2011011953400300.htm>

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## Protest against inaction on fishermen issue

*Mere sending of letters or telegrams to Prime Minister on this problem not enough, says forum*

— Photo: L. Balachandar



**UP IN ARMS:Members of various fishermen's associations staging a demonstration at Rameswaram on Tuesday.**

RAMANATHAPURAM: Various fishermen associations, under the aegis of Joint Action Committee Against Denial of Fishermen's Rights staged a demonstration at Rameswaram on Tuesday in protest against the Sri Lankan Navy for killing a Jagathapattinam fisherman.

G.R. Rajan, State coordinator, presided over the demonstration. Fr. Micheal Raj of Vercorde Church inaugurated it.

Various leaders of fishermen associations from different parts of the State and priests took part.

Besides registering their strong protest, they expressed dismay over inaction of the State and Central governments in the vexatious issue due to which many innocent lives of fishermen in Tamil Nadu were being lost in the high seas.

“War over long back”

Noting that the recent incident happened after several months of the end of civil war in Sri Lanka, they said that it could not be taken as a mere act of maritime violation. It had questioned the authority of security forces in the region.

The Sri Lankan Navy, through this killing, had once again demonstrated its disregard for human rights.

The agitators said that it was not appropriate for the State government to just send letters or telegrams to the Prime Minister whenever there was a firing incident against the Tamil Nadu fishermen.

Though innumerable letters and telegrams had been sent by the State government in the recent past, it could not impress upon the Centre to take earnest efforts to stop firing by the Sri Lankan Navy against Tamil Nadu fishermen.

Recalling the denial of Sri Lankan Navy's role over the death of Veerapandian, the Jagathapattinam fishermen, the agitators said that contradictory claim by the two governments had undermined the valuable life of him.

The State and Central governments had to bring out the truth and the offenders brought to justice.

Date:19/01/2011 URL: <http://www.thehindu.com/2011/01/19/stories/2011011953120300.htm>

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## Web-based agro-advisory services launched

Special Correspondent

*Information available in English and Tamil*

THANJAVUR: Y.E.A.Raj, Deputy Director General, Meteorology, Regional Meteorological Centre, Chennai, launched a bulletin on weather-based agro-advisory services for the Cauvery delta zone on the Tamil Nadu Rice Research Institute (TRRI) website (<https://sites.google.com/a/tnau.ac.in/trri/agro-advisory-unit>) at TRRI in Aduthurai recently.

T.Jayaraj, Director, TRRI, Aduthurai and E.Kulandavelu, Director, Regional Meteorological Centre, Chennai, were present .

Dr.Jayaraj explained the utility of the agro-advisory services to the farmers of Thanjavur, Nagapattinam, Thiruvarur, Karur, Perambalur, and Tiruchi districts in helping them carry out their day-to-day farm operations . This information is available both in English and Tamil on Tuesdays and Fridays based on the weather forecast received from the Regional Meteorological Centre, India Meteorological Department, Chennai.

Currently, the agro-advisory bulletin is being sent to Krishi Vigyan Kendras (KVKs), All India Radio Station, Tiruchi and Karaikal, IMD, Pune and Chennai, ACRC, Coimbatore and some progressive farmers through post.

But now, the bulletin is placed in the TRRI website too and is available to all the farmers, and officials of the Agriculture and other related departments for planning and executing farm operations during crucial periods.

Weather parameters

This facility is also extended to selected farmers through SMS on important weather parameters such as rainfall, wind-speed, wind-direction, and special farm operations .

Earlier, Dr.Y.E.A.Raj and Dr.E.Kulandavelu visited the Meteorological Observatory and enquired on the functioning of the recently installed automatic weather station at TRRI, Aduthurai, said a press release issued here on Tuesday.

**Date:19/01/2011 URL: <http://www.thehindu.com/2011/01/19/stories/2011011955440900.htm>**

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## **Milk producers to stop supply to Aavin**

Special Correspondent

SALEM: Milk producers of Tamil Nadu have decided to stop supplying milk to Aavin, private milk dairies and urban households indefinitely from February 4 demanding an increase in the procurement prices.

At the urgent State-level meeting of the office bearers of major unions and associations and village co-operative milk societies, convened here on Tuesday, it was decided 'not to allow even a drop of milk from producers in villages' to reach urban areas.

The milk unions had been demanding an increase of Rs.5 for cow milk per litre and Rs.8 for buffalo milk. They also urged the government to sanction Rs.3 per litre as government subsidy to Village Cooperative Milk Societies.

K.A. Senkottuvel of Tamil Nadu Milk Producers Welfare Association presided over the meeting in which representatives from Tamil Nadu Milk Producers Association, Thamizhaga Vivasayeegal Sangam, Federation of Milk Producers' Cooperative Societies Workers, Tamil Nadu Toddy Movement and other unions took part.

## Forest Department blames it on human pressure, brief blockade

K.S. Sudhi

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*1.25 lakh pilgrims were on the forest route at the time of stampede*

*Delay in developing base camp at Sathram led pilgrims to opt for forest route*

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KOCHI: The Pulmedu stampede that claimed 102 lives on January 14 was triggered by an altercation between a few pilgrims and a driver of a vehicle operating in the area, stated the Kerala Forest Department in a report to the National Tiger Conservation Authority, New Delhi.

The report was submitted to the Authority on Tuesday. The forest route where the stampede occurred was within the territorial jurisdiction of the West Division of the Periyar Tiger Reserve.

In the report, the department justified its decision to allow vehicles and pilgrims through the forest routes. Temporary permission was granted for vehicles to operate on the route, which was in the buffer area of the Reserve.

According to the report, tourism and other human activities, including pilgrimage, were permitted only in the buffer zone of the Reserve extending up to 44 sq. km. The total extent of the reserve is 925 sq. km.

The report noted that there were around 1.25 lakh pilgrims on the forest route at the time of the accident on Makaravilakku.

The department had earlier estimated that 1,210 vehicles passed through its Vallakadavu check-post to transport pilgrims on that day.

The altercation between the pilgrims and the driver created a temporary obstruction on the path. The pressure exerted by those who lined up from the hillock and the temporary obstruction resulted in the stampede.

As the situation turned uncontrollable, the Forest officials who were on duty and the members of the Eco Development Committees and volunteers removed the temporary stalls that were set up on both the flanks of the route to provide more room for the pilgrims. The timely act helped in reducing the casualties, the report stated.

The report was also critical of the delay in developing the base camp at Sathram, which was mentioned in the Sabarimala master plan. According to the schedule, the base camp was to be developed in the first phase of the project and completed by 2010. The forest routes could be closed if the camp was developed as envisaged in the plan, the report said. The department had to temporarily open the forest routes for vehicular traffic and use of pilgrims as it provided the facility for the pilgrims earlier also. The government had also suggested that the forest routes be opened till the development of the Sathram camp.

**Date:**19/01/2011 **URL:** <http://www.thehindu.com/2011/01/19/stories/2011011952290300.htm>

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## **OKS alleges illegal transport of paddy**

Staff Reporter

BERHAMPUR: Large-scale distress sale of paddy is reportedly going on in Ganjam, the home district of Chief Minister Naveen Patnaik due to lack of government 'mandi' for paddy procurement, allege peasants' activists.

Till now no government 'mandi' for paddy procurement has come up anywhere in Ganjam district. Orissa Krushak Sabha (OKS) Ganjam unit president Kailash Sadangi has alleged that unscrupulous traders are now busy exploiting farmers taking advantage of the situation. According to him, everyday around 200 truck loads of paddy procured from farmers of Ganjam district is being illegally transported to adjoining Andhra Pradesh via Digapahandi-Chikiti road. Although there is a check-post at Bagada to check the illegal transportation of paddy to outside

the State, yet the check-post is not serving its purpose as the paddy trucks are travelling out of Ganjam without any hindrance, says Mr. Sadangi.

It is alleged that the truck loads of paddy that are being sent out of the district are nothing but the paddy bought at low prices by the unscrupulous traders from peasants in remote areas who have suffered heavy loss due to untimely cyclonic rain in December at extreme low rate. It may be noted that several farmers' organisations in Orissa had urged the Naveen Patnaik government to procure paddy from farmers, irrespective of its quality, at the minimum support price (MSP). Mr. Sarangi says paddy which is salvaged from untimely rain has got discoloured and would not fulfil the norms of the fair average quality prescribed by the government.

In recent past the Orissa government also declared that FAQ norms would be relaxed in districts where there has been heavy loss to paddy crop due to untimely cyclonic rain in December.

But till now the district administration has not received any written instruction or notification regarding relaxation of FAQ norms during paddy procurement. OKS Ganajm district unit secretary Harekrushna Reddy met Ganjam Additional District Magistrate Sashi Bhusan Padhi with demand that 'mandi' for paddy procurement without any FAQ restrictions should be opened.

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## **High quality, cheap fertiliser for farmers**

Special Correspondent

JAIPUR: Farmers in Rajasthan will soon be getting insecticides of high quality certified by authorised laboratories for their crops at subsidised prices through cooperative societies. A tripartite agreement for supplies by Hindustan Insecticides Limited (HIL) was signed here on Tuesday.

State Principal Cooperative Secretary R. K. Meena said the signing of agreement would lead to a “direct link between the laboratories and agricultural fields” with a huge potential for expansion of farming activities in association with the cooperative institutions.

HIL Chairman and Managing Director K. Harikumar, Rajasthan State Cooperative Marketing Federation (RAJFED) Managing Director P. S. Mehra and State Agriculture Commissioner J. C. Mohanti signed the agreement at State Secretariat here in the presence of Mr. Meena.

Mr. Meena said the farmers would continue to get the Agriculture Department's subsidy on insecticides in addition to the subsidised pricing arrangement made under the agreement.

The Cooperative Department has already stockpiled 3 lakh tonnes of di-ammonium phosphate for this year's rabi crops.

Under the agreement, insecticides produced and supplied by HIL would be sent to the authorised laboratories for tests before the delivery to farmers. Mr. Mohanti said the supply would be routed through the village-level cooperative societies.

Mr. Harikumar said Rajasthan was the first State where the HIL had signed an agreement with the Government agencies for supplying insecticides of high quality to farmers. He said the HIL products were “very popular” even in the foreign countries.

HIL Director (marketing) R. R. Sharma and deputy general manager (marketing) Anand S. Sharma and RAJFED general manager Sheetal Sharma attended the brief ceremony marking the signing of agreement.

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## **Farmers bear weather's fury in Australia**

Aubrey Belford

*They are experiencing a fate highlighting the vagaries of nature.*



PHOTO: AP



**BUFFETED: Australian farming is a business of high expenditures and thin margins. A farm house destroyed by floodwaters in South East Queensland.-**

The smashed remains of Kapernick's Bridge — with its bent guardrails and a hanging concrete slab where road once was — are as sure a sign as any that the Lockyer Valley's decade-long drought is finished.

Next door, at the vegetable farm of Steve Kluck, the same inland tsunami that last week smashed apart towns and killed more than a dozen people in the northeast Australian state of Queensland left a deep gouge in the earth covering nearly a hectare, or two acres. Water is now plentiful; soil, unfortunately, no longer is.

The cost of rebuilding and future losses is hard to calculate, Mr. Kluck said, but will probably be hundreds of thousands of dollars — still a pittance compared with the losses of some nearby farmers. And there is always the risk of more flooding as Australia's tropical wet season drags on.

“We're picking up all these sticks and rubbish \*\*\*\* up there, and she could all be \*\*\*\*\*back there in a week,” Mr. Kluck said. “We can't give you a figure” for losses, he said, “but it's just going to be a pain in the \*\*\* for the next 10 years.”

Intensive agriculture

Farmers like Mr. Kluck are among the worst hit in the multibillion-dollar economic toll of Australia's continuing flood crisis, which has affected a combined region of more than a million

hectares in five states; in the worst-hit state, Queensland, flooding in regions with a land area more than double that of California has killed at least 28 people.

Even as victims in southern Queensland regions cleaned up in the wake of receding waters over the weekend, fresh floods struck in other areas of the country; in the state of Victoria, homes were inundated and more than 3,500 people were forced to evacuate, The Associated Press reported.

Buffeted by a cycle of dispiriting dry followed by overwhelming wet, the farmers are experiencing a fate highlighting the vagaries of Australia's extreme weather. At the same time, it is also adding fuel to a continuing debate over the future of intensive agriculture on a continent drier than all the others save Antarctica.

"Oh, mate, it's going to hurt us financially," said Derek Schulz, who owns land downstream near the town of Grantham, which was largely destroyed in the flood. Where more than a week ago fields were ready for a fresh vegetable crop, there is now a plane of cracked mud and the scattered debris of crushed cars, tractors and torn homes.

"We're carrying a huge amount of debt, we're talking my wife and I carrying millions of dollars in debt. And to have a complete wipe-out, that's gonna hurt us," he said.

Australian farming is a business of high expenditures and thin margins, and Mr. Schulz said he expected many from the town would give up.

Insurance will not cover many losses, and government assistance, including disaster grants of up to \$25,000 and low-interest loans of up to \$2,50,000, is a fraction of what is required to cover losses and start anew. But Mr. Schulz said he would probably take on fresh debt and return to the land.

"I've got this little saying, 'I've got dirt under the fingernails.' And it's gonna be hard to get rid of that," he said.

#### Issue of water availability

While some farmers may leave the land because of the floods, the bigger threat in the longer term is still likely to be a lack of water, said Chris Cocklin, an environmental scientist who is the

deputy vice-chancellor of James Cook University in Queensland. Prior to the start of heavy rains late last year, a drought had gone on for more than a decade across the Murray-Darling basin, a massive irrigated river system in eastern Australia that is the country's most important agricultural area. In many areas, it would take years of significant rain to bring underground aquifers up to healthy levels, Mr. Cocklin said.

Mr. Cocklin warned that it was impossible to easily blame the latest floods on climate change. Rather, the immediate culprit is La Niña, +/- a Pacific weather pattern that has caused havoc from Brazil to Sri Lanka. But he said it was indisputable that, as a result of climate change, "these extremes are becoming more intensified" — meaning more severe, and longer, droughts.

As a result, Australia must consider a less water-intensive agricultural future, Mr. Cocklin said. "People have to accept that the game's changed," he said, particularly in the case of water-hogging crops like rice and cotton.

"They're literally flooding the continent; you know, they're trying to copy monsoon Asia. You'd have to wonder if that's really a smart thing to be doing," he said.

In response to the long drought, the government authority responsible for the Murray-Darling released a proposal in October to drastically reduce water consumption by irrigators; some outraged farmers burned copies of the plan in protest.

Amid heavy floods at the start of this year, the National Farmers Federation called on the centre-left minority Labour government of Prime Minister Julia Gillard to delay its water reform process. The government has rejected the calls.— © New York Times News Service

**Date:**19/01/2011 **URL:** <http://www.thehindu.com/2011/01/19/stories/2011011952690300.htm>

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## **Venkaiah calls for a new farm policy**

Staff Reporter

*Wants Centre to follow the recommendations of Swaminathan Committee*

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*Plea to introduce free trade zone for farmers by removing curbs on movement, sale of food grains Favours linking of the rivers Ganga and Cauvery to bring an end to farmers' woes*

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— Photo: R.V.S. PRASAD



**Preventive custody: BJP vice-president M. Venkaiah Naidu being arrested for staging dharna with party activists in front of the Collectorate in Anantapur on Tuesday.**

Anantapur: BJP national vice-president M. Venkaiah Naidu has demanded that the Union government formulate a new national agriculture policy on the basis of the recommendations of Swaminathan Committee.

Addressing participants in the dharna organised by Bharatiya Janata Party district unit in support of farmers at the local district Collector's office premises here on Tuesday, M.Naidu stated that failure of the government in implementing the recommendations of Swaminathan Committee in toto had thrown the farming community in distress and a large number of farmers were committing suicide in the country. Describing the situation as alarming, Mr. Naidu said that 43 per cent of the 56 per cent population who are in agriculture are slowly moving away from agriculture in search of greener pastures.

State of distress

This indicated that the farmers were really in a state of distress. He said that farmers' woes would end only when the government implements the Swaminathan Committee recommendations in letter and spirit. He urged the government to introduce a free trade zone for the farmers by removing all restrictions on movement and sale of foodgrains. He demanded that the union government link the two main rivers Ganga and Cauvery in the country to bring to an end the farmers' woes.

He said that it would cost the government Rs. 5 lakh crore for bringing about such a linkage of the rivers. The government by preventing such scams as Spectrum 2G can divert the money for such national schemes.

The BJP leader said that political uncertainty is looming large in the State and the ruling Congress government is likely to collapse on its own in the State. BJP State president Kishan Reddy, district BJP president Vishnuvardhan Reddy and other BJP leaders Lalith Kumar and Tejauddin were present. Large number of BJP party workers and farmers participated. Earlier, the BJP workers, who staged a dharna at the vicinity of the local Collector's office, were arrested by the police.

Mr. Venkaiah Naidu and Mr. Kishan Reddy and others were arrested by the police and released later for creating law and order problems.

Predicts NDA rule

Mr. Kishan Reddy has predicted the return of National Democratic Alliance (NDA) government at the Centre in the 2014 Lok Sabha elections. Addressing a press conference here on Tuesday, Mr. Reddy said that if the NDA is returned to power, the BJP would automatically carve out a separate State of Telangana if the ruling Congress-led UPA government failed to fulfil the aspirations of the people of Telangana region.

He also called for a special package for the development of Rayalaseema region by the Centre. Mr. Reddy lashed out at the AICC president Sonia Gandhi for failing to visit the State and the farmers at a time when the farmers were going through a difficult time in the State. Replying to a question, Mr. Kishan Reddy said that he will protect the interests and life and properties of people of Rayalaseema and Coastal Andhra if anyone attacked them in Hyderabad.

Date:19/01/2011 URL: <http://www.thehindu.com/2011/01/19/stories/2011011954490500.htm>

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**'Government has failed rain-hit farmers'**

GUNTUR: TDP Politburo member Umareddy Venkateswarulu strongly criticised the State government for its alleged failure in purchasing the damaged paddy during heavy rain late last

year. Leaders of the national political parties have made their concern for farmers known during the 'Rythu Kosam' public meeting held on December 30, 2010 but the State ministers did not make field visits. It showed their lack of commitment to the welfare of farmers.

Speaking at the indefinite hunger strike camp of CPM district secretary D Rama Devi and Tenant Farmers' Association secretary Y Radhakrishna outside the Collector's office compound here on Tuesday, Mr. Venkateswarulu said the government of Tamil Nadu has announced a compensation of Rs. 10,000 per hectare of damaged crops and asked why the Andhra Pradesh government could not give as much assistance to the beleaguered farmers who suffered unprecedented losses. TDP district president and Chilakaluripet MLA Pratthipati Pulla Rao, Vemuru MLA Nakka Ananda Babu, MRPS district president A Mohan, CPM leaders N Kalidas and N Bhavannarayana and others were present. Earlier, he inaugurated a photo exhibition that depicted the trail of destruction left by rain and farmers who committed suicide in the last two months.

**Date:**19/01/2011 **URL:** <http://www.thehindu.com/2011/01/19/stories/2011011964810500.htm>

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### **Separate mechanism to issue ID cards to tenant farmers sought**

Staff Reporter

*'Identification should be done at gram sabha and procedure completed by June'*

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*State has failed to convince land owners that their rights will not be impinged: union leader*

*Self-declaration forms being disbursed by Agriculture Department is in English, he says*

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Guntur: The State government's push to bring tenant farmers under the umbrella of institutional credit system by proposing to enact the Andhra Pradesh Loan eligibility Card (for Permissive Cultivators) Bill, 2011, may hit a roadblock in the absence of a separate administrative mechanism to issue ID cards, warn tenant farmers' associations.

District secretary of the CPI(M)-affiliated Tenant Farmer Association Y. Radhakrishna says that so far the government has failed to convince a majority of land owners that their rights over the land leased out will not be impinged under any circumstances.

'VROs under pressure'

Village Revenue Officers, who have been asked to identify the survey number of lands leased out to tenant farmers, will be under tremendous pressure from the land owners, he says.

"Every mandal should have a nodal officer to oversee the implementation of the scheme and the procedure should be completed in time before the kharif season commences in June," Mr. Radhakrishna told The Hindu on Tuesday.

The Agriculture Department launched the exercise of disbursing self-declaration forms to be filled by tenant farmers to secure the ID cards. But even that, the association feared, might end in a farce as the forms were written in English and not in the local language.

Senior officials of the department estimate that there were more than 1.70 lakh tenant farmers in the district and fear that the exercise might not be completed before June.

With most of the farmers who leased out their lands staying away from the district and some of them even staying abroad, the revenue officers would find it very difficult to identify the lands based on survey numbers.

"Identification should be done only at gram sabha under the aegis of grama samakhays so that the land owners will not bully the VROs," observed Mr. Radhakrishna. Meanwhile, the CPI(M)-led farmers' associations were bracing up to intensify the agitation demanding that the government immediately procure discoloured paddy. While the indefinite fast launched by party district secretary D. Rama Devi and Mr. Radhakrishan entered the second day, a combined opposition was gearing up to lay siege to government offices on Thursday and Friday and plan to disrupt District Review Committee meet scheduled to be held on Friday.



Reuters

New Delhi, January 18, 2011

First Published: 14:39 IST(18/1/2011)

Last Updated: 14:47 IST(18/1/2011)

## Monetary policy may not be effective in inflation fight

Trade Minister Anand Sharma said on Tuesday monetary policy may not be suitable to tackle high inflation in primary articles, especially in vegetables. In a letter written to Finance Minister Pranab Mukherjee, Sharma also said a selective restriction on credit may be necessary to check inflationary pressures. Inflation rose an annual 8.43% in December on higher food prices, cementing expectations of a rate increase by the central bank next week to cool prices. Beset by the highest inflation of any major Asian economy, the Reserve Bank of India is widely expected to raise key rates by at least 25 basis points in its Jan. 25 review to squeeze inflation to its projected level of 5.5% by March.

<http://www.hindustantimes.com/StoryPage/Print/651796.aspx>

## Weather

Chennai - INDIA

### Today's Weather



Clear

Wednesday, Jan 19

Max    Min  
30.6° | 20°

Rain: 00 mm in 24hrs

Humidity: 78%

Wind: Normal

Sunrise: 6:35

Sunset: 18:03

Barometer: 1011.0

### Tomorrow's Forecast








Cloudy

Thursday, Jan 20

Max    Min  
31° | 19°



Extended Forecast for a week

Friday Jan 21	Saturday Jan 22	Sunday Jan 23	Monday Jan 24	Tuesday Jan 25
				
26°   19°	25°   19°	25°   21°	25°   22°	26°   22°
Cloudy	Cloudy	Cloudy	Cloudy	Cloudy

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## THE ECONOMIC TIMES

Wed, Jan 19, 2011 | Updated 10.25AM IST

19 Jan, 2011, 12.15AM IST, Jatin Singh,

### Frost & extended cold spell damage chana

Minimum temperatures may further fall by 1-2 degree C while maximum temperatures will remain stable during the next two to three days. Thereafter, temperatures in northwest India are expected to increase due to the weakening of the cold northwesterly wind coming from the Himalayas. Chances of dense fog are very weak during this time.

Temperatures in central and the adjoining east India have fallen very sharply by 4-7 degree C. In the next two days, a further fall of 1/2 degree C is expected. Frost is likely to reappear in parts of north and central Madhya Pradesh and Rajasthan. In the northern parts of Maharashtra, both maximum and minimum temperatures have fallen drastically. In places such as Nagpur and

Wardha, temperatures have fallen by 6-7 degree C in a day. Cold conditions are likely to continue this week. Relief from low temperatures in the region is expected only next week. Abnormally cold conditions are prevailing over the southern states. Minimum temperatures are 3-4 degree C below normal and are likely to further decrease by 1-2 degree C in the next 48 hours. Dry weather will continue over south India. East India too will be dry. The North-East might have an isolated shower or two.

According to the Indian Meteorological Department's (IMD) recently released annual climate survey, the mean annual temperature for the country during 2010 was +0.93 degree C above the 1961-1990 average. It was higher than 2009, making 2010 the hottest year on record since 1901. India's warming seems to be in consistent with global trends.

Recently released scientific data from National Oceanic and Atmospheric Administration (NOAA) and the National Aeronautical and Space Administration (Nasa) puts 2010 along with 2005 as the Earth's warmest year on record in the last 131 years. According to the data, the past decade was the hottest (including 9 out of the 10 hottest years). In a revealing NOAA statistic, the 15 hottest years globally in have occurred in the last 15 years since 1995. Though there is a growing evidence of global warming, the downscaling of its impact on a regional scale is uncertain. According to experts, there will be more extreme weather events. In India, more drought/flood cycles are expected and Monsoon rainfall is expected to increase by 5% by about 2040.

The third-round cardamom picking has already reached the end phase and the dry weather conditions are conducive for harvesting. Frost and extended cold weather has damaged the chana crop in Madhya Pradesh. Chana in Karnataka has been affected by unseasonal rain.

19 Jan, 2011, 12.10AM IST, S Sanandakumar,ET Bureau

### **Govt notifies 40,000-t rubber import at 7.5% duty; industry not enthused**

KOCHI: The government's notification inviting applications for the import of natural rubber under tariff rate quota has come at a time when international prices are at a record high. Saying that the imports are not practical at a time when prices and availability are not favourable, user industries have called for a complete waiver of customs duty on rubber.

The scheme allows for the import of 40,000 tonne at a reduced duty rate of 7.5% before March 31, 2011. The notification dated January 17, 2011 has invited applications from actual users till March 24.

In a letter to the Union Commerce Ministry, the Automotive Tyre Manufacturers Association's chairman Neeraj Kanwar said the "tyre industry is faced with the unprecedented and difficult situation of uncertainty in sourcing natural rubber to meet the growing demand for tyres arising from the high growth in the automotive segment".

ATMA has also requested the government to allow duty-free import of 200,000 tonne in the next one year.

Earlier, taking into account the lack of availability and a sharp increase in the prices of natural rubber in the domestic market, the user industries had approached the government for a reduction in the customs duty to 7.5 % and a permission for duty-free import of 2 lakh tonne on priority. A government-appointed committee that studied the issue recommended a cap on import duty at 20% or `20 per kg, whichever is lower.

It is in this context that the government has allowed an import of 40,000 tonne at 7.5% duty. It has decided to cap the duty at 20% or `20 per kg, whichever is lower, from April, 2011.

However, the notification has come at a time when international prices are at `252.78 per kg.

The domestic prices are at `225 per kg as on Tuesday.

International prices have been rising on account of the unfavourable weather conditions in major rubber producing countries. The tight supply conditions prevailing in these markets have caused a sharp escalation in prices. Speaking to ET, CPM Spices Corporation Proprietor Biju John said the news that India would be going to import has led to a further rise in international prices.

Cochin Rubber Merchants Association's President N Radhakrishnan said the domestic prices might shoot up if the industry was not importing. "There is a supply shortfall of 85,000 tonne to 100,000 tonne in the current fiscal," he pointed out. "The industry can meet this shortfall by importing small lots from different countries," he added.



## **Rs 30-cr plan for flood prevention in Capital**

January 19, 2011 10:34:47 AM

**Staff Reporter | New Delhi**

Taking a lesson from the Lalita Park building collapse which claimed 70 lives and injured around 100 people in east Delhi, the Delhi Government's Flood and Irrigation Department has come out with Rs 30-crore proposal on flood prevention measures in the Capital.

A presentation on experiences of 2010 flood in Delhi and its preventive measures was made before Chief Minister Sheila Dikshit on Tuesday.

The presentation said that subsoil water level has improved considerably due to recharge of

groundwater aquifer and structures along river embankments should be designed considering subsoil water condition post-2010 flood.

After the presentation, Flood and Irrigation Minister Raj Kumar Chauhan said that the department will bring a Cabinet proposal pertaining to flood preventive measures. The presentation further suggested that no drainage pipes on Ring Road should be connected to river and Yamuna Bazar wall needs to be raised by counter forts and grouting that would cost ` 1 crore.

According to presentation, to protect Tibetan Monastery and market from flood, wall should be constructed on river side which would cost Rs 10 crore. Some inlets on river Yamuna need to be remodeled or modified. This would also cost Rs 1.50 crore. "The gaps along Ring Road between Wazirabad and Old Railway Bridge plugged by placing earth filled bags mainly at Boat club and Qudesia Ghat. It was also observed that at some places river water entered through the drainage pipes along Ring Road between Boat Club and Qudesia Ghat. The Most vulnerable point between Wazirabad and Okhla was old wall near Yamuna Bazar and wall was temporarily strengthened by placing counter forts of earth filled bags," the presentation said. There are also needs to modify drainage system of DTC depot as laying pipes across the embankment by cutting not permissible.

Officials of Flood and Irrigation department said that they have also proposed to strengthen the marginal pusta bund road on the river embankment. Officials said that it was felt that pumps of adequate capacity were not available in market and during the flood; it was hired from private firms working in PWD and DJB.

On flood preventive measures, it has suggested that regular cleaning by removal of floating material and garbage dumped along the banks of drains that pass through thickly populated areas need to be done and fleet of pumps/motor boats/capacity of pumping stations need to be augmented keeping in view the experiences of 2010 flood and rains.

# THE HINDU Business Line

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## Back Angry weather Gods skew agri markets

*Stock-to-use ratio for some products dangerously low.*

G. Chandrashekhar

Mumbai, Jan. 18 That the weather gods were rather upset with earthlings in 2010 is by now well known. Will the foul mood spill into 2011? Developments from the beginning of the New Year do not inspire much confidence that the weather conditions would turn benign soon.

It started last year with too much wet weather in Canada during May-July period that hurt crop planting, harvest quality and quantity of pulses, wheat and canola. Even before the setback was absorbed came the drought conditions in Russia and surrounding region. This forced the governments there to restrict export of grains, which, in turn, forced the global agricultural markets to absorb the supply shock, obviously through the price mechanism.

While Pakistan suffered devastating floods that hurt agricultural crops, extended southwest monsoon affected crops in parts of India, the effects of which are seen in rising prices of vegetables and other food crops the government is still fighting.

Later in the year, La Nina-induced dry conditions started to affect crop planting in Argentina. In the last few days, floods in Australia and Brazil and closer home in Sri Lanka have caused consternation.

Lower stocks

As a result of adverse weather conditions in different parts of the world from time to time last year, crop production was affected and inventory built up over previous 2-3 years has been pared down. In other words, the world is entering 2011 with tight stock levels. In some cases the stock to use ratio is dangerously low, creating anxiety over possible turn of events in the coming months.

It is of course common knowledge that weather is a key driver of agricultural markets around the world. But in 2010, weather or more appropriately, weather aberrations drove agri-commodity markets.

#### Peak prices

Prices of many commodities reached newer highs. For instance, cotton prices reached unprecedented levels while sugar prices reached 30-year highs. Palm oil and soyabean oil are trading at elevated levels of \$1,200-1,300 a tonne.

The key concern therefore is whether disturbing weather patterns will repeat in 2011 and how they would affect the food market. If for any reason the supply side concerns that characterised 2010 persist, then agricultural markets will turn even more vulnerable to wild price swings and extreme speculation.

#### Daunting prospect

How the world, especially food importing countries and poor nations, will handle the situation is unclear; it may well turn out to be a daunting challenge.

Already global sugar, cotton and wheat stocks are at such low levels that the panic is reflected in the price, which are at elevated levels. Over the coming months, further supply shocks from the southern hemisphere cannot be ruled out. Sugar, corn and soyabean are the principal commodities to come out of South America. It is also believed that dry conditions are set to affect oil palm plantations in Malaysia and Indonesia, and that palm oil production growth will slow in 2011.

Even as high food inflation is now a global phenomenon and governments are using all tricks in the book to contain rising prices, if the weather gods don't smile, 2011 could turn

out to be a worse year in which governments will use trade and tariff policies to indulge in protective measures.

Political risks are sure to transform into business risks. Meanwhile, on the bourses, speculators are expected to have a field day, or should we say, several months of free play in the agri-commodity markets.

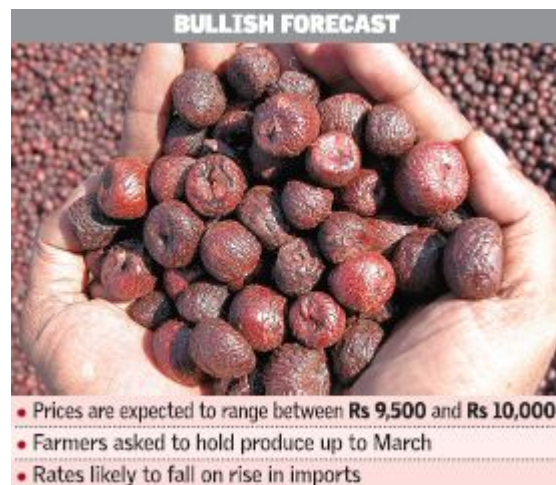
**Date:**19/01/2011 **URL:**

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**Back Monsoon bonanza for areca growers as yields rise**

*Dharwad varsity cell asks farmers to hold back produce.*



Anil Urs

Hubli, Jan. 18

Good monsoon has led to higher yield of arecanut and it is likely to be 20 quintals a hectare. This higher productivity is expected to have bearing on the prices in the three key markets – Kumta, Sirsi and Siddapur – of north Karnataka, said the Domestic and Export Market Intelligence Cell (DEMIC) of University of Agricultural Sciences-Dharwad.

Prices of arecanut currently are trading around Rs 8,500, Rs 9,163 and Rs 9,157 a quintal in Kumta, Sirsi and Siddapur markets respectively and they are expected to go up by



March.

#### Price levels

Arecanut is expected to trade between Rs 9,500 and Rs 10,000. There are different variants in arecanut which are unique to each market. The price quoted is for the fair average quality.

According to DEMIC forecast, prices of arecanut in the key markets from January to March are expected to be as follows: In Kumta's regulated market, prices of arecanut are expected to range from Rs 8,000 to Rs 9,500. In Sirsi it is likely to be traded between Rs 9,200 and Rs 10,000 and in Siddapur between Rs 9,000 and Rs 9,500. Selling strategy

Keeping all these factors in mind, farmers have been advised to hold back their produce until March and sell only thereafter to realise better prices. The cost of storage or holding back would be Rs 4 a quintal for a month.

“Among the markets, the maximum price is expected to be in Sirsi followed by Siddapur and Kumta markets. Farmers of these regions can consider the price differentials while taking the decision about where to sell their produce,” a DEMIC official said.

“If price difference covers the cost of transportation, then it would be better to farmers to sell in Sirsi than in Siddapur. Well dried and graded nuts would fetch better prices. Hence, farmers are advised to keep these things in mind while preparing their arecanut for market.

This price forecast is according to the present market scenario. If the imports increase in future, the prices are likely to come down by around Rs 500 a quintal,” he added.

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Back Lower arrivals drive Dara wheat to 2-year high



Our Correspondent

Karnal, Jan. 18

Dara wheat prices soared on account of low availability of wheat stocks and touched a two-year high.

On Tuesday, prices of dara variety quoted at Rs 1,320-1,330 a quintal against Rs 1,280 a quintal last weekend. The price at retail outlets ruled at Rs 1,335-1,340 a quintal, and for finer quality it was around Rs 1,350 a quintal. The seed variety ruled at Rs 1,350 a quintal.

Mr Subhash Chander, a wheat trader, told Business Line that the wheat market has seen a rally of Rs 40-50 a quintal since the beginning of this week. After getting good margins for their stocks in Delhi, Uttar Pradesh farmers are heading towards the Delhi market than the Karnal mandi.

This, Mr Chander says, is the prime reason for the low arrivals now.

Local stockists are gaining the maximum advantage and reaping hefty margins by offloading their stocks at higher rates, said Mr Chander.

On the other hand, desi wheat witnessed a steady trend and maintained its previous levels. Prices of Bhojan King quoted at Rs 2,400 a quintal, Aaj Tak at Rs 2,320 and Nokia

at Rs 2,375.

Flour prices

With a good uptrend in wheat, flour prices rose marginally, by Rs 10-15 for a 90-kg bag and quoted at Rs 1,325-1,330.

Chokar prices witnessed some correction and dropped by Rs 25 and ruled at Rs 610 for a 49-kg bag against Rs 635 last weekend. Some availability of green fodder pulled the chokar prices down.

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**<http://www.thehindubusinessline.com/2011/01/19/stories/2011011951231900.htm>**

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[Back](#) **Global cues keep edible oils warm**

Our Correspondent

Mumbai, Jan 18 Edible oil prices on Tuesday continued to rise, taking cues from strong international markets.

In local market soya oil, palmolein and cotton oil rose Rs 2-3/10 kg.

Rapeseed oil shot up Rs 9 and sunflower oil prices were steady. Groundnut oil declined by Rs 5, despite the firm reports from Gujarat.

Wholesale traders said, in Mumbai, about 350-450 tonnes of palmolein changed hands with one refinery buying back about 100-150 tonnes in the range of Rs 577-578 and another about 100-150 tonnes in resale trade in the range of Rs 574-576 for 10 kg.

About 150 tonnes of Ruchi wares were traded for March delivery at Rs 591.

Ruchi was quoted palmolein Rs 575-577 for near delivery and Rs 585 for next month, soya oil Rs 615/617 and sunflower oil Rs 698.

Soyabean arrivals from Indore - Madhya Pradesh were 1.25/1.30 lakh bags and the prices

were Rs 2,275/2,330 a quintal.

Malaysian CPO February and March futures closed 11 and 16 ringgits higher respectively, on strong overseas demand, mainly from China.

Malaysia's oil-palm yields for January and February are expected to be quite low, so there's room for prices to go higher in February and early March.

Looming farmers' strike and La Nina induced dry conditions in Argentina have given jitters to the international commodity market.

Malaysia's CPO s February contracts closed at MYR 3,729 (3,718) and March at 3,715(3,699) MYR.

Indore NBOT soya oil February contracts ended at Rs 650 (Rs 648).

Mumbai commodity exchange spot rate (Rs/10 kg): Groundnut oil 760 (765), soya refined oil 620 (618), Sunflower exp. ref. 670 (670), Sunflower ref. 725 (725), Rapeseed ref. oil 642 (633), Rapeseed expeller ref. 612 (603), Cotton ref. oil 604 (601) and Palmolein was 580 (578).

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**Back Pepper futures inch up after high volatility**

G.K. Nair Kochi, Jan. 18

Pepper futures on Tuesday closed slightly higher from the previous close after witnessing the usual high volatility.

Reports that Indonesia and Brazil are not showing much interest to sell while Vietnam is likely to enter the market by mid-March, has kept the market from falling sharply on Tuesday.

## Slow Domestic demand

However, there were not much domestic demand as the upcountry buyers were covering directly from the primary markets at Rs 205 a kg new pepper.

The prevailing cold wave conditions in north India has slowed down domestic demand.

Similar situation in some of the major overseas markets is also negatively affecting the export demand, market observers pointed out.

Since the Indian parity is competitive at present there are chances of some orders coming to India from now onwards till mid-March, market sources told Business Line.

However, it might also depend on as to how the import lobby is going to react when the Vietnam new crop arrives in the market, they said.

Long position holders, including bulls, were liquidating. Tightening of loopholes by the exchange warehouses has also been making some positive impact.

However, there were selected warehouses, which are also said to be full, but has left some areas loose, they alleged.

Switching over took place for 188 tonnes to February while 421 tonnes were liquidated.

## Spot market

Spot market remained steady with matching demand and supply. January contract on NCDEX moved up by Rs 25 to close at Rs 22,441 a quintal.

February and March also went up by Rs 20 and Rs 25 respectively to close at Rs 22,880 and Rs 23,190 a quintal.

## Turnover

Total turnover dropped by 296 tonnes to 7,282 tonnes. Total open interest fell by 421 tonnes to 12,440 tonnes.

open interest

January open interest fell by 707 tonnes to 1,306 tonnes. February and March moved up by 188 tonnes and 82 tonnes respectively.

Spot prices ruled steady at Rs 21,400 (ungarbled) and Rs 22,200 (MG 1) a quintal.

Overseas scenario

Indian parity in the international market was at \$5,150-5,175 a tonne (c&f) and remained competitive and hence some demand is expected to come from now onwards will March 15, trade sources claimed. According to an overseas report today from the US, pepper market largely remained unchanged as the buyers appeared to have gone into hiding. Prices quoted for black pepper of different origins (\$/tonne) c&f New York were MG 1 asta- 5,250-5,350; Malabar faq 500g/l – 4,950-5,000 (f.o.b.); Lampong asta – 5,000-5,100 (f.o.b.); Brazil B2 500g/l – 4,800 (f.o.b.); Brazil B1 550g/l – 4,950 (f.o.b.); Brazil Basta - ask for offer and Vietnam asta – 5,350.

White pepper

Prices quoted for white pepper in (\$/tonne) c&f were Muntok – 7,525-7,600 and Vietnam (double washed) – 7,450-7,500.

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**<http://www.thehindubusinessline.com/2011/01/19/stories/2011011952352100.htm>**

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**Back AP to discuss tenancy Bill at mandal level first**



Mr N. Raghuvveera Reddy

Our Bureau

Hyderabad, Jan. 18

The Andhra Pradesh Government has decided to keep the draft Bill on tenancy farming for discussion at mandal level, before finalising it for Cabinet consideration.

Addressing a press conference here on Tuesday, Mr N. Raghuvveera Reddy, Minister for Revenue, said the Government was open to suggestions on the Bill. "We will send copies of the draft to all the mandals seeking opinions from the grassroots level," he said.

He earlier held an all-party meeting to elicit opinions on the Andhra Pradesh Loan Eligibility Card (for Permissive Cultivators) Bill, 2011.

Mr S. Malla Reddy [CPI (M)], Mr Ramakrishna (CPI), Mr M. Venkateswara Rao and Mr Revanth Reddy (Telugu Desam), Mr Vedavyas (Prajarajyam) and Mr Kodanda Reddy (Congress) attended the conference. "We will organise another all-part meeting in February. We will finalise the Bill after incorporating valid suggestions from the Opposition parties and farmers' associations," he said. The draft Bill sought to provide eligibility cards to all tenant farmers, without assigning any ownership rights to them. The card, which would be valid for one year, would give tenant farmers access to institutional credit. In the absence of official deals, tenant farmers were forced to depend on money lenders and other unconventional sources that charged heavy interest rates.

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**<http://www.thehindubusinessline.com/2011/01/19/stories/2011011951732000.htm>**

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**Back Cane issue: Court stays arrest of top officials of sugar cos**

Chennai, Jan.18

The Allahabad High Court has stayed the arrest of Mr Shishir Bajaj, Chairman-cum-Managing Director of Bajaj Hindusthan Ltd, Mr Siddharth Shriram, Chairman of the DCM Group, besides top officials of other private sugar companies.

Mr Bajaj, Mr Shriram and others had filed a petition in the High Court against the first information reports (FIRs) filed by the Uttar Pradesh Government, charging them with forgery, cheating, under-weighting sugarcane, purchasing cane illegally and violating provisions of the Essential Commodities Act.

Cases have been booked against the mills under non-bailable offence.

While staying the arrest of the petitioners, a division bench headed by Mr Justice Imitiaz Murtaza directed the Uttar Pradesh Government and sugarcane cooperative societies to file their reply before the next hearing scheduled in the second week of February.

Besides Bajaj Hindusthan and DCM group, others against whom FIRs have been filed are Mr Gautam Morarka of Dwarikesh group, Mr Dhruv Sahani of Triveni group, Mr Gurumeet Singh Maan of Simbhaoli group and officials of Modi Sugars and Mawana Sugar.

Similar FIRs filed against the sugar companies last year are pending in various courts of the State.

The FIRs were lodged after officials of the sugarcane department raided various sugar mills.

Two days ago, the Uttar Pradesh tax Commissioner, Mr Chandrabanu, said in a press release that officials of his department recovered Rs 15 crore tax money in raids conducted on seven sugar mills of western part for unaccounted trade worth Rs 750 crore. The mills had flouted the rule to pay 2 per cent tax on the sale of sugar in another municipal limit.

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**<http://www.thehindubusinessline.com/2011/01/19/stories/2011011951221900.htm>**

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**Back Selling by mills pulls down sugar**

Mumbai, Jan. 18

Sugar prices at Vashi market declined by Rs 20-25 on Tuesday for ready and naka delivery on lack of demand and selling by mills trying to reduce the burden of this month's



higher quota. Higher quota is pressing mills to offload the quantity before due date. Fresh buying is absent as less-than-expected local demand is keeping stockists at bay. Limited buying pulled down mill tender rates too by Rs 10-15 a quintal. Morale was weak. Sugar prices have been falling since Friday.

Mr Harakhchand Vora of Kavita Trading Co. said the Government has declared a free sale quota of 17 lakh tonnes for this month and till now mills have not sold expected quantity because of low demand. Even upcountry buying is absent. Maharashtra's mills have got almost double non-levy quota for this month. Limited local/upcountry demand and sufficient stocks at the Vashi market kept traders restrain from fresh buying.

Sugar prices have come down by Rs 120 in the ready market and crashed at the mill level by about Rs 150 a quintal so far this month. Further decline is possible, he added. Mr Mukesh Kuwadia, a wholesale trader, said in the first fortnight in absence of fresh demand mills sold about less than half of the quantity expected. On Monday evening, about 13-15 mills came forward with tender offer and sold only about 25,000-30,000 bags at Rs 2,730-2,770 a quintal for S grade and Rs 2,780-2,830 a quintal for M grade. Because of poor response most of the tenders were kept open. Arrivals at the Vashi market were about 40-42 truck loads (of 100 bags) and local dispatches were about 33-35 truck loads. According to Bombay Sugar Merchants Association, spot rates were: for S grade Rs 2,861-2,901 (Rs 2,881-2,921) and M grade Rs 2,891-2,951 (Rs 2,906-2,981). Naka delivery rates were: for S grade Rs 2,830-2,850 (Rs 2,830-2,870) and M grade Rs 2,870-2,900 (Rs 2,880-2,930).

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**<http://www.thehindubusinessline.com/2011/01/19/stories/2011011951251900.htm>**

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### **Back Pulses rule firm on cold wave fears**

Indore, Jan. 18

Pulses, ruling high for the past few days on increased demand and fear of damage to tur, masur and chana crops because of intense cold wave in the State, ruled firm on Tuesday. Tur and its dal continued to witness a rising trend, while chana declined on drop in demand at higher rate.

According to traders, it is primarily the speculators who are making most of the situation on fear factor and pushing up prices.

After gaining sharply on Monday, pulses ruled steady on Tuesday with prices of chana dal (bold) in the spot quoted at Rs 3,175-3,200, chana dal (medium) Rs 3,075-Rs 3,100 and chana dal (average) quoted at Rs 2,975-3,000 a quintal.

Similarly masoor dal (average) quoted at Rs 3,950-3,975, masoor dal (medium) quoted at Rs 4,050-4,075, while masoor dal (bold) quoted at Rs 4,175-4,200 a quintal. On the other hand, tur dal gained Rs 100 with prices of tur dal (marka) at Rs 6,800 a quintal, tur dal (full) at Rs 6,300-6,400, tur dal (Latur Line) at Rs 6,150 a quintal, while tur dal (sawa no.) quoted at Rs 5,100-5,400 a quintal respectively.

Moong and urad dal remained steady. In the spot, moong dal (chilka) quoted at Rs 5,400-5,450, moong dal (bold) quoted at Rs 5,700-5,750, while moong mongar quoted at Rs 6,200-6,300 a quintal. Similarly urad dal (chilka) quoted at Rs 4,900-5,100, urad (bold) quoted at Rs 5,000-5,150, while urad mongar quoted at Rs 6,800-7,100 a quintal.

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**<http://www.thehindubusinessline.com/2011/01/19/stories/2011011951241900.htm>**

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**Back Groundnut oil stable on ample supply**

Our Correspondent

Rajkot, Jan. 18

A mixed trend was seen in edible oil market in Saurashtra and Gujarat here on Tuesday. Groundnut oil price ruled stable with normal buying while cotton oil price increased slightly.

At Rajkot, groundnut oil prices ruled stable at Rs1,295-1,300 for a 15-kg tin, and Rs 1,190-1,195 for a 15-litre tin. Loose groundnut oil traded at Rs 745-750 with a gain of Rs 5 for 10 kg. About 25-30 tankers were traded in groundnut oil.

According to a retailer, groundnut oil demand is normal at present and supply is sufficient

to fulfil the demand and hence prices will not increase.

On the other hand, cotton oil increased by Rs 5 a tin. Cotton oil was traded at Rs 990-1,000 for a 15-kg tin and Rs 935-940 for a 15-litre tin. Cotton wash price were Rs 745-750 for a 10 kg.

Traders said, "Cotton market is increasing and is supporting the cotton oil prices."

According to Saurashtra-based millers, compared to last week, groundnut oil price has increased just Rs 5 a tin but easy availability of groundnut for crushing pushed up the supply during the week. This trend is likely to continue in the coming days. In Andhra Pradesh, higher arrivals resulted in groundnut prices dropping Rs 200 a quintal. In Dharmavaram and other Agricultural Produce Marketing Committee yard in Anantapur district, the price for the TMV-2 variety slid to Rs 2,500 a quintal on Tuesday.

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**Back Asian markets emerging major cashew consumers**

G.K. Nair

Kochi, Jan. 18

Indian and Asian markets have, of late, become major consumers of cashew kernels, absorbing large quantities even as consumption in traditional markets remain largely flat, making Asia a deciding factor of prices.

"India has been the largest consumer of cashew for some years and in the last 2-3 years, consumption in other Asian countries has also been growing fast whereas consumption in traditional markets has been flat or showing small growth in some segments," Mr Pankaj N. Sampat, a Mumbai-based dealer, told Business Line.

Spot market and effects

Asian market, he said, is a spot market where price changes are passed on to final

consumer almost immediately. Impact of this change has been felt only in the last year or so because roasters in the traditional markets have been buying hand-to-mouth, compared with the 6-12 months forward contracts they have been doing in the past.

This has meant that their buying prices have to be dependent on the Asian spot market prices. This phenomenon has changed the structure of the cashew market and dynamics of price movements, he said. Thus, there has been a sea-change in the geographical distribution of cashew consumption.

If the demand from traditional markets is dramatically lower till March/April, then “we could see prices drifting towards the 3.50 level – this will impact spot prices as well. If this happens, processors will be slow in buying Raw Cashew Nut(RCN) at beginning of the season unless RCN prices are much lower than current levels – they also have to factor in the higher processing costs. But if there is any disruption in RCN, processors will be forced to pay high prices for whatever is available.”

The cashew market world over continued to remain sluggish till last weekend. However, there was some buying interest at lower levels.

But, except for a few processors who sold limited quantities, there was not much business, trade sources said. Large processors in both origins are not willing to reduce their prices due to uncertainty over RCN crops and prices. Consequently, there is a wide range of offers in the market: for W240 from \$4.20 to \$4.40 and for W320 from \$3.65 to \$3.85/lb (f.o.b).

In fact, the fundamentals remained unchanged, supply will continue to be tight for a few months and supply prospects plus demand trends for 2011 are uncertain, they said.

“We can expect a lot of volatility in the market in the next 2-3 months because of these uncertainties and the news and rumours from various origins,” they added.

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## Back Turmeric drops despite trickling inflows

Our Correspondent

Erode, Jan. 18

Arrivals fell steeply at the Erode turmeric market on Tuesday, but prices dipped by Rs 500 a quintal as bulk buyers stayed away from buying.

Two hundred bags of number eight variety turmeric arrived from Chennampatty, Ammapet and Gobichettipalayam and fetched a maximum of Rs 12,500 a quintal. Three bags of Mysore variety that arrived sold at Rs 13,000 a quintal. Two hundred bags of unpolished new crop that arrived fetched only Rs 7,500-8,000 a quintal.

Bulk buyers were reluctant to buy turmeric on the spot as they expect prices to fall further and go below Rs 13,000 a quintal, said Mr R.V. Ravishankar, President, Erode Turmeric Merchants Association.

He said: "Arrivals of new crop at the Nizamabad market have increased. About 2,000 bags arrived on Monday and a similar quantity arrived on Tuesday also. North Indian traders are buying the crop there and not placing any fresh order for Erode traders. This is another reason for the decreasing spot turmeric price."

Traders expect the turmeric price to decrease on a daily basis. They say they cannot buy and stock under such circumstances.

On Tuesday, at the Erode Turmeric Merchants Association Sales Yard, the finger variety fetched Rs 9,099-14,611 a quintal and the root variety Rs 7,800-14,100 a quintal. Out of the 560 bags that arrived, 113 were sold.

At the Erode Cooperative Marketing Society, the finger variety was sold at Rs 14,347-14,688 a quintal and the root variety Rs 13,869-14,316 a quintal. All the 173 bags that arrived were sold. At the Regulated Marketing Committee, the finger variety fetched Rs

13,869-14,010 a quintal and the root variety Rs 13,469-14,161 a quintal. All 347 bags that arrived were sold. Also more than a hundred bags of number eight variety turmeric arrived; bulk buyers bought it at Rs 12,150 a quintal to supply to traders from Bihar and Madhya Pradesh.

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<http://www.thehindubusinessline.com/2011/01/19/stories/2011011951802000.htm>

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### Back Mixed trend in rubber

Aravindan

Kottayam, Jan. 18

Spot rubber showed a mixed trend on Tuesday.

Though the undercurrent was bullish, RSS-4 and ungraded rubber slipped marginally following the weakness on the National Multi Commodity Exchange (NMCE) during early trades.

But they failed to react in tune with the recovery in domestic futures during late trading hours. The sentiment was positive as buyers remained active in the remaining grades including latex. Volumes were comparatively dull.

Among other reports, the key Tokyo rubber futures slipped as oil prices fell and investors turned cautious at higher levels.

Traders expect further gains in the days ahead on concerns over tight supplies and sustained demand from emerging countries.

According to dealers, sheet rubber weakened to Rs 225 (226) a kg on buyer resistance.

The grade closed unchanged at Rs 225 a kg, as reported by the Rubber Board.

FUTURES IMPROVE

The February series improved to Rs 231.74 (228.93), March to Rs 236.99 (234.06), April to Rs 245.00 (243.01) and March to Rs 250 (248.93) a kg for RSS 4 on the NMCE.

Volumes totalled 13,118 lots and open interest 10,505 lots. The turnover was Rs 307.69 crore.

RSS 3 (spot) firmed up to Rs 252.78 (251.91) a kg at Bangkok.

The January futures for the grade slipped to ¥453 (Rs 249.42) from ¥453.5 a kg during the day session but then remained inactive in the night session on the Tokyo Commodity Exchange.

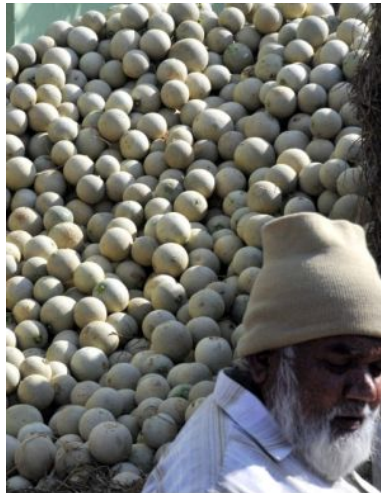
Spot rates were (Rs/kg): RSS-4: 225 (226); RSS-5: 218 (217); Ungraded: 208 (209); ISNR 20: 220 (219) and latex 60 per cent: 152.50 (152).

**Date:**19/01/2011 **URL:**

<http://www.thehindubusinessline.com/2011/01/19/stories/2011011951692000.htm>

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[Back](#) **Tumbling melons**



Waiting for buyers: A trader sells hybrid musk melons (Cucumis Melo) at the Kotapet Fruit Market in Gaddiannaram, Hyderabad, on Monday. The consignment was brought from Anantapur, Andhra Pradesh, and prices are ruling between Rs 25 and Rs 40 a kg. — P.V. Sivakumar

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<http://www.thehindubusinessline.com/2011/01/19/stories/2011011951722000.htm>

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## Back Minimum prices for Coonoor teas rise

P.S. Sundar

Coonoor, Jan. 18

The minimum prices of both leaf and dust grades have increased in 2011 at the Coonoor Tea Trade Association auctions, reveals an analysis of Market Reports of various brokers.

Now, no tea is available for less than Rs 44 a kg.

Last week, when the market opened after a fortnight's closure for Christmas-New Year, the minimum price was Rs 42;at the end of 2010 the minimum price was Rs 40.

### Leaf market

In the leaf market, plain teas are now fetching Rs 44-48, medium grades Rs 50-55 and bright liquoring sorts Rs 80-120.

This shows an increase in minimum prices over last week — plain teas then fetched Rs 42-46 while medium and brighter liquoring sorts got the same price.

### Overall rise

In the dust market, plain teas are now fetching Rs 60-65, medium grades Rs 66-69 and bright liquoring sorts Rs 90-138.

This shows an increase in all the grades over last week: Plain Rs 54-60, medium Rs 60-64 and bright liquoring Rs 90-132.

This means, no dust grade is available for less than Rs 60 now against Rs 54 last week.

### Maximum price



On the upper edge (maximum price), this week, Darmona Estate topped the CTC market at Rs 153 a kg (last week's highest price: Rs 151). "Our Red Dust (RD) fetched this price. Our Pekoe Dust (PD) got the second highest price of Rs 152.

These are the highest prices among all dusts and leaf grades this week. In all, our six grades got Rs 122 and more," Mr Dinesh Raju, Managing Partner, Darmona, told Business Line.

Vigneshwar Estate topped the CTC leaf market at Rs 144 (Rs 146). "Our Broken Orange Pekoe (BOP) got this price.

In all, our four grades got Rs 135 and more," Mr Ramesh Bhojarajan, Managing Partner, Vigneshwar, said.