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Food inflation zooms to 18.32 per cent

Special Correspondent

NEW DELHI: Much to the discomfiture of the Centre and in a further jolt to the common man, food inflation zoomed to almost a year's high at 18.32 per cent for the week ended December 25, 2010, owing to a spurt in the prices of vegetables, onions and milk. The sudden spurt in the wholesale price index-based food inflation from 14.44 per cent a mere week ago — and more than double of what it was a month earlier — has not only surprised the government but also reduced it to helplessness, saying prices are not “fully” within its control.

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Changes in biodiversity threaten Kangeyam cattle breed

R. Vimal Kumar

Cattle foundation to try for in situ breeding to protect them

Towards extinction:Lack of awareness of the distinct advantages of Kangeyam cattle cited as reason for its reduction in popularity among breeders.

Tirupur: Degradation in biodiversity, including the reduction in the ‘species specific' grazing lands due to its conversion for commercial purposes, is taking the Kangeyam cattle breed towards extinction.

The Kangeyam cattle population in the ‘Kangeyam tract', spreading from Kangeyam to districts like Erode, Karur, Namakkal and Dindigul, has been fast dwindling during the last two decades.

“The studies carried out by Tamil Nadu Veterinary and Animal Sciences University has found that the population in the tract came down from the 11.74 lakh in 1990 to 4.76 lakh by 2000. The present estimates project it at an alarmingly low of 2.7 lakh,” pointed out K.S.M. Kathikeya, managing trustee of Senaapathy Kangeyam Cattle Research Foundation.

Mr. Karthikeya attributes this population dip to conversion of ‘korangadu', a typical grazing area of the species containing 29 types of shrubs and trees once abundant in Kangeyam tract, for real estate purposes, and also due to absence of proper breeding as well as the growing obsession among farmers to opt for exotic cattle breeds.

“Reduction in ‘korangadu' is a matter of concern as it holds an integral component in the Kangeyam cattle biodiversity. At present, just 11 lakh acres of ‘Korangadu' exists in the entire Kongu region against the 22 lakh acres in 1990,” he said.

The ‘Korangadu' is considered by United Nations Development Programme (UNDP) as ‘globally important agricultural heritage system'.

“However, as per the Revenue Department records, it is given the status of waste land, which needs to be changed and it should be classified as grazing land,” added Mr. Karthikeya.

The lack of awareness of the distinct advantages of pure Kangeyam cattle is the reason cited by experts for its reduction in popularity among the breeders.

“In fact, the Kangeyam cattle due to its sturdy physical features are used for pulling carts with heavy loads and its milk has high nutritious value with no ‘bad fat',” Mr.Karthikeya said.

Also its urine, when mixed with rotten fruits and black gram, becomes a good bio-fertilizer popularly known as ‘amrita karasal'.

In an attempt to save the Kangeyam cattle from extinction, the Senaapathy Kangeyam Cattle Research Foundation is planning to submit a proposal to the State Government for setting up a venture on a public-private partnership model for in situ conservation and breeding of Kangeyam cattle.

“It is important to breed the species in the region itself as the geo-climatic conditions in the area plays a role in getting good offspring,” Mr. Karthikeya said.

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Special initiative needed for safe drinking water: Kalam

Special Correspondent

Chennai: Former President A.P.J. Abdul Kalam has called for a special initiative to provide safe drinking water for all.

Speaking at the two-day international conference on ‘Water partnerships towards meeting the climate challenge,' organised by the Centre of Excellence for Change, in association with UNICEF and Government of Tamil Nadu, here on Wednesday, he lamented that 3.5 million deaths were reported across the globe in a year due to unclean drinking water. “As many as seven persons are killed by this every minute.”

In India alone, 1600 persons died of diarrohea every year. He pleaded that provision for safe drinking water be undertaken as a “societal mission.” He wanted linking of all rivers to tide over water shortage.

He hailed the Siruthuli experiment undertaken in Coimbatore for “recovering the lost water bodies. He wanted each user of the waterbody to become a stakeholder in its maintenance.

For these things to happen, he pleaded for “attitudinal change” and “partnerships” of various kinds. He was happy to note that the multi-government departmental partnership with Tamil Nadu Agricultural University forged in a project of the Tamil Nadu Government had proved extremely successful in terms of improving water sources and productivity.

He congratulated the Gujarat Government for its consistent agricultural growth rate of nine per cent, thrice the national average, saying that the main reason was the farm-level water conservation and maintenance and large-scale community participation in the maintenance of 3,50,000 minor water bodies.

Adverting to climate change, Mr. Kalam pleaded for evolution of Chennai and also making Tamil Nadu carbon-neutral by 2030.

Rajender Singh Tarun Bharat Singh, Ramon Magsaysay awardee, advocated revival of systems using indigenous knowledge. Even during ancient times, India had separate systems for drinking water and waste water. Most of the problems could not be solved by investment-based planning, he asserted.

Mr. Singh, who dwelt on “community driven decentralised management,” said it was important to understand that community action could have better impact in water management.

He lamented that India did not know “how much water is available — surface level, subsurface level and underground.” The strategy was dominated by exploiting water resources without any connection to nature.

“There should be a code of conduct of what to give and what to take from Nature.” Seven rivers in Rajasthan could be rejuvenated because of community's involvement. “While planning, the geo-cultural diversity should be respected.”

Mr. Rajinder Singh appealed to the engineering fraternity to give up its “arrogance of knowledge,” which separated them from the common villagers, and thus ensure “community governance.”

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Bird census for two days in two districts

P. Sudhakar

TIRUNELVELI: Here is good news for students and others, particularly those who are very much interested in watching the birds, as a bird census in large scale is going to be conducted in Tirunelveli and Tuticorin districts for the first time during the third week of January.

The Bangalore-based Ashoka Trust for Research in Ecology and the Environment (ATREE) in association with the Department of Forest's Tirunelveli Division made extensive arrangements for launching a waterfowl count in Tirunelveli and Tuticorin districts on January 21 and 22.

The districts of Tirunelveli and Tuticorin lie in a semi-arid landscape.

However, the perennial river of Tamirabharani and its tributaries flowing from the Agasthyamalai Hills and traverses for about 175 km made these two districts the ‘Rice Bowl' of southern Tamil Nadu and being an important shelter for birds, especially waterfowls, in the entire country.

The perpetual river not only supports human population and culture but also a large number of wetland birds as its water is being diverted to hundreds of systemised irrigation tanks in both the districts.

The popular Koonthankulam birds' sanctuary too gets water from the Tamirabharani.

The downstream wetlands support over 60 species of water birds, several of them are migratory while many others are found in large numbers in the southern districts.

The Forest Department has been conducting bird census in selective tanks, which are declared as wetlands but this is not enough given the large number of tanks in the districts as Tirunelveli district alone has 2,449 irrigation tanks, including 921 systemised and 1,528 non-systemised tanks.

ATREE researchers have monitored about 200 tanks and it showed that there are good number of unexplored heronry, like Vaagaikulam, is in the district, which needs to be protected.

Selected volunteers will undergo an orientation programme on January 19 or 20. They may bring their cameras and binoculars for the waterfowl count.

People who are willing to participate may contact Dr. Patrick David (email: patdavid28@gmail.com Mobile phone: 918144769484) to register their names.

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66-day water release from Bhavani for dry land crops

Staff Reporter

Closure period in the reservoir to be 47 days till April 30

KARUR: Heeding the demand of the farmers of the Lower Bhavani Project, water is being released from the Bhavani Sagar reservoir in Erode district in the Lower Bhavani Project channels to benefit dry land crops in Karur district from Friday. Alternative supply would be maintained as per schedule till April 30.

Farmers in the LBP aycut, especially in Karur district, have been demanding water release from the reservoir to meet their dry land crop (Punjai irrigation) irrigation needs. To meet the demand, the State government had directed the Public Works Department to work out a formula. Based on the schedule water will be released for 66 days while the closure period will be 47 days till April 30.

As per the PWD schedule, water will be released into the even numbered shutters and sluices of the LBP Main Channel and in the even numbered sluices and shutters of the Chennasamudram Distribution Channel during the period.

The PWD authorities have urged the farmers to cultivate only dry land crops and not take up any other crop as water supply would not be maintained under any circumstance beyond the stipulated duration. Also the aycutdars must use the available water frugally and judiciously to make the best use of the situation, according to a press release issued here by the Collector J. Uma Maheswari.

Water would be released from January 7 to 20, February 2 to 15, February 24 to March 6, March 15 to 25, April 3 to 13 and from April 20 to 30. Rest of the days would be closure period, the release added.

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Progress of welfare schemes for farm workers reviewed

Staff Reporter

KRISHNAGIRI: The Tamil Nadu Agriculture Workers Welfare Board has so far disbursed Rs. 654,95,09,791 to 8,29,180 agriculture workers across the district since the inception of the board in December 2006, K. Chellamuthu, Chairman of the Board, said here on Thursday.

Mr. Chellamuthu reviewed the progress of the welfare schemes implemented through the board with the officials concerned with various departments at the Collectorate. After the review meeting, he told reporters that as many as 1,74,07,332 persons were enrolled in the welfare board (except Chennai). Of this, 76,27,777 family cards were distributed to the workers.

A maximum of Rs. 512.37 crore was distributed to 5,03,572 beneficiaries through the Revenue Department and Rs. 143 crore welfare assistance was distributed through education and health departments to 3,25,606 beneficiaries.

The officials were told to enrol eligible agricultural workers in the welfare board and extend the welfare assistance to the members as quickly as possible. For this, the administration was advised to conduct special camps to create awareness on enrolment and welfare schemes among the agricultural workers.

Chief Minister M. Karunanidhi has enhanced the monthly pension scheme for the old age people.Later, he also gave away welfare assistance to the tune of Rs. 8,06,500 to 79 beneficiaries.

V.P. Rajan, Vice-Chairman, Agriculture Workers Welfare Board, V. Arun Roy, Collector, and C. Prakasam, District Revenue Officer, participated in the meeting.

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Onions to flood markets

Staff Reporter

Thanks to good harvest in Vilathikulam taluk

Tuticorin: Farmers of Keezha Vilathikulam, Ramachandrapuram and Malleswarapuram of Vilathikulam taluk in Tuticorin district were happy since early harvesting of small onion could give more profit.

But with an increase in production, they were keeping their fingers crossed for getting better price for the produce.

Around 2,000 tonnes of small onions were expected to flood the market this month-end, horticulture officials said. With an action plan in October to increase the area of cultivation to a considerable extent, production of this crop would be more.

Prices of onions would come down after Pongal following the arrival of onions to markets. Anyway Pongal would bring cheers to the farmers.

Farmers preferred cultivation of small onions rather than chillies. Tropical conditions with sufficient soil moisture are conducive for growth of small onions. As many as 1,018 hectares was brought under the cultivation of small onion this year as against the normal level of 700 hectares, M. Syed Ahamed Miranji, Deputy Director of Horticulture, Tuticorin, told ‘The Hindu.'

Although Tuticorin experienced heavy rainfall in November and December, it did not cause any damage to the onion crop. Farmers heeded to the advice of horticulture officials and adopted plant protection measures to prevent disease in onion. The crops were thus saved.

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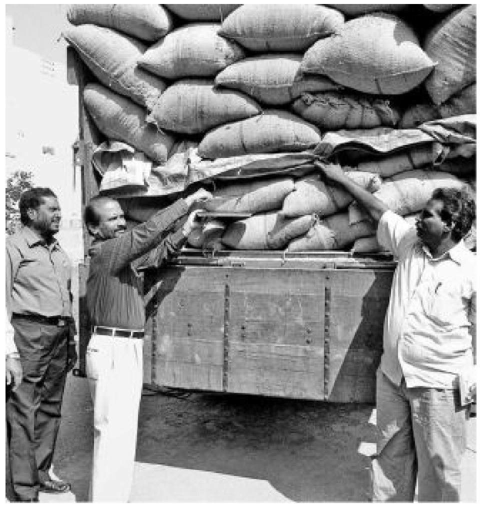
8 tonnes of PDS rice seized

Staff Reporter

Photo: Special Arrangement



Rich haul:C. Prakasam (second right), District Revenue Officer, inspecting the seized PDS rice at the Neralagiri checkpost on Thursday.

KRISHNAGIRI: Eight tonnes of rice meant for distribution under the Public Distribution System (PDS) were seized by a flying squad headed by Mr. Murugesan, District Supply Officer in Neralagiri village near Andhra border, on Wednesday night.

Based on a tip-off District Collector V. Arun Roy and District Revenue Officer C. Prakasam directed officials to check PDS rice smuggling from the state to the Karnataka and Andhra Pradesh.

The squad intercepted a lorry in Neralagiri village, seven km from the Andhra border.

The driver and the cleaner of the vehicle escaped. Boiled rice, neatly packed in 50 kg bags, was found concealed under paddy bags. The rice worth around Rs. 1 lakh was being smuggled to Bangarpettai in Andhra Pradesh. Crime investigation wing of the civil supplies department has registered a case.

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From the U.S. to Indian farms

Amutha Kannan

— Photo: K.Ananthan

Getting the feel:Students of Cornell University's International Agriculture and Rural Development Course trying their hand in weeding at a sorghum field at Tamil Nadu Agricultural University in Coimbatore on Thursday.

COIMBATORE: They have come all the way from the United States to get a feel of Indian agricultural practices. As many as 36 students pursuing undergraduate, postgraduate and doctoral programmes in Cornell University started their two-week exploration of Indian agriculture at Tamil Nadu Agricultural University (TNAU) here on Thursday.

It is a component of the International Agricultural and Rural Development programme that is part of any agricultural course they pursue. The objective of the visit is to know the agricultural systems, rural infrastructure, and value-addition capabilities in developing countries.

The visits to various departments and trial fields at TNAU had them engrossed. They tried their hand with a shovel used by farm workers in weeding on a millet farm. It was all different and exciting for the foreigners.

James Keach, a Ph.D. scholar in plant breeding, says that the evident difference between the two countries is that in the U.S. there are large farms managed by a few people, mostly the family members, while in India it is the reverse.

He also points out that the variety in cropping pattern is high in India when compared to the limited crops that are cultivated in the U.S.

Jessica Rutkoshi, a student, says that while farmers in the U.S. concentrated on food processing and cultivating for animal feed, Indians concentrated more on feeding humans and also on fresh food.

The group will visit the R.S. Puram Uzhavar Sandhai on Friday to witness the farmers selling their produce. They will compare the market to the farmers' markets in the U.S. that mostly sell organic fruits and vegetables at ‘expensive' prices.They will then form smaller groups. The group that is involved in rural infrastructure and agricultural systems will head towards Udhagamandalam, while the one involved in value-addition will travel to Kochi.Later, they will meet up in Hyderabad to visit ICRISAT, Pochampalli weaving units, and the dry land agriculture patterns there, before returning home.Some students have chosen to stay back and work with non-Governmental organisations (NGO), even though it is not part of the curriculum.Amy Joy Nichols, a master's student, is among those who will stay back. She says she will apply the knowledge she has gained in her course of study working for an NGO.

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From regional to transnational classrooms

Amutha Kannan

Photo: M. Periasamy

New experience:M.Tech students of Tamil Nadu Agricultural University who returned on Thursday after a six-month programme at Cornell University, the U.S. —

COIMBATORE: Dual degree programmes offered by technical universities and Indian Institutes of Management, in association with institutes abroad, are gaining momentum. The first batch of students who have completed a dual degree post-graduate programme will receive their degree certificates here at a State agricultural university on Friday.As many as 13 M. Tech. students from the Departments of Plant Breeding and Genetics, and Food Science and Technology of Tamil Nadu Agricultural University (TNAU), will receive the joint degrees of the university and that of Cornell University, Ithaca, the U.S. According to TNAU, this is not only the first of its kind for any agricultural university, it is also so for the Ivy League Cornell University to enter into such a tie-up with an Indian university. Students doing the two M. Tech. programmes are given an option to apply for the dual degree programme. The students get to complete a programme that is formulated by both the universities.According to Syed S.H. Rizvi, Professor, Food Process Engineering, Cornell University, two departments have been identified with the aim of increasing agricultural production through use of genetics, and enhancing marketing, processing and value-addition for maximising benefits for farmers.

M.Tech. students of plant breeding and genetics will get a Master of Professional Science (MPS) degree in Biotechnology and Business Management from Cornell University, while M.Tech. students of food processing and marketing will get a MPS degree in food science and technology. J.S. Kennedy, Co-ordinator of PG programmes of TNAU, says that the programme has been designed to include science, technology and management. It works on a credit transfer basis.The group that has returned as a globally enlightened lot not only in their subject, but on a range of issues, shared their ‘experiential learning' with The Hindu here on Thursday.They touched upon their initiation into real-life agriculture, management, scientific writing, industry visits, physical education, and extra-curricular activities that they believe has moulded them into confident persons.

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Entrepreneurship: the strength of Coimbatore

M. Soundariya Preetha

‘People are hardworking and innovative, and the risk-taking is high'

The Coimbatore Spinning and Weaving Company Limited in 1888.

COIMBATORE: Coimbatore is synonymous with entrepreneurship and is widely known as a self-made city.

The city was created by entrepreneurs, points out Jairam Varadaraj, Managing Director of Elgi. “Entrepreneurship is about having new ideas that are novel and innovative and taking the risk to make it successful,” he says. It is more than making a product. There are several companies now and industrial activity has grown. “It is time now to focus on taking Coimbatore to the next level and its people should do it.”

Reason

One of the historical reasons for the city to be rich in entrepreneurship is that agriculture was not lucrative and people were looking out for options for livelihood. The Stanes Mill and Pykara project are two important factors that gave a boost to industrial growth.

Technical education facilities led to the growth of small and medium-scale units. Availability of power, technical education and community leaders who showed the way are some of the important factors that encouraged entrepreneurship.

People here are hardworking and innovative, and risk-taking is high, according to Krishnaraj Vanavarayar, former Chairman of the Southern India Mills' Association.

A.V. Varadarajan, former President of the Indian Chamber of Commerce and Industry, Coimbatore, adds that development of vendors and technical education are two main reasons for the growth of industries here.

“It has inculcated the spirit of entrepreneurship.”

The focus continues to be on manufacture.

The government should encourage industrial growth, he adds.

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40 watersheds for four panchayat unions

Staff Reporter

Wastelands of poor farmers to be rejuvenated

Rs.6 crore would be spent for development of wastelands in each union Details of project to be explained to villagers on January 26

DINDIGUL: A total of 40 watersheds would be developed in four panchayat unions under Integrated Watershed Management Programme, said S. Ganesan, Project Officer, District Watershed Development Agency cum Joint Director for Agriculture.

Talking to reporters here on Thursday, he said that the project would be implemented in five to seven years starting from 2010-11 in Sanarpatti, Nilakotti, Vedasandur and Gujiliamparai unions in the district.

A sum of Rs.24 crore - Rs.6 crore for each union - would be spent for development of waste lands. Initially, the government sanctioned Rs.57 lakh.

About 5,271 hectares of waste land at Vallampatti, Markampatti, Pudhupati, Thethampatti, T. Panjampatti, Ragalapuram, Madur, Siluvathur, Vangamanuthu and Kanavaipatti villages in Sanarpatti panchayat union, 5,779 hectares at Nuthalapuram, Chinnamanaickenkottai, Kodanginaickenpatti, Kottur, Nariyuthu, Silukkuvarpatti and Malaiyagoundenpatti villages in Nilakottai union, 5,704 hectares at Kalvarpatti, Valaiyapatti, Nallabommanpatti, Sukkampatti, Devinaickenpatti, Thasaripatti, Kuttam, Virudhalaipatti, V. Pudhukottai and Poodhipuram in Vedasandur union and 5,223 hectares in Karungal, Palayam, R. Kombai and nearby hamlets in Gujiliamparai union would be upgraded, he added.

Waste lands of poor and tiny farmers would be rejuvenated using all latest technologies and made them fit for cultivation.

Land levelling, earthen bunding, pit-cum-bunding, creation of sunken pond and farm pond and construction of lose rock check dam, Gabion check dam and cement check dam would be taken up. Besides, horticulture plantation cum agro forestry and livelihood activities would also be taken up.

Small entrepreneurship development and uplift of SC/ST were other components.

Cattle feed

Besides, farmers would be encouraged to grow grass meant for cattle feed. Landless women labourers would be brought under self help movement for livelihood activities he added.

Mr. Ganesan appealed to villagers to utilise benefits of the scheme properly and support the implementation of the programme.

The project would be executed with participation of community only. Local people would be empowered to choose and execute all development works to be implemented in their watershed area.

Later, maintenance of these structures would also be handed over to them after implementation, said X. Sebastian Britto, Assistant Engineer, District Water Shed Development Agency.

Details of the project would be explained to villagers at the gram sabha meet to be held on January 26, the Republic Day, he added.

These panchayat unions were identified on the basis of information like dwindling of agriculture activities owing to sharp shrink in cultivable land and water shortage given by farmers at the agriculturists' grievances day meet.Selection of watersheds was made through satellite pictures.Ten water sheds were selected in each union.

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Water for Erode irrigation from January 7

Staff Reporter

ERODE: Water will be released from Bhavanisagar reservoir from January 7 in the Lower Bhavani Project canals for cultivation of dry crops in Erode and neighbouring districts.

The State Government had issued a directive in this regard, ordering the release of water from January 7 to April 30 this year, Collector T. Soundiah said in a press release. Water would be released for a total of 66 days during the above-mentioned period for cultivation of dry crops, the Collector added.

Apart from the Lower Bhavani Project canals, water would also be discharged in the Chennasamudram distribution canal.

Dry crops

The government had asked the farmers to cultivate only dry crops during this period of water release. Farmers should not go in for water-intensive crops, the Collector said. Mr. Soundiah appealed to the farming community to utilise the water judiciously and adopt best water management practices during the cultivation.

The release of water would benefit of over 1 lakh acres of lands coming under the Lower Bhavani Project, Public Works Department officials said.

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Mobile veterinary clinic

Staff Reporter

ERODE: A mobile veterinary clinic and laboratory is introduced for the benefit of cattle farmers in Erode district. Collector T. Soundiah flagged off the vehicle here on Thursday.

The animal diseases intelligence unit of the Animal Husbandry Department has established the mobile unit to cater to the needs of farmers particularly those living in remote parts of the district. The clinic is equipped with modern instruments including micro lab, refrigerator and facilities for the conduct of post-mortem. A team of veterinarians, laboratory assistants and personnel from the diseases intelligence unit will visit the villages and screen cattle for diseases.

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Merchants want cess on food commodities scrapped immediately

Staff Reporter

MADURAI: The Tamil Nadu Foodgrains Merchants Association has demanded the immediate scrapping of cess levied upon all the 300-odd food commodities sold in the State. It has called upon the government to provide requisite infrastructure such as well-equipped marketing yards, as available in other States, before collecting cess.

Addressing a press conference here on Thursday, association president S.P. Jeyapragasam said that wide consultations with traders should be held on this cess issue which affected over two lakh traders. Many commodities were not being sold through the marketing yards in the districts as they were poorly equipped and lacked infrastructure.

Quoting information obtained from the State government through the Right To Information Act, he said that the sale of groundnut in the regulated market had come down from 17.65 lakh during 1994-95 to 10.69 lakh during 2008-09. The association also called for scrapping the “permit system.”

He also came down upon the exemption granted to Chennai alone in this cess issue. “If a trader brought in his goods from Chennai Port, he does not have to pay cess. However, he has to shell out cess levies if he lands his goods through Tuticorin Port.”

Further, cess was being levied upon food products that were sold outside the yards. He also called for scrapping the G.O. No. 361, which dealt with the cess.

Speaking later, association vice-president P. Subash Chandra Bose said that another information obtained through RTI Act revealed that nearly 600 trade bodies had registered their opposition to cess.

Mr. Bose is also the chairman of a Cess Committee formed by the association with representatives from various trade bodies across Tamil Nadu.

While the government held wide deliberations prior to the implementation of value added tax (VAT), which fetched revenues to the tune of Rs. 25,000 crore, Mr. Jeyapragasam said that it should follow the same procedure for levying cess, which fetches only around Rs. 50 crore.

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Insurance scheme for seafood workers revised

Staff Reporter

Accidental death benefits increased to Rs. 1 lakh

Tuticorin: Marine Products Export Development Authority (MPEDA) has revised insurance scheme benefits for seafood workers. As many as 40,000 workers across India will benefit.

Under the revised scheme, accidental death benefits have been increased to Rs. 1 lakh and the cover has also been extended to disabilities caused by accident under certain conditions.

The medical benefits have also been revised to Rs. 20, 000 for the workers and their dependents, according to a statement from MPEDA here on Thursday.

Besides, benefits up to Rs. 10, 000 could be availed to loss or damage of property or dwellings.

As for emergency medical evacuation, coverage of up to Rs. 2, 000 could be availed. The annual premium of the scheme remains the same as Rs. 200.

The revised benefits will be effective for policies taken on or after January 1, 2011. An MoU on the same was signed at MPEDA headquarters in December 2010 by J. Ramesh, Secretary, MPEDA, and K.B. Suresh, Regional Manager, United India Insurance Company Limited, Kochi.

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‘40% tea garden owners PF defaulters'

Special Correspondent

Kolkata: Altogether 40 per cent of the tea garden owners in West Bengal are defaulters in respect of provident fund and gratuity payments to workers, State Labour Minister Anadi Sahu said on Thursday.

Talking to reporters at the State Secretariat, he said that the labourers were also being denied benefits like provision of dwelling units, drinking water and medical facilities. There are 278 tea estates in West Bengal with 2.5 lakh workers on their rolls, who produce 25 per cent of India's tea crop averaging at 900 million kg annually.

Briefing reporters on the outcome of a tripartite meeting held on Thursday, he said that the owners had been told to construct 23,970 houses for their workers by June 2011, so that every worker had a shelter over his head.

‘Honour agreements'

“The government has told the tea garden owners to honour the agreements that they have made with the workers,” Mr. Sahu said. They have also been asked to pay up their arrears. He also said that a conference would be organised by the State Government by the first week of February to discuss these matters in detail. The tea garden owners would also be called to that conference.

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GM crops

This refers to Kerala Finance Minister T.M. Thomas Isaac's statement that the CPI (M) is neither opposed to Genetically Modified crops nor is ready to offer them unqualified support (Jan. 3). To Mr. Isaac, GM crops means Monsanto and Monsanto means GM crops. It is hard to believe that he is unaware of the ground realities of GM crop cultivation in the world. To say that he is neither for nor against GM crops and then proclaim that the State is GM-free is contradictory.

GM crops have been rigorously examined the world over for their biological, human, animal and environmental impact and there are scores of peer reviewed research reports testifying to the scientific aspects of safety and environmental risks. It has been clearly established that the economic benefits of the technology reach the growers directly. Mr. Isaac should pay more attention to his party colleague Ramachandran Pillai who is reported to have said that opposition to GM crops amounts to superstition.Dr. Shanthu Shantharam,Bangalore

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Coconut oil market in the country on the boil

K.A. Martin

Fresh coconut exports have increased by 60 per cent

No free flow: Coconut oil being weighed and sold at an oil mill in Kochi. Small mills are finding it diffucult to survive these days.

KOCHI: The coconutoil market in the country continues to be on the boil with a near 60 per cent increase in exports of fresh coconuts, rumours of strong enquiries from Sri Lanka for the produce and what a veteran of the trade here said were the unprecedented prices of products traditionally used to adulterate the oil.

The price spiral of Kerala's favourite cooking medium has forced scores of small millers off the scene and plunged the Kera Karshaka Sahakarana Federation (Kerafed), the coconut farmers' apex cooperative in the State, into substantial losses from the sale of its popular brand, Kera. Kerafed, sources said, suffers a loss of Rs.16 for every 1-litre Kera pouch sold. The maximum retail price is Rs.99.50, but this should be at least Rs.120 for the business to be viable given the current copra price. However, the cooperative has not pushed up the retail price.

The oil price, helped by rumours of massive enquiries from Sri Lanka and Bangladesh, touched Rs.91.50 a kg here on Thursday, a record in 26 years, the Coconut Oil Merchants' Association (Coma) said. The Coconut Development Board , designated authority for export of coconut products, did not confirm enquiries from the two countries. No licences had been issued for exports to Sri Lanka, board sources told The Hindu on Thursday.

Figures provided by the board indicate that there has been a big boom in the export of coconuts to the Gulf countries, where coconuts sell at Rs.40 apiece. Export of fresh coconuts during last financial year zoomed to 16,723 tonnes from the previous year's 6,814 tonnes. Actual figures for the current year are not available yet. However, board sources said that exports had jumped substantially this year because of the high price in the international market.

Shortage

Kerala, which derives its name from coconut trees, is witnessing an unprecedented shortage of coconuts. The board has reported about a 50 per cent fall in nut production. Arrival of both coconut oil and coconuts from neighbouring Tamil Nadu has dwindled to a trickle. M.M. Kurien, president of Coma, said that this being the middle of the lean season, there appeared no scope for the price to come down immediately.

The Kochi market, now swayed by prices at Kangayam in Tamil Nadu, has virtually exhausted its stock of copra. Not even National Agricultural Cooperative Marketing Federation (Nafed) offices in Tamil Nadu had substantial copra stocks, sources said. There is no copra stock with

Kochi Nafed either and the stock position in Kozhikode is reported to be meagre. Nafed last sold its consignment of copra for Rs.6,600 a quintal and Kerafed sources said that their procurement from Nafed for the current season appeared to be at its end. There appears to be no reason to believe that copra stocks in the State will now be replenished and the situation may improve only after a couple of months, said Ashok B. of Coma, a senior trader here. The rise in the price of products such as palm kernel oil and paraffin oil (white oil), traditionally used to adulterate coconut oil, has helped heat the market.

Date:07/01/2011 URL: http://www.thehindu.com/2011/01/07/stories/2011010754851900.htm

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Fisheries institute sets up tuna plant

R. Ramabhadran Pillai

KOCHI: The Kochi-based National Institute of Fisheries Post Harvest Technology and Training (NIFPHATT), under the Union Ministry of Agriculture, has set up a ‘chilled tuna plant' in Visakhapatnam.

This is in addition to the one in Kochi which commenced operations last year. The Visakhapatnam facility will be offered to exporters on lease, according officials at the institute.

The unit in Kochi is also being utilised by a private enterprise engaged in tuna exports. The demand for special-grade tuna is high in the international market. Tuna in the ‘Sashmi grade' is exported mainly to Japan and countries in Europe.

The facility will be offered on ‘dry lease' as the government does not own trawlers that can handle special-grade tuna, official sources said.

The Marine Products Export Development Authority (MPEDA) had launched projects to enhance the export of the species.

Sashmi grade tuna should be processed within 48 hours of the catch, sources said. Tuna fishing requires special training.

Date:07/01/2011 URL: http://www.thehindu.com/2011/01/07/stories/2011010756550300.htm

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Millers call for drastic changes in paddy procurement policy

Staff Reporter

They demand 100 per cent levy targets

Civil Supplies Commissioner holds review meet'Millers finding it difficult to find buyers for the quantities they were allowed to sell'

TADEPALLIGUDEM: The rice millers called for drastic changes in the government's paddy procurement policy enabling them to meet 100 per cent levy targets instead of 75 per cent as was the case at present.

The West Godavari District Rice Millers Association made a demand to this effect during an interaction with Sanjay Jaju, Commissioner of Civil Supplies here on Wednesday night. Before he left for East Godavari, Mr. Jaju held a joint meeting with the millers and the officials from the Civil Supplies department in a bid to take stock of the process of paddy procurement in the district in the current kharif season.

As per the present levy policy, the millers are in a bind over supplying 75 per cent of rice after conversion from paddy to the central pool as levy for distribution through the Public Distribution System (PDS) and selling the rest in the open market. Even in the remaining 25 per cent of the quantity, the millers are allowed to sell two thirds within the State and the rest outside the State.

The association president and former MLA Cherukuvada Sriranganadha Raju said the millers were finding it difficult to find buyers for the quantities the millers were allowed to sell in the open market.

Recycling of the subsidy rice from the PDS to the black market and vice versa led to little or no demand for the rice they milled in the market, he explained.

A kg of rice disposed at Rs. 2 from the PDS was getting back to the same system with a price tag of Rs.12 per kg. If that was the situation who would buy rice from millers, he questioned.

Interestingly, all the paddy varieties, barring the Swarna (7029), were least preferred for consumption in the local market. Such varieties are converted into boiled rice for exports.

The Swarna variety, which was prone to discolouring and sprouting, too got little demand in the market this time, thanks to heavy rains. According to rough estimates, more than 75 per cent of the Swarna variety raised in 4 lakh acres in the delta in the current season in the district was subjected to discolouring and sprouting raising market problems for millers and the growers.

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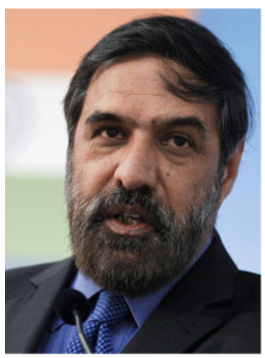
Pakistan stops onion export via land route

Sujay Mehdudia

Commerce Minister terms it shocking and unfortunate



Anand Sharma

NEW DELHI: Even as onion prices show no signs of cooling down due to inconsistent supplies, the prices are likely to increase further with Pakistan deciding to ban its export to India through the Wagah border.

Terming it shocking, Commerce Minister Anand Sharma on Thursday said the issue was being taken up with the concerned authorities in Islamabad.

“It is shocking and unfortunate that Pakistan has banned onion exports to India. We have urged them that the contracted quantities should be released,” Mr. Sharma said here. He said the government was also exploring all options.

Reports said authorities in Pakistan on Thursday stopped 300 truckloads of onion bound for India on the Wagah border, saying exports had to be curbed to control prices in their own country.

Mr. Sharma said that State-run State Trading Corporation (STC) and Projects Equipment Commodities (PEC) Ltd. had signed contracts for getting onions from Pakistan. “The matter has been discussed with the High Commissioner in Islamabad, who has already met the concerned officials in the neighbouring country.”

He said decisions taken should be implemented and the convoy of trucks should not have been stopped. Asked whether Pakistan's action was in retaliation to India restricting cotton exports, Mr. Sharma said New Delhi's decision was not aimed at Pakistan. The government had put a ceiling of 55 lakh bales on cotton exports for the current season.

He, however, said a large quantity of onions from Pakistan will be reaching Mumbai via the sea route shortly. The STC has also approached the External Affairs Ministry seeking its intervention in the issue. The STC and PEC were asked to import 300 tonnes and 1,000 tonnes of onions respectively to contain prices in the domestic market, which had skyrocketed to Rs.75-85/kg in retail markets on December 22 and continue to rule at Rs. 45-70/kg in metros.

The National Agricultural Cooperative Marketing Federation of India, which was to store the onions imported from Pakistan and distribute it to retail outlets such as Kendriya Bhandar and Mother Dairy, said trucks were to cross Amritsar by afternoon and reach Delhi on Friday morning, but that did not happen. It has kept its storage facilities ready.

Pakistan, which started exporting onions to India in mid-December had been sending over 300 tonnes of onion every day, mainly through the Wagah border.

Date:07/01/2011 URL: http://www.thehindu.com/2011/01/07/stories/2011010762840300.htm

39,763 farmers to get debt relief in Wayanad: panel

A Correspondent

Relief for unpaid loans till December 31, 2006

KALPETTA: The State Debt Relief Commission has recommended to the government to provide relief measures in 39,763 of the 96,271 grievances submitted by debt-ridden farmers in Wayanad district so far, State Debt Relief Commission Chairman, K.A. Abdul Gaffoor has said.

Interacting with the officials of the co-operative banks in the district on Thursday, Mr. Gaffoor said that the commission would provide relief to farmers for unpaid loans till December 31, 2006. As part of simplifying the process related to the debt relief measures, the commission had provided special application forms to the cooperative banks.

The applicants should clarify in the application whether they had availed incentives under the Central or State debt relief programmes, Mr. Gaffoor said.

If the debt was renewed, the applicants should clarify their liability before renewal of loans, he said and added that the applicants should give the details of the loan repayment.

Gold loans would not come under the purview of the scheme, he added.

S. Sreekumar, secretary of the commission, said on Thursday that the State government had disbursed Rs.24.63 crore for debt-ridden farmers in the district as per the recommendation of the commission, including a relief of Rs.14.38 crore as per the suo motu recommendation by the commission in 2007.

A sum of Rs.10.25 crore was disbursed as a relief to farmers who could not repay debts in the cooperative banks.

Date:07/01/2011 URL: http://www.thehindu.com/2011/01/07/stories/2011010752280700.htm

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SUCI protests against acquisition of farmland

Staff Correspondent

Expressing opposition:Members of SUCI staging dharna in Bijapur on Thursday.

Bijapur: Members of the Socialist Unity Centre of India (SUCI) district organising committee staged a dharna at Gandhi Chowk here on Thursday to protest against the acquisition of fertile land by the State Government in the name of industrialisation and alleged land scams involving Chief Minister B.S. Yeddyurappa and his Cabinet colleagues.

Addressing the agitators, SUCI district secretary Bhagwaan Reddy alleged that the Yeddyurappa-led Bharatiya Janata Party Government came to power by promising farmers and poor people that they would be provided more facilities. But after assuring power, the Government started acquiring fertile land of farmers through the KIADB and started allotting the same to capitalists to open their units. It also started framing policies that would benefit them and started neglecting poor farmers, he said.

Mr. Reddy demanded that instead of acquiring land and allotting it to “capitalists”, the Government should convene a meeting of farmers and investors and decide whether farmers are willing to sell their land and if they want to sell their lands, the compensation amount should be discussed by both parties.

Date:07/01/2011 URL: http://www.thehindu.com/2011/01/07/stories/2011010763420300.htm

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‘Prawn farming is lucrative'

Correspondent

There are many schemes to promote it: official


Prawn farmers with their catch at Chendia village in Karwar taluk.

Karwar: There are several schemes to encourage prawn farming in coastal areas of Karnataka, Vijay Mohanaraj, Chief Executive Officer of the Uttara Kannada Zilla Panchayat, has said.

He was speaking after visiting the prawn farm of Raghunath Pednekar of Chendia village in Karwar taluk.

Mr. Vijay said that prawn farming in Uttara Kannada was becoming popular. The Central Marine Fisheries Research Institute (CMFRI) would provide technical assistance, training, and financial help to prawn farmers. Prawn farmers would also get assistance from the Prawn Farmers' Association in the district.

Mr. Vijay lauded Mr. Raghunath Pednekar's success in prawn farming.

Mr. Vijay said that people, who were interested in rearing ornamental fish, would also get assistance. Interested women's self-help groups would be given training in this filed in the district, he added.

Philipos of CMFRI said that six groups of fishermen had been formed to rear Sibas fish. The National Fisheries Development Board would provide technical and financial help to these groups. Each fisheries society would get five cages to rear Sibas.

V.K. Dhulkhed, Executive Officer of the Prawn Farmers' Association, said that there were 87 prawn ponds in the district. Prawn farmers were getting good returns now. This had encouraged more people to take up prawn farming, he added.

Date:07/01/2011 URL: http://www.thehindu.com/2011/01/07/stories/2011010757070500.htm

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Fruits of labour

PHOTO: S.K. MOHAN

Plentiful:Union Minister of State for Home Mullappally Ramachandran watching agricultural produce at the Polika Malabar Farm Fest after inaugurating it at the Town Square in Kannur on Thursday.

Date:07/01/2011 URL: http://www.thehindu.com/2011/01/07/stories/2011010756410300.htm

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Protect insects, save crops: experts

Staff Reporter

Say rewards from beekeeping are thus doubly sweet

Improving apiculture:Kerala State Horticulture Mission Director K. Pratapan inaugurating a three-day refreshment course for beekeepers at Agriculture College at Padannakad, near Kanhangad, on Wednesday.

Kasaragod: A three-day refresher training course in beekeeping that began here on Wednesday has stressed the need for conserving insects, especially honeybees, by using only eco-friendly pesticides in limited quantities.

“Insects, especially honeybees, are responsible for pollination of 80 per cent of the crops worldwide and loss of honeybees through indiscriminate use of hazardous pesticides can result in reduced pollination and a decline in crop yield,” Stephen Devanesan, Principal Scientist at the Kerala Agriculture University, Thiruvananthapuram, said.

Apple, cardamom, cashew, vegetables and coconut are the major crops pollinated by honeybees and the irrational use of hazardous pesticides destroys the species, resulting in a drastic decline in yield potential, Prof. Devanesan said.

Speaking to The Hindu on the sidelines of the training, hosted by the Coconut Development Board and the State Horticulture Mission at the Agriculture College at Padannakad, he said the

Indian Council of Agriculture Research was promoting apiculture through an all-India coordinated research project on honeybees and other pollinators in 16 agriculture university colleges in the country to help people keep honeybees. The step was bound to increase crop production, thanks to higher pollination, and generate additional income from honey production.

He said that during 1990, honeybees came under attack in South India from a catastrophic outbreak of the Thai sac brood virus, resulting in the destruction of 95 per cent of the honeybee colonies in the region. Kerala Agriculture University had evolved a virus-tolerant strain.

A nucleus honeybee colony, developed by the university's college, was put to multiplication and distributed to the beekeepers through selected honeybee breeders, resulting in the rejuvenation of the beekeeping industry in the State.

Quoting studies, Prof. Devanesan said 20-30 per cent of the cashew yield came from pollination, and urged farmers to go for eco-friendly pesticides to conserve the insects.

He said 272 million pollen grains could be found in a single inflorescence of a coconut tree. Kerala had immense potential for beekeeping, with eight lakh colonies. Each of them could produce 10 kg of honey that could fetch a beekeeper Rs.2,000. A sustained effort in that direction could increase the number of colonies to 55 lakh in the near future and the income generated could be increased manifold.

He said the Kudumbasree units, other women's groups and the unemployed youth in northern Kannur and Kasaragod districts, where there was a huge potential for beekeeping, could expect lucrative income by becoming part of the project.

K. Pratapan, Director of State Horticulture Mission, addressing the trainees, said honey, with high medicinal values, offered immense potential for setting up value-addition units and thrust should be given for marketing strategies.Only 20-30 per cent of Kerala's huge potential in honey production was being tapped now.

Date:07/01/2011 URL: http://www.thehindu.com/2011/01/07/stories/2011010757120500.htm

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Call for action plan to fight climate change threats

Staff reporter

KOLLAM: Christy Fernandez, Principal Secretary to the President of India, has called for the formulation of State-level action plans, on the model of the National Action Plan on Climate Change, for facing regional challenges posed by climate change.

He was inaugurating a two-day national seminar on “Climate change: global risks, challenges and decisions” here on Thursday. The seminar was organised by the postgraduate and research department of Zoology attached to the Fatima Mata National College.

Dr. Fernandez said there was an urgent need to create awareness of an eco-friendly lifestyle. A careful strategy for the purpose had to be developed by respective countries. But the fact was that while taking decisions on facing climate change challenges, geo-political factors came into play.

He said that while India and China were developing countries, data showed that the latter was responsible for 23 per cent of the carbon dioxide emission while India was responsible for only 5 per cent. But at all international venues on the subject, India had been taking a responsible stand of being a partner to finding a solution, Mr. Fernandez said.

Date:07/01/2011 URL:
http://www.thehindu.com/2011/01/07/stories/2011010761420200.htm

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Flower show begins today

Staff Reporter

THIRUVANANTHAPURAM: A rich visual treat awaits flower lovers in the city at the Flower Show -2011 which will get under way at the Kanakakkunnu palace grounds on Friday.

The 39th ‘Pushpotsavam' will be inaugurated by Fisheries Minister S. Sarma at 4 p.m. At 4.30 p.m., Minister for Ports Surendran Pillai will inaugurate the flower show arranged at Kanakakkunnu. V. Sivankutty, MLA, will then inaugurate the aquarium show put up at the Sooryakanthi fair grounds. Visitors can purchase entry tickets from the SBT counter put up at the entrance to the palace from 4 p.m.

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letters@hindustantimes.com, Agencies

Geneva, January 07, 2011
First Published: 00:28 IST(7/1/2011)
Last Updated: 00:31 IST(7/1/2011)

Expect food price shock

World food prices continued to rise sharply in December, bringing them close to the crisis levels that provoked shortages and riots in poor countries three years ago, according to a United Nations data.

Prices are expected to remain high this year, prompting concern that the world may be approaching another crisis, although economists cautioned that many factors, like adequate stockpiles of key grains, could prevent a serious problem.

The UN data measures commodity prices on the world export market. Those are generally far removed from supermarket prices in wealthy countries like the US. In this country, food price inflation has been relatively tame, and prices are forecast to rise only 2 to 3 percent this year.

But the situation is often different in poor countries that rely more heavily on imports.

The food price index of the UN Food and Agriculture Organisation rose 32 per cent from June to December. In December, the index was higher than it was in June 2008, its previous peak. The index is not adjusted for inflation, however, making an exact comparison over time difficult.

The global index was pushed up last year by rising prices for cooking oils, grains, sugar and meat, all of which could continue to remain high or rise. *New York Times* http://www.hindustantimes.com/StoryPage/Print/647206.aspx

Washington/New Delhi, January 06, 2011
First Published: 14:57 IST(6/1/2011)
Last Updated: 14:59 IST(6/1/2011)

Economy to grow by 8.8% in 2010-11, inflation a concern: IMF

The International Monetary Fund (IMF) expects Indian economy to grow by 8.8% during the current financial year, up from 7.4% a year ago, mainly driven by robust growth in farm sector and pick up in consumption.

The multilateral lending agency, however, expressed concern over rising prices and underlined the need for controlling inflationary expectations by more monetary actions by the Reserve Bank.

"Indian economy is projected to grow by 8.8% in 2010-11...This year's growth is already benefiting from the rebound in agriculture and pick up in private consumption and employment prospects have improved and disposable income continues to rise," the IMF said in a report after Article IV consultations with the Indian officials.

The economy expanded by 8.9% during the first half of the current fiscal and, according to the government estimates, may revert to the pre-global crisis level of 9% growth.

However, the IMF has projected moderation in growth form the current high levels to 8.1% next fiscal. Listing rising prices as a major area of concern, the IMF said the RBI could take more monetary steps to contain inflationary expectations.

"We see room for further rate increase (by RBI) but at the same time it has to be done gradually and needs to be looked at continuously," senior Resident Representative of the IMF Sanjaya Panth told reporters in Delhi.

The food inflation, according to the data released by the government, rose to the yearly high of 18.32% for the week ended December 25. The overall inflation was 7.48% in November.

The inflation, according to IMF, could moderate to 6.5% by March end.

Besides inflation, high capital inflows and uncertainty in the global economy are the other areas of concern that could impair growth.

"Risks to growth are broadly balanced with downside risks relating mainly to the global economy. Surging capital inflows could further spur investment but could complicate macroeconomic management", the report said.

In 2010, the overseas portfolio investment more than doubled to $39 billion from $18 billion a year ago.

According to Panth, "the current inflows are in comfortable zone and there is no need for capital control. However, inflows could increase absorptive capacity in future."

Following the global financial meltdown, the growth rate of the India economy slipped to 6.7% in 2008-09 from over 9% in the previous three years.

Driven by stimulus packages provided by the government, the growth rate picked up to 7.4% during 2009-10. As regards.

http://www.hindustantimes.com/StoryPage/Print/646990.aspx

New Delhi, January 06, 2011
First Published: 12:43 IST(6/1/2011)
Last Updated: 08:48 IST(7/1/2011)

Food inflation soars, RBI may raise rates

The bad news is getting worse. Food inflation for the week ended December 25 jumped four percentage points to 18.32% on the back of rising onion, tomato, egg, fish, meat and milk prices. This is its highest level in more than a year.

And the rising food bill could well be the thin end of the wedge. Food prices have a 14.33% weight in the overall inflation figure. So, when the inflation rate is released on January 15, it is bound to be significantly higher than the 7.48% level last month.

That is bad news for all, because the RBI will be under pressure to raise key interest rates to control inflation.

If interest rates rise, consumer demand will fall and companies may hold back planned investments.

This is expected to rein in prices but growth rates in the broader economy could suffer. In December, the government had projected the economy to grow at about 9%. It grew at 8.9% in the April-October period.

Raised interest rates would also result in higher EMIs on home, car and personal loans, a cutback in non-essential consumption and a deflation of the overall buoyant mood in the country.

The price spike caught the government unawares.

Finance minister Pranab Mukherjee asked state governments to “urgently look into the supply management of items that are driving the current round of food inflation”.

But that may be easier said than done.

Experts have warned that global food and commodity prices could rise higher still in the wake of floods in Australia, drought in Argentina and extreme cold weather in Russia. This might result in a poor global wheat production this year.

A food price index developed by the United Nations’ Food & Agricultural Organisation reached its highest in December surpassing the previous peak of June 2008.

“It is an utter mistake to think that it is fully within the control of the government to move prices of food up and down,” the government’s chief economic advisor Kaushik Basu has said. The government has deferred a proposal to raise prices of diesel and cooking gas because this would have further stoked prices.

But with global crude prices inching towards $100 per barrel, its options could be limited.

"Inflation is high and food inflation is very high... we are not sure whether we have all the tools in hands to control food inflation. Some say we do, some say we don't (have tools to check price rise)," home minister P Chidambaram had said on Wednesday in New Delhi.

http://www.hindustantimes.com/StoryPage/Print/646954.aspx

New Delhi, January 07, 2011
First Published: 01:45 IST(7/1/2011)
Last Updated: 01:48 IST(7/1/2011)

Prices set to pinch harder

Higher interest rates round the corner, growth pangs curbed, while the stock market frets and falls.

http://www.hindustantimes.com/StoryPage/Print/647241.aspx

Weather

Chennai - INDIA

Today's Weather

Partly Cloudy

Friday, Jan 7

Max | Min

28.5° | 22.4°

Rain: trace	Sunrise: 6:33
Humidity: 74%	Sunset: 17:56
Wind: Normal	Barometer: 1011.0

Tomorrow's Forecast

Rainy

Saturday, Jan 8

Max | Min

28° | 23°

Extended Forecast for a week

Sunday	Monday	Tuesday	Wednesday	Thursday
Jan 9	**Jan 10**	**Jan 11**	**Jan 12**	**Jan 13**
27° | 24°	27° | 24°	28° | 24°	28° | 24°	27° | 22°
Rainy	Rainy	Rainy	Cloudy	Cloudy

DECCAN Chronicle On The Web

Published on Deccan Chronicle (http://www.deccanchronicle.com)

Food inflation soars, defies Centre's hopes

Jan 07 2011

Jan. 6: It hadn't been a Merry Christmas for consumers last year, with prices shooting through the roof. Well, it's now official. Food inflation, which measures the rate at which food prices are going up, rose sharply to 18.32 per cent for the week ended December 25 — close to a one year peak. This was a steep rise of 3.88 per cent over the previous figure, and was largely because of higher prices of vegetables and onions.

Compared to last year, the price of onions is up over 80 per cent while vegetable prices are up almost 60 per cent. The prices of fruit, eggs, meat, fish, vegetable and milk are up by about 20 per cent compared to the last year's levels. The unexpected spurt has also had another impact – the government is finally admitting its inability to keep rising prices in check. On his part, Mr Pranab Mukherjee has asked state governments to remove supply bottlenecks to cool off prices of essential commodities. Part of the rise in prices was due to the growing demand because of higher incomes, Mr. Mukherjee said.

Reacting to food inflation data, the chief economic adviser, Mr Kaushik Basu, said he agreed with the home minister's statement that government does not have all the tools to control food prices since it is an enabling body. "Government is just an enabling body, there are little local bodies taking decisions, there are private players taking decisions, farmers taking decisions," said Mr Basu.

He, however, cautioned against using any blunt instrument such as arbitrary fixing of prices to tame high prices, as such a move results in shortage of commodities and would retard growth. High food prices are also likely to push up prices of other commodities as labour costs increase.

Source URL:

http://www.deccanchronicle.com/business/food-inflation-soars-defies-centre%E2%80%99s-hopes-831

UN hints at high food bill in 2011

Jan 07 2011

Jan. 6: The high food prices in India comes at a time of a perfect storm. Global food prices have also risen sharply over the past few months. The global food import bill in 2010 is close to the peak levels that were seen in 2008. A global food index maintained by the Food and Agricultural Organisation, a UN body, says that food prices have gone up by over 30 per cent in the past six months. Prices are also expected to remain high in 2011.

The FAO collects prices of several food groups including cereals, meat, dairy products and sugar. Prices are up in almost all these categories, partly because of a drop in the production in some key countries, FAO had observed in a recent document. Lower production also means that inventories of foodstuffs are lower — though not as low as they had reached in 2008. Apart from that, a weakening US dollar is also responsible.

Thus, importing food will become a costly option for governments such as India, which are trying to bring down high prices at home.

Apart from the high prices, costs of transportation are also up as petroleum prices have gone up in the past few months. There is also a risk that a weather pattern called the La Nina (as opposed to El Nino), may form over the Pacific Ocean, which could result in lower rains in North America, hurting food production in 2011.

Source URL:

http://www.deccanchronicle.com/business/un-hints-high-food-bill-2011-828

Onions dearer on Pak export ban

Jan 07 2011

Jan. 6: Retail prices of onions jumped up by Rs 5-10 per kg to touch Rs 65 in metros. The spurt in the prices is due to a reduction in the supplies and on reports of Pakistan imposing a ban on exports of the commodity via the Wagah border.

The retail prices of premium quality onions rose in Mumbai by Rs 10 to Rs 65 per kg, while in New Delhi and Chennai by Rs 5 each to Rs 65 per kg. In Kolkata too, prices rose by Rs 5 to Rs 55 per kg, according to the reports from these centres.

Pakistan banned the export of onions to India to control inflation in its own country. About 300 tonnes of onions contracted by state-run STC via the Wagah border. According to data maintained by the National Horticultural Research and Development Foundation (NHRDF), wholesale prices of onions in Mumbai were unchanged at Rs 45 per kg. In Kolkata, prices rather declined by Rs 5 toRs 50 per kg. Retail prices of onions had touched the peak of Rs 70-85 per kg on December 22 due to crop damage in key growing states of Maharasthra and Karnataka. As a result, the country's onion production is likely to dip by 12.5 per cent to 10.5 million tonnes this year, against 12 million tonnes last year, according to the NHRDF.

Source URL:

http://www.deccanchronicle.com/business/onions-dearer-pak-export-ban-829

expressbuzz

By Express News Service

07 Jan 2011 11:42:00 PM IST

160 bags of PDS rice seized at State border

HOSUR: A flying squad attached to the Food and Civil Supplies Corporation has seized 160 bags of PDS rice worth Rs 1 lakh while they were being smuggled to Karnataka on Thursday.
As per orders of the Commissioner of Food and Civil Supplies and the Krishnagiri Collector, V Arun Roy, a flying squad was screening vehicles at the Veppanapalli check-post on the Tamil Nadu border. When the squad tried to stop a lorry, it sped past. It then chased the lorry for 5 km and stopped it. But, the driver and the cleaner fled.
The officials found 160 bags of PDS rice in the lorry, heading from Cuddalore to Bangarpet in Karnataka. The crime investigation wing of the Food and Civil Supplies Corporation have registered a case in this connection.

THE ECONOMIC TIMES

Fri, Jan 07, 2011 | Updated 11.21AM IST

7 Jan, 2011, 12.26AM IST, Bhargav Trivedi,ET Bureau

Cotton farmers in a Gujarat village set up own marketing yard

AHMEDABAD: Cotton farmers in Gujarat have stopped going to the district centres to sell their produce. Instead, they are receiving buyers right outside their fields at a village-level marketing platform, set up the first time in the country.

The initiative begun 20 days ago and transactions between the farmers and ginners have already crossed Rs 1 crore every day. Targhadi, a village 17 km from Rajkot, has a population of 5,000 and a large number of villagers grow cotton.

“We have 17 ginning units here at Targhadi and so we don’t need to look for others,” said Maganbhai Zalawadiya, a member of the Khedut Cotton Yard’s administrative committee.

Cotton crop size has doubled in the last four years but capacities at marketing yards have not risen leading to congestion.

The Targhadi model of creating an APMC-like marketing platform at the village level has been beneficial for farmers and ginners. Even the Cotton Corporation of India has started buying since a week. The corporation has arrangements with nearby ginners and is buying 40,000-60,000 kg of raw cotton everyday. The yard charges Rs 1 per 20 kg as commission from the farmers as against 1%, or Rs 9 per 20 kg, charged at the Rajkot yard.

“We make Rs 25-30 per 20 kg more than the earnings from the Rajkot yard auction,” said Bharat Patel, a farmer of neighbouring town Paddhari. The village yard fetched him `910 and the going rate for the same quality was Rs 880 kg in Rajkot. Ginner Girishbhai Raichura too saved Rs 10 per 20 kg at Targhadi.

“After passing a Rs 20 per 20 kg benefit to farmers, I could save Rs 200 to Rs 300 per candy (356 kg) and offered discounts to my clients,” said the owner of Balkrushna Ginning. He buys 3,000 mann (1 mann is 20 kg) daily and has no need to visit the Rajkot yard.

While the Khedut cotton yard auction was in the range of Rs 900-939, the Rajkot yard fetched Rs 860-910 for various varieties. Raichura said the buyers save on transportand labour costs because the goods are weighed right there and dispatched. The committee is upbeat after the initial success and now wants political support for having a permanent setup.

“Our experiment clicked because buyers were around. But we cannot continue this without state support as it needs a lot of infrastructure,” said Zalawadiya.

7 Jan, 2011, 12.21AM IST, S Sujatha,ET Bureau

Cotton production estimate goes up; exports to tighten supply

COIMBATORE: India may grow cotton beyond estimates this season but exports could keep local pipeline tight. The Cotton Advisory Board on Thursday increased the production estimate by 4 lakh bales to 329 lakh bales for the 2010-11 season. The board has also increased the mill consumption estimate by 11% compared to last year, following the release of latest data from the Union textile ministry.

With the government fixing 55 lakh bales as exportable surplus, the board has estimated a low closing stock for this season. The usual stock-to-use ratio is 35% but according to board estimates, the closing stock for 2010-11 is fixed at 44.5 lakh bales, which will only cater to two months of requirement by mills.

“The board estimate is a carefully drawn figure that is neither bullish nor bearish with regard to cotton prices. The prices will be maintained on the demand and supply ratio on a day-to-day basis,” said Coimbatore-based cotton analyst A Ramani.

“Though there is not much significance except the rise in mill consumption figure and a low carry-forward stock, the estimate is not going to create tense movements in the market,” he added.

However, J Thulasidharan, chairman of Southern India Mills Association and managing director of Rajaratna Mills, said cotton prices will definitely rule high during September and October as the board has predicted a lower stock-to-use ratio of 17% this year.

“If exports are stopped at 55 lakh bales, then prices will rule steady till the end of this season,” he added. The cotton season starts in October and ends by September. The prices of Shankar-6, the widely-used Indian variety, were ruling around Rs 44,100 per candy (each 355 kg) on Thursday.

Till date, cotton export of 36 lakh bales has been reported. The Director General of Foreign Trade is expected to announce the actual un-exported quantity from the first round in a day or two. Unofficially, cotton traders expect the un-shipped quantity to be around 17 lakh bales to 20 lakh bales.

“As the allotment will be on pro-rata basis in the second round of exports, exporters have filed multiple applications so that they can export more,” said an industry expert in Mumbai.

6 Jan, 2011, 08.28PM IST,PTI

Retail onion prices up by Rs 5-10/kg on Pak export ban reports

NEW DELHI: Retail prices of onion jumped up by Rs 5-10 per kg to up to Rs 65 in metros due to lower supplies and on reports of Pakistan's ban on export of the commodity to India via the Wagah border.

Retail prices of the premium quality onion rose maximum in Mumbai by Rs 10 to Rs 65 per kg, while in Delhi and Chennai by Rs 5 each to Rs 65 per kg. In Kolkata too, prices rose by Rs 5 to Rs 55 per kg, according to the reports from these centres.

"Retailers have jacked up the prices of onions on reports of the ban on export by Pakistan," said Rajendra Sharma, General Secretary of the Tomato and Onion Merchants' Association in Azadpur mandi in the national capital.

The wholesale prices in Delhi's Azadpur market have remained unchanged at Rs 45 per kg for last two days, but retail prices are soaring, he said.

Pakistan banned the export of onion to India to control inflation in its own country. About 300 tonnes of onions contracted by state-run STC are stuck at the Wagah border.

According to the data maintained by the National Horticultural Research and Development Foundation (NHRDF), wholesale prices of onions in Mumbai were unchanged at Rs 45 per kg. In Kolkata, prices rather declined by Rs 5 to Rs 50 per kg.

But in Chennai, the wholesale price of the commodity increased by Rs 9 to Rs 64 per kg today, the data showed.

Retail prices of onion had touched the peak of Rs 70-85 per kg on December 22 due to crop damage in key growing states Maharasthra and Karnataka.

As a result, the country's onion production is likely to dip by 12.5 per cent to 10.5 million tonnes this year, against 12 million tonnes last year, according to NHRDF.

6 Jan, 2011, 06.42PM IST,PTI

Onion prices set to rise in Punjab after Pak bans exports

CHANDIGARH: Retail prices of onion are set to move further upward by Rs 5 to 7 per kg in Punjab following the ban imposed by Pakistan on onion exports to India via the Wagah-Attari land route, vegetable traders said today.

"Definitely, there is a going to be pressure on retail rates of onions after the ban imposed on export (of onions) by Pakistan... From tomorrow onward, prices will move up by Rs 5 to 7 a kg," Amritsar-based vegetable trader Rajdeep Uppal said today.

Onions are currently being sold at Rs 45-50 per kg in markets of Chandigarh and several parts of Punjab, including Ludhiana and Amritsar, traders said.

Retail prices of onions had dipped from a peak of Rs 60-65 per kg to a level of Rs 40-45 per kg almost thirteen days back after onions from the neighbouring country entered the retail market.

Close to 7,000 MT of onions from Pakistan have arrived in India from across the Wagah border since last month. The majority of imported onions from Pakistan are being transported to various parts of Punjab, Chandigarh, Himachal Pradesh and Jammu & Kashmir.

Pakistan has imposed a complete ban on the export of onions to India via the Wagah-Attari land route to counter a sudden rise in prices in its own markets.

"The Pakistan government has banned the supply of onions to India, via the land route," Customs Department (Amritsar) Deputy Commissioner R K Duggal said today, adding that no truck carrying onions was allowed to cross the border by the Pakistan authorities following the ban.

Vegetable traders have asked the Pakistan government to allow the supply of onions that were contracted before the ban was put in place.

"Almost 1,500 metric tonnes of onions is yet to be supplied to us, but the Pakistan government has not allowed local suppliers to fulfil their trade obligation," rued Anil Mehra, another Amritsar-based vegetable merchant.

The sudden ban imposed on exports of onions has hit traders of both countries, with Indian importers claiming that Pakistan had not even allowed the supply of orders placed before the ban was announced.

According to customs officials, between 100-150 trucks laden with onions were not allowed to enter Indian territory by Pakistan authorities on Wednesday and asked to return.

To boost the supply of onions, the Centre had even abolished customs duty on imported onions in order to rein in spiralling prices of the vegetable, which finds a place in every Indian's kitchen.

6 Jan, 2011, 01.35PM IST,REUTERS

Oilseeds, soyoil rise tracking global markets

MUMBAI: Indian oilseeds and soyoil futures, which dropped nearly 2 percent in the previous session, bounced back on Thursday afternoon on short-covering driven by a rebound in the overseas markets, analysts said.

But an expected rise in rapeseed production weighed on sentiment, they said.

At 1:31 p.m., Malaysian palm oil futures were up 1.86 percent at 3,879 ringgits per tonne, while the U.S. soy futures were higher 0.29 percent at $13.97-¼ per bushel, after rising 1.8 percent in the previous session. "Yesterday's rally in the U.S. market lifted the Indian counter. The market is still concerned about edible oil supply due to excessive rains in Malaysia and dry weather in Argentina," said Vibhu Ratandhara, an analyst with Bonanza Commodity Services.

Malaysia is a leading exporter of palm oil, while Argentina exports soybean.

February soyoil contract on India's National Commodity and Derivatives Exchange (NCDEX) was up 1.85 percent at 653.5 rupees per 10 kg at 1:32 p.m. In the Indore spot market, soyoil jumped by 6.3 rupees to 633.4 rupees per 10 kg, while soybean rose by 33 rupees to 2,318 rupees per 100 kg. February soybean rose 1.55 percent to 2,428 rupees per 100 kg, while rapeseed for January delivery edged up by 0.43 percent to 563.25 rupees per 20 kg. In the Jaipur spot market in Rajasthan, the country's top rapeseed producer, price was up 0.85 rupee at 578 rupees per 20 kg. Rapeseed area in top producer Rajasthan state went up 24 percent to 2.75 million hectares, while the current weather conditions have boosted yield prospects for the country's main winter oilseed crop.

Business Standard

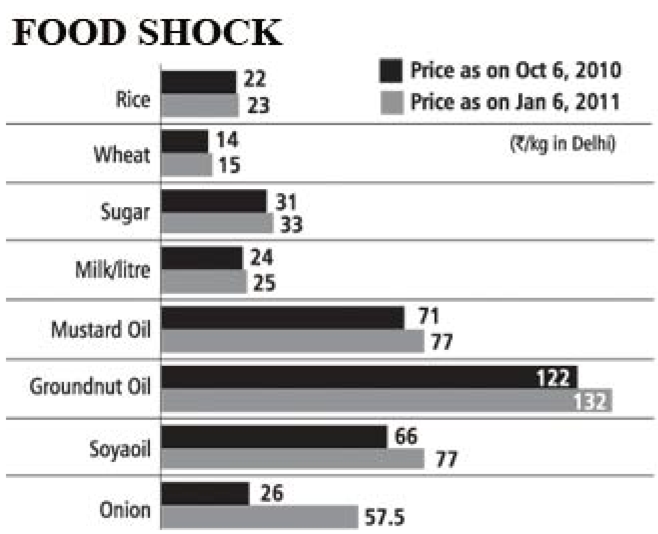
Friday, Jan 07, 2011

High agri commodity prices a concern: FAO

Ajay Modi / New Delhi January 7, 2011, 0:20 IST

Managing high agriculture commodity prices is becoming a concern for policy makers in India as well as globally. While Food and Agricultural Organisation (FAO) has already warned of a ‘food price shock’, concerns are raised that this situation could worsen as various exporting countries could consider restrictions which will further create supply bottlenecks.

As global food prices hit a record high, India just trails behind with food inflation touching a 23-week high on increased prices of onion, edible oil, wheat, vegetables and milk. At 18.32 per cent for the latest week ended December 25, the food inflation has more than doubled from its level of 8.6 per cent on November 20 last year. Of the 20 essential commodities monitored by the government, prices of most have moved up over the last three months (see chart) though there has been some cooling in prices of pulses and potato.



FAO has warned of a ‘food price shock’ on Wednesday after its benchmark index of agricultural commodities prices shot up to a record last month, surpassing the levels of the 2007-08 food crisis. internationally cotton, sugar, wheat, palm oil, soya and other commodities pricxes have gone up significantly in the past few months and wheat is at 28-month high while sugar is at three-decade high.

The UN body on Wednesday said its food price index, a basket tracking the wholesale cost of commodities such as wheat, corn, rice, vegetable oils, dairy products, sugar and meat, jumped to 214.7 points, above the peak of 213.5 set in June 2008. The FAO food index is at its highest since the measure was first calculated in 1990. The index averaged 206.0 points in November. not only FAO, there are others also who believe that food prices could further go up.Barclay’s commodity analyst said that,”the implication for such record high food prices is that this could accelerate efforts by various governments to rethink the export plans for their indigenous produce, in order to manage domestic inflation, which could inadvertently reduce availability on the global markets and push prices to new highs.”

“Prices are going to remain firm or move up from these levels. It will be difficult for the Indian policy makers to contain food inflation at 5-6 per cent. The possibility of controlling inflation through import route is also turning becoming distant as global prices are also ruling high. The government should reduce import tariffs on fruits and vegetables,” said Ashok Gulati, Asia Director of the International Food Policy Research Institute. Last month, the government abolished customs duty on onion after prices shot up to Rs 80 a kg.

Gulati, however, pointed out that India is in a lucky situation as it sits on huge wheat and rice stocks with an export ban on both these grains. As on December 1, the government grain procurement and distribution agency Food Corporation of India had wheat and rice reserves of 24 million tonnes each.

While being sufficient to cater to the annual public distribution system demand, these stocks also provide government a tool to influence open market prices.

Finance Minister Pranab Mukherjee has asked state governments to urgently look into the supply management of items that are driving the current round of food inflation in the economy, in particular looking at the local factors that are widening the gap between the wholesale and retail prices.

CCI orders probe into high onion prices

Joe C Mathew / New Delhi January 7, 2011, 0:18 IST

The Competition Commission of India (CCI), the country's apex fair trade watchdog, has instituted an inquiry into the rising prices of onions.

This is the first instance where the commission, which turned fully operational less than two years ago, has stepped in to probe pricing pattern of an agricultural produce for possible cartelisation.

The commission has the powers to investigate the current practices within the entire supply chain – both private and public – before coming out with its conclusions.

The CCI move has come at a time when India is reeling under food inflation, led by high onion prices. This has compelled the central government to ask the state governments to manage supply chains efficiently to rein in high prices of vegetables, including onions.

In a meeting today, CCI is known to have found a prima facie case against onion trade, thereby hinting at the possibility of the existence of cartels at various levels across the nation that are creating an artificial price increase and shortage for onions.

The commission has asked its investigation wing, headed by the Director General, to look into the matter and submit the report, sources say.

CCI officials refused to comment.

The Competition Act defines cartel as an association of producers, sellers, distributors, traders of service providers who by agreement amongst themselves, limit, control or attempt to control the production, distribution, sale or price of or trade in goods or provision of services.

The Director General (Investigations) can submit its report within six months, though it has completed several investigations in a much shorter period on a priority basis.

Rubber prices hit record high on overseas rally

Reuters / Mumbai January 07, 2011, 0:15 IST

Natural rubber prices in India extended the previous session's gains on Thursday to hit a new record high, tailing the rally in overseas markets spurred by a supply crunch, dealers and analysts said.

Tokyo rubber futures rose for a second consecutive day to a new record on Thursday on a strong dollar and rising oil prices, dealers said.

At 2:14 pm, the benchmark February contract on India's National Multi-Commodity Exchange (NMCE) was up 0.1 per cent at Rs 22,185 ($490.8) a quintal, after rising to Rs 22,425, the highest level for the second-month contract.

At Kottayam spot market in Kerala, the most traded RSS-4 rubber (ribbed smoked sheet) was trading at a record Rs 21,400 a quintal, breaching earlier high of Rs 21,200 struck on Wednesday.

"Indian market is merely tracking international cues. Rubber prices are very high in international market. There is room for domestic market to rise further," Ibrahim Jalal, a member of the Indian Rubber Dealers Federation, said.

Unseasonal rain spoils crop in Kerala

George Joseph / Kochi January 07, 2011, 0:14 IST

The harvesting and processing of crops like coffee, cardamom and pepper has been badly hit by abnormal rainfall in the state. Incessant rainfall in the last couple of weeks stopped the plucking of coffee and pepper crop. It also damaged a major part of the crop in the state, especially in the Idukki district.

Growers said rainfall in the midst of the winter season is quite uncommon and this would impact the production of spices and coffee. The cloudy atmosphere hinders the processing of crops especially drying of crops due to absence of sunlight.

Benny Abraham, a pepper grower said majority his crop was damaged due to unseasonal rain. He is not in a position to pluck the ripe pepper and would rot on vines. Because of labour shortage, farmers are unable to pluck the pepper quickly. Rain has upset the production cycle of cardamom also. Due to the rain fresh panicles are coming out of suckers, which normally happens in May-June, when the monsoon commences. Branches of these panicles will start flowering within next couple of weeks and if rain stops and summer begins all these flowers will dry up.

Extended monsoon helps some crops in Maharashtra

Sanjay Jog / Mumbai January 7, 2011, 0:14 IST

Tho ugh it damaged the kharif crop, the untimely and extended rainfall has been beneficial for some major rabi crops in Maharashtra. As on January 3, wheat was sown over 1.09 million hectares against the target of 900,000 ha and in the case of gram, on 1.29 m ha against the target of 1.06 m ha.

However, sowing of jowar has fallen to 2.6 m ha against the target of 3.08 m ha. Similarly, sunflower has witnessed a dip in sowing to 82,000 ha, against the target of 203,000 ha.

An agriculture commissionerate official told Business Standard: “Extended rainfall is good for rabi crops, unlike kharif crops. In Maharashtra, nearly 35 per cent of the total foodgrains are grown during rabi and 65 per cent in the kharif season. Of the 14 m ha under kharif, crops on 1.25 m ha have been damaged by 50 per cent. However, this is not the case with rabi crops."

The big exception is rabi onion. These were in the stage of transplantation. The seedlings got rotten in nurseries due to water stagnation following the unseasonal rain.. At some places, both seedlings and transplanted crop were washed off due to heavy rain. The crop n nursery and field was affected by blight ue to unfavorable climatic conditions."

Said the official: "The kharif onion crop was ready to harvest, but it was damaged and farmers could not sell the produce. This created a shortage in the market and prices went up.

[redacted]

Crop	2009-10	2010-11
Rabi Jowar	29,026	26,393
Wheat	10,806	10,964
Maize	1,021	1,028
Other rabi cereals	53	34
Total rabi cereals	40,906	38,419
Gram	13,326	12,909
Other rabi pulses	997	1,112
Total rabi pulses	14,322	14,021
Total foodgrain	55,228	52,440
Note: 2009-10 date is Feb 8, 2010 and 2010-11 date is Jan 3, 2011		

Onion nurseries were infested with blight. Hence, there was meagre transplantation of the rabi onion. At present, there is a severe shortage of onion seed. The cloudy and humid weather is still adverse for whatever little crop is left in the field. The crop suffered more than 50 per cent losses on 175,000 ha.” He said Nashik was the worst-hit district, with more than 50 per cent damage on 99,000 ha.

Robusta parchment production likely to decline 28%

Debasis Mohapatra / Bangalore January 7, 2011, 0:11 IST

The domestic production of robusta parchment coffee may decline 28 per cent to 20,000-25,000 tonnes this year. Last year, the production was 35,000 tonnes.

This is due to last year’s glut, which pulled down the premium in the international market.

In 2009, the premium on robusta parchment was $600-800 a tonne (Rs 35-40 a kg) over the price of robusta cherry in the London market, due to low production. So, many planters shifted to robusta parchment, producing around 35,000 tonnes, which created a glut and led to a significant fall in the premium to around $200 (Rs 10 a kg). As a result, we expect a reasonable production level of 25,000 tonnes in 2011,” said Sahadev Balakrishna, chairman of the Karnataka Planters’ Association.

India is the market leader in the robusta parchment variety. It is used by Italian and other quality-conscious European roasters to prepare ‘espresso’ and ‘capuccino’ coffees. Due to this, it commands a premium over the London robusta terminal price.

“Though there is no provisional estimate for robusta parchment production for 2011, we feel it will be in the range of 20,000-25,000 tonnes,” said Jawaid Akhtar, chairman of the Coffee Board of India. He, however, said the premium would be determined by availability and demand in the international market.

According to a Coffee Board estimate, India produced around 18,000 tonnes robusta parchment in 2009 and around 35,000 tonnes in 2010, out which 32,500 tonnes were exported. “The market balances itself at the time of glut and deficit. Robusta parchment production is expected to follow this rule,” Akhtar added.

Ramesh Rajah, president of the Coffee Exporters’ Association, said production would be normal. “Premiums may not reach the 2008-level of $1,000 a tonne. They are expected to be around $500 a tonne,” he said.

He said the glut was a cyclical phenomenon that happened every five to six years. About exports, he said crops were yet to arrive in the market. “The demand seems for this variety seems to be robust from Italy and other European nations,” he added.

Paddy acreage up two-fold in Chhattisgarh

R Krishna Das / Raipur January 7, 2011, 0:08 IST

Govt’s decision to release water for the rabi crop this season benefits farmers.

Jeevanlal Sahu, a small farmer in Kurud block of Dhamtari district in Chhattisgarh, had a bitter experience in the last rabi season (2009-10) when he failed to opt for summer paddy. But he is now elated as he is set to overcome the failure in this rabi season.

The reluctance of the Chhattisgarh government to release water from reservoirs for the rabi crop last year prevented Sahu from going for summer cultivation of paddy over the two hectares of land that he holds near Kurud, about 70 km from here.

The government's decision to release water for the rabi crop this season had brought relief not only to Sahu and a large number of farmers, but also to the department of agriculture. Revising the rabi crop outlook for 2010-11, the department increased acreage of paddy by nearly two-folds for this season as compared to last year.

"The department had set a target to take (summer) paddy in 150,000 hectares of area in the 2010-11 rabi season as compared to last year's 88,400 hectares," Deputy Director in the Directorate of Agriculture R K Chandravanshi told Business Standard. The unseasonal rain last month had also brought some differences.

Chandravanshi said most of the major reservoirs in the state were full to the capacity now because of good rainfall this year and it was the compulsion of government to release water in the command area for irrigating rabi crops. Last year, the situation was different as the reservoirs were nearly empty and farmers were denied water.

The overall acreage of rabi crops for the season 2010-11 had been increased by nearly 25 per cent. As against last year's 1.54 million hectares, the acreage for rabi crops had increased to 1.92 million hectares. Wheat, gram, tivada, and sarson (mustard) are the main rabi crops in Chhattisgarh.

The acreage of Tivada had been increased most — from last year's 353,000 hectares to 480,000 hectares this year. While the acreage of wheat increased from 178,000 hectares to 180,000 hectares, gram would be sowed in 330,000 hectares this year as compared to last year's 324,000 hectares. The acreage of mustard increased from 160,000 hectares to 185,000 hectares.

The unseasonal rain had in fact helped filling the reservoirs, but it had damaged kharif paddy to some extend. "There is no production loss, but quality has been affected due to untimely rain," Chandravanshi said. At many places, paddy had been discoloured due to last month's rain, he added.

As the discoloured paddy fails to meet the uniform specifications, the farmer will find it hard to sell the produce to the government societies and private parties. The department had however estimated the loss from 5-20 per cent in different places in the state.

the pioneer

Pak ban on ‘poor’ onion export to have no effect

January 07, 2011 11:33:29 AM

Abhimanyu Dutt | New Delhi

Pakistan’s ban on export of onions to India will hardly impact the Indian vegetable market, as the bulbous root from the neigbouring country was already rejected by the Indian traders and consumers citing poor quality.

The onion traders at the Asia’s largest vegetable wholesale market at Azadpur said that onions from the neighbouring country are too big and thick, and only restaurants and hotels buy that. The consumers at large have rejected it as it’s raw.

As the prices of onion, both in the wholesale and retail markets, is yet to come down, the onion traders at mandi are now banking on the fresh arrivals from Rajasthan and Gujarat that is expected soon. It might be noted that last week, the Central Government decided to bring 300 metric tonnes of onions to be imported from Pakistan through STC for delivery in Delhi from January 7, 2011, which will not happen now.

It is anticipated that onion prices may come down to anywhere between `18 and `30 per kg in a fortnight. On Thursday, the commodity sold between `50-65 per kg in the retail markets of Delhi. But reports suggest that taking advantage of Pakistan’s ban on onion export, retailers across the city have increased the prices.

According to Azadpur-based Onion Merchants Association general secretary Rajendra Sharma, onions are normally harvested in Rajasthan and Gujarat after Makar Sankranti.

“However some farmers have already started to harvest the produce to earn money in view of skyrocketing prices of the commodity across the country. But during the next week, a huge lot is expected to come from the neighboring States which will bring down the prices in the city and also across the northern India,” Sharma said.

Gujarat is the third largest producer of onions in the country after Maharashtra, with annual production of over 9 lakh tonnes. Around 90-95 per cent of Gujarat’s onion output is from the Bhavnagar, Surendranagar, Junagadh, Rajkot and Jamnagar districts. Bhavnagar district alone contributes 35-40 per cent of the onions produced in the western State. Last week truckloads of onions arrived from Pakistan and eventually the number came down. According to Onion merchants at Azadpur Mandi, at least 55 trucks would arrive at the mandi till 10 days ago, then number came down to 20 per day and it completely stopped a couple of days later.
“The onions from Pakistan were not of good quality and they were in demand only for commercial purposes and the retailers or general consumers did not like it. Now, we have stopped trading in Pakistani onion although tomatoes from this mandi are being exported to the neighbouring country,” said Nazm, a commission agent and broker in onion at the mandi at Azadpur.

Guj sugar mill owners to provide concrete shelters to labourers

January 07, 2011   11:33:59 AM

Rathin Das | Ahmedabad

Perturbed over increasing incidents of man-animal conflicts in the sugarcane fields of south Gujarat, the State Forest Department officials have asked sugar mill owners in the region to provide concrete shelters, watchmen and proper lighting facilities to the migrant labourers who have arrived for the harvesting season.

The move by the Forest Department comes in the wake of leopard attacks claiming at least five human lives in the region in the last 45 days since the current harvesting season of sugarcane began.

The sugarcane fields in south Gujarat, mainly in Mandvi, Vyara and Uchchhal talukas, are in turmoil for more than a month now over the incidents of leopards attacking labourers working in the fields.

To avenge attacks by leopards, the labourers too retaliate by chasing them with axe, scythes and other weapons resulting in continued man-animal conflicts in the region for the next few days.

According to Forest department sources, attacks by leopards have killed at least five people and over a dozen others have sustained injuries during this season as the animals have found a new habitat and prey base in the sugarcane fields.

One leopard, which had probably become a man-eater, had to be shot dead on December 13 in Areth village of Mandvi taluka while the other leopards were tranquillised or caged and later released into deep forests.

Tracing the origin of the trouble, State Forest and Environment Secretary SK Nanda told The Pioneer on Thursday that the prey base of the felines, which need about 2.5 kg of meat every day, have reduced in their original habitats due to encroachments in the forest land in the interiors.

Principal Chief Conservator of Forests (PCCF) RV Asari told The Pioneer that herbivorous animals, which are the prey base of the leopards, have reduced in the forests due to change in the landscape and thus the felines have moved to the sugarcane fields to make do with poultry, goat, rabbit and peacocks.

He said the number leopards, which was 1,070 all over Gujarat at the last count, is increasing but their natural habitat area has decreased due to changing land use pattern and human activities. So, the leopards have found the sugarcane fields and banana orchards as their new perennial habitat where the smaller preys are also available.

The migrant labourers, who arrive every year from Maharashtra for cutting the sugarcane, get attacked as they stay in open shanties, Asari explained.

The sugar mill owners have been asked to provide pucca dormitory accommodation, proper lighting arrangements and night watchmen so that the labourers do not come in conflict with leopards which are on the prowl at night, the PCCF added.

India set to grow at 8.75%, but must tackle inflation: IMF

January 07, 2011   11:34:14 AM

S Rajagopalan | Washington

India is set to grow at a robust 8.75 per cent this fiscal, but it needs to squarely address the challenges of surging inflation and fiscal consolidation needs, says the International Monetary Fund.

On conclusion of Article IV consultations with India, the IMF Executive Board has also called for a “diligent pursuit” of ongoing reforms, with initiatives to facilitate infrastructure investment such as deepening the corporate bond market and lowering the cost of doing business.

“Near-term challenges confronting the authorities arise from elevated inflation, fiscal consolidation needs, and buoyant capital inflows, warranting careful calibration of macroeconomic policies and the diligent pursuit of ongoing reforms,” the IMF said.

Making the case for raising interest rates even while commending the Reserve Bank of India’s efforts to tighten monetary conditions, the board felt that short-term real interest rates remain below historic norms and financing conditions have hardened only marginally.

Most directors favoured “further steps to bring the real repo rate clearly into positive territory”. They noted that continuing to improve the consuer price index, including a new national CPI to be introduced in the future, and utilising information from it in policymaking could increase the impact of monetary policy on inflation expectations.

Putting the inflationary pressure in the 8.5 to 10.5 per cent range as of December, the directors also highlighted the role of structural reforms in containing food price inflation. They also noted that despite some fiscal consolidation, the fiscal deficit remains high.

The IMF, however, lauded India for maintaining a growth level that is among the highest in the world. “Since mid-2009 the pace of India’s recovery -- led by domestic demand, especially infrastructure investment -- has been strong,” it said, noting that monetary and fiscal policies remain accommodative.

While growing by 8.75 per cent in 2010-11, the growth level is projected to moderate to about 8 per cent the following year. The growth has benefited from a rebound in agriculture and pick-up in private consumption.

“Infrastructure is expected to remain an important growth driver and corporate investment is likely to accelerate, aided by conducive financing conditions and robust demand growth,” the IMF said, adding: “India’s medium-term growth prospects remain strong.”

Commenting on the surge in capital inflows, it said the inflows could further spur investment, but they could also complicate macroeconomic management. The directors mooted improving absorptive capacity by deepening financial markets or by liberalizing foreign direct investment, consistent with India's gradual approach to capital account liberalization.

The IMF welcomed the emphasis on investment in infrastructure and human capital. While supporting the reform efforts on land acquisition and government clearances, the supporters highlighted the need for strong accountability and transparency over large infrastructure projects.

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Back **At 18.32%, food inflation surges to year's high**

Govt blames supply chain bottlenecks; RBI rate hike seen imminent.

New Delhi, Jan. 6

Food inflation zoomed sharply for the fifth straight week to touch its highest level in over a year, distinctly increasing the expectation of a fresh round of interest rate hikes by the RBI later this month.

The food price index, based on the wholesale prices, rose 18.32 per cent during the week ended December 25, well above the 14.44 per cent annual rise reported in the previous week. That the latest food inflation estimate comes on top of a very high base - a near identical 18.22

per cent clocked a year ago for the week ended December 26, 2009 - makes matters worse for thousands of households that continue to struggle with persistently high food prices.

While the food inflation is pretty close to the corresponding estimate 12 months ago, what has changed is the composition of the items driving up inflation. Predictably, onions have led the inflation charts during the latest week, surging 82 per cent on an annual basis. Fruits, milk and poultry items too contributed to the upsurge.

A year ago, pulses (at 42 per cent) and potatoes (110 per cent) were the main culprits, even as onions (40 per cent year-on-year inflation) figured in the list of items contributing to the food inflation. Sequentially, during the latest reported week, the surge in inflation for onions was a sharp 23 per cent, which pushed up the inflation in the vegetables subgroup by 16 per cent week-on-week.

WIDENING GAP

In damage-control mode, the Finance Minister's office issued a statement late on Thursday attributing the inflation surge to the widening gap between wholesale and retail prices. The Finance Minister, Mr Pranab Mukherjee, asked States to remove supply chain bottlenecks "at the earliest" to bring prices down quickly.

While admitting that the spurt in food inflation was expected, but not to the extent recorded, the Chief Economic Adviser, Dr Kaushik Basu, told newspersons here the Government does not have all the tools to keep food inflation under check.

Food articles have a weight of 14.34 per cent in the Wholesale Price Index and the spurt in vegetable prices is expected to show up in the monthly inflation estimate for December, slated to be released on January 14. The headline inflation for December could be over the 8per cent mark, up from 7.5 per cent reported for November.

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Back **Sugar mills' rush to export dampens prices**

R. Balaji

Chennai, Jan. 6

The Sugar Directorate's order permitting exports of 5 lakh tonnes of sugar on open general licence (OGL) is well timed to help sugar mills take advantage of the relatively higher prices in the international markets. But the rush to avail of this opportunity is having a dampening effect on prices.

This has evoked a mixed response from mills.

With domestic prices ruling at about Rs 2,900 a quintal, exports could fetch mills about Rs 3,200 ex-factory, say industry representatives. However, according to one exporter, with sugar mills under compulsion to export under the Advance Licensing Scheme and with the OGL opportunity now, prices have dropped by about $30. For instance, mills that had contracted for sugar exports at about $735 a tonne (Rs 33,075), are now hit by other mills finalising deals at about $700. They are taking advantage of the 4 per cent DEPB benefit available for exports under OGL, the exporter said.

Global markets

A fortnight back, sugar prices in the international markets had been over $800.

Another sugar mills official said there is a clear gap between international prices and what is actually contracted for exports. The order by the Union Food Ministry passed on January 1, covers mills across the board as the five lakh tonnes has been distributed on a pro rata basis to over 50 mills. Of the 661 sugar mills in the country, all except about 120 units, which are either not under operation or are new units set up in the last one year, have received export quotas. It is based on the average of each mill's sugar production in the last two or three years.

One benefit is that it could will help market sentiment and stabilise prices, feel sugar mills. Also, the OGL quota is in addition to exports of about 10 lakh tonnes to be exported by March, of which, about 6 lakh tonne has been exported under the Advance Licensing Scheme and the monthly releases for the domestic market.

This means additional liquidity for the mills.

The OGL order also allows mills to sell their licence, which will help mills not exposed to the export market tap this opportunity. With the export quota ranging from less than 50 tonnes in some cases to more than 4,000 tonnes for some of the larger mills, some of the small quantities are bound to be pooled or the licenses will hit the market. Sugar exporters including the Indian Sugar Exim Corporation Ltd are gearing up for exports.

Tamil Nadu

In Tamil Nadu, of the total of about 42,800 tonnes of sugar allowed for exports by the mills, about 11,000 tonnes is to be exported by the cooperative and public sector sugar mills, and the balance by the private sector. The private sector mills are keen on the move, and according to an industry representative, the cooperative sector is likely to take a decision soon.

However, a concern is the recent fluctuation in the international markets, they say. So traders are cautious and there is a "disconnect between international market prices and what the traders are willing to offer," said an industry representative.

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Back **Pulses production set to touch Govt target**

Demand for pulses expanding on rising income.

G. Chandrashekhar

Mumbai, Jan. 6

For the first time in recent years, pulses production (2010-11) is set to hit the target fixed by the Government. After the harvest of a record 60 lakh tonnes in the kharif season, prospects for pulses production in the upcoming rabi harvest look bright.

According to the latest available estimate, acreage under rabi pulses is at a new high of 133 lakh hectares, up from 127 lakh hectares last year.

Gram (chana), lentil, peas, urad and moong are the major rabi season pulses. The area under gram in particular has gone up by nearly 6 lakh hectares this season.

Target

The pulses production target set for this season is 108 lakh tonnes and on current reckoning it looks achievable. In the event, total pulses output in 2010-11 would reach a new high of 168 lakh tonnes. Improved domestic supplies are sure to exert their effect on market prices.

We have already seen the effect of higher kharif season production on open market pulses prices which has corrected down by 20 to 30 per cent in the last three months. If anything, rabi season accounts for over 60 per cent of the domestic pulses production. So, rabi harvest and further improvement in availability should under normal circumstances exert downward pressure on domestic pulses prices.

Without doubt, demand side is robust. With rising incomes, especially in rural areas (higher minimum support price across crops, NREGA scheme, huge infrastructure spending, food-for-work programmes, welfare schemes and so on), the demand for pulses is expanding.

Demand for pulses is income elastic and price elastic. Rising incomes spur demand, so do lower prices. Also, demand for pulses is supplementary in nature.

More pulses will be consumed with higher consumption of fine cereals, wheat and rice. So, we have a healthy situation where consumption of pulses is rising at a fast clip driven by rising incomes, rising fine cereal consumption and relatively friendly prices.

It would be naïve to look at per capita availability to draw any conclusion about pulses consumption.

If anything, the per capita number masks the reality. At present, per capita availability of pulses is arrived at by dividing total availability (domestic production plus imports) by the population number. It works out to approximately 15 kilogramme for a person a year.

Nutritionists recommend at least 20 kg for a person per year. So, we are way off the minimum nutritional needs. On current reckoning, we are years away from achieving the target.

Many analysts mistake per capita availability for per capita consumption. They often overlook the massive skew in pulses consumption. The top 30 per cent of the population earning high incomes actually consumes well over 20 kg per capita, while the bottom 30 per cent representing the poor and needy, gets to consume perhaps 7-8 kg per capita.

This skew needs to be corrected. Poor people who are actually in need of protein should be able to access pulses at affordable prices.

However, the Government's approach has so far been one of benign neglect.

In this context, a recent Assocham study that talks of a shortfall of 8 million tonnes pulses during the current year needs a thorough review for removal of inaccuracies. The report got the numbers wrong.

Importantly, the world pulses market is fully aware of developments in India, especially the rebound in crop production.

World pulses prices have actually declined from levels traded 6-8 months ago. So, an alarmist approach to pulses prices is unwarranted.

Global food prices

It must also be mentioned that in the last two months, world food prices have sharply moved up for a variety of reasons including adverse weather (for example effect of La Nina in South America) and renewed role of speculative funds in the bourses.

A rising tide lifts all boats. There will be some rub-off effect on pulses, too.

However, in the context of a rebound in domestic production in 2010-11, supplies are reasonably satisfactory and the upside price risks are not as high as feared.

From June 2011, behaviour of southwest monsoon will have a bearing on pulses market.

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Back **Malaysian cues heat up edible oils**

Our Correspondent

Mumbai, Jan. 6

Edible oil prices shot up on Thursday with imported palmolein oil, soya oil and sunflower oil rising by Rs 10 for 10 kg and cotton oil by Rs 5/10 kg. Prices rose after dipping for three consecutive days in the local market.

The markets were in line with sharp rises in Malaysian crude palm oil (CPO) futures and CBOT soya oil futures. Malaysian output will remain sluggish until March. Palm oil futures gained after rival soya bean oil advanced on speculation that dry weather will curb oilseed yields in Argentina and Brazil, the world's biggest exporters after the US. There is fresh buying interest as soya oil rises and amid concern about tight global supplies, said an analyst.

In the local market, a wholesaler said, lack of demand in the ready market despite the month having just begun kept palmolein volumes restricted to less than 100 tonnes. About 80-100 tonnes of palmolein in resale traded at Rs 590-596/10 kg. Refineries quoted higher rates. Liberty's rate for palmolein was Rs 610 and Ruchi's Rs 600. Soya refined oil sold at Rs 625 and sunflower refined Rs 715. Arrivals of groundnut in Andhra Pradesh and likely arrivals in Karnataka weighed on market sentiment in Gujarat. Groundnut oil prices in Saurashtra ruled steady on higher arrivals. In Rajkot, groundnut oil prices were Rs 1,185 a tin and Rs 765/10 kg for loose. In Indore, soya bean arrivals were about 2 lakh bags quoting at Rs 2,300-2,350 a quintal. In Mumbai, groundnut oil ruled steady at Rs 775/10 kg. Indore NBOT soya oil futures shot up, tracking an overnight sharp rise in CBOT soya bean futures and gain in BMD palm oil futures.

Malaysia's CPO January contracts closed at MYR3,875 (3,824) and February at MYR3,888 (3,830). Mumbai commodity exchange spot rate (Rs/10kg): Groundnut oil 775 (775), soya refined oil 620 (610), sunflower exp. ref. 675 (665), sunflower ref. 725 (720), rapeseed ref. oil 638 (638), rapeseed exp. ref. 608 (608), cotton ref. oil 600 (595) and palmolein 595 (585).

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Back **'Spice clinics' to hold campaigns on judicious use of pesticides**

C.J. Punnathara

Kochi, Jan. 6

With cardamom prices soaring, a section of farmers is using pesticides indiscriminately, leaving many labourers ill. The Spices Board pointed to news reports of labourers “falling ill due to mixing and spraying of spurious chemicals”.

Now the Indian Cardamom Research Institute has stepped in with awareness programmes for farmers on the judicious use of pesticides. The campaign will focus on various aspects of pesticide application including dosage, time of application, precautions, method of storage and disposal of containers. These ‘spice clinics' will be held every Wednesday through the Spices Board's field offices in the major cardamom-growing areas.

The board recently launched one-day awareness programmes on the safe use of pesticides for estate owners, supervisors and labourers. Inaugurating the programme, Dr J. Thomas, Director of ICRI, pointed out the social problems resulting from the unethical use of pesticide in the fragile ecosystems of the Cardamom Hill Reserve.

Unscientific use of dangerously high levels of pesticide, sometimes under the guidance of so-called “consultants”, on cardamom plantations is hazardous both to people and the environment, the Spices Board said.

The Indian Cardamom Research Institute has developed ‘Good Agriculture Practices' that prescribe the right dosage and time of pesticide application. Dr Thomas requested farmers to consult scientists or agricultural officers of Krishi Bhavans for the right information.

Dr S. Varadarajan, a senior scientist, detailed the precautions and hygienic measures to be taken during pesticide application. He emphasised the importance of adhering to the safe waiting period after each pesticide application. The need of the hour is for quality cardamom without pesticide residue, as importing countries such as Japan have already rejected cardamom containing Triazophos and Prophenophos. Another scientist, Dr Dhanpal, prescribed the right use of fungicides and the advantages of using bio-control agents in managing diseases.

During the training programme, farmers were able to clear their doubts. They also requested ICRI to start a pesticide testing laboratory at its premises and conductregular training programmes on all aspects of spice cultivation.

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Back **Poor demand grounds turmeric**

Our Correspondent

Erode, Jan. 6

Spot turmeric prices decreased Rs 500 a quintal for want of demand on Thursday.

After remaining closed on Tuesday and Wednesday, the Erode market saw farmers brining in over 5,000 bags expecting a good price but were disappointed with the sale of just 2,000 bags.

“Traders are not receiving fresh orders from North India and they are buying limited stocks to fulfil old orders that will be completed in a day or two. After that there is unlikely to be any demand from local traders. With no orders, the price of spot turmeric declined by Rs 500 a quintal on Thursday,” said Mr R.V. Ravishankar, President, Erode Turmeric Merchants' Association.

He also said: “Local traders are expecting fresh orders only after Pongal (third week of January) when a few bags of fresh crop may arrive in the market. Till then, the prices will remain steady, showing small fluctuations.”

Merchants from Kerala prefer the Mysore variety which has seen limited arrivals. The Chennampatty variety preferred by the merchants from Bihar and Madhya Pradesh is expected to arrive next week. The crop is in the process stage with farmers engaged in boiling the crop; it will arrive in the market by next week, said Mr Ravishankar.

In the Erode Turmeric Merchants' Association Sales Yard, the finger variety was sold at Rs 9,429 to Rs 16,261a quintal and the root variety at Rs 9,366 to Rs 16,109 a quintal. Of arrivals of 2,044 bags, 712 were sold.

In the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety was sold at Rs 15,439-16,659 and the root variety at Rs 16,269-16,612 . Of arrivals of 296 bags, only 172 were sold.

In the Erode Cooperative Marketing Society, the finger variety was sold at Rs 15,739-16,436 and the root variety at Rs 15,414-16,190 a quintal. Of the 1,060 bags that arrived in the market, 683 were sold.

In the Regulated Marketing Committee, the finger variety was sold at Rs 15,569-16,081 and the root variety at Rs 15,509-16,059. Of arrivals of 1,587 bags, only 606 were sold.

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Back **Dharwad farm varsity, rural bank to promote organic farming**

Our Bureau

Dharwad, Jan. 6

Organic farming is the correct tool for farmers to improve soil fertility and the health of the agro-ecosystem, making farming sustainable over longer period.

Speaking at the Karnataka Vikas Grameena Bank (KVGB)'s Sensitisation Programme on Organic Farming for bankers in Dharwad, Dr R.R. Hanchinal, Vice-Chancellor, University of Agricultural Sciences, Dharwad (UAS-D), said: “Organic farming can also bailout farmers from debt trap as well. It requires less financial inputs, relied on available resources, ensured better environment and improved health conditions.”

For complete organic farming demonstration, the university has adopted Harugeri and Kamadhenu village in Dharwad district and also has started diploma in organic farming for farmers who have passed SSLC and their children.

“Shortly, UAS-Dharwad will be seeking Karnataka Vikas Grameena Bank's association for effective propagation of organic farming concept in north Karnataka,” said Dr Hanchinal.

Organic farming methods are getting importance, awareness and increasingly even illiterate farmers are going for it.

“Looking at the soil health, cost aspect and also environment State governments have begun to give importance to organic farming. The Governments of Karnataka, Maharashtra, Madhya Pradesh, Gujarat, Tamil Nadu and Kerala have included it in their policies; it is estimated that organic farming extended to two lakh hectares in these states,” said Dr Hanchinal.

“Karnataka and Maharashtra have provided Rs 20 crore and Rs 10 crore respectively in their budgets for propagation of organic farming. States like Uttaranchal and Mizoram have declared themselves fully organic farming states.”

Speaking on the occasion, Mr K.P. Muralidharan, Chairman of Karnataka Vikas Grameena Bank, said: “Farmers can find prosperous agriculture only through organic farming but any innovations which are beneficial to farming section must reach farmers effectively.

“Experiments on organic farming conducted by several farmers in the north Karnataka had proved that it was helpful in maintaining soil fertility. It also helped in growing quality food at a reduced cost. Hence organic farming will be the one of the important agenda of KVG Bank's credit policy.

“Organic farming practices need to be encouraged using local knowledge of farmers and also they need to be integrated with the tested practices of research scientists and academia. To accomplish this, KVG Bank will associate with our own Farmers Club and also University of Agricultural Sciences, Dharwad.”

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Back **Pepper futures fall on liquidation**

G.K. Nair

Kochi, Jan. 6

Pepper futures on Thursday fell sharply on heavy liquidation by weak players on bearish reports such as arrival in full swing of Indian new pepper will start next month besides new crop in Vietnam would also hit the market next month and so on.

Weak players, who were in a dilemma on such bearish forecasts and expert analyses, started liquidating.

Even buying of MG 1 at higher levels could not sustain the market. On the spot some stray trading took place here and there and as the market started declining sellers withdrew, market sources told Business Line.

Total turnover dropped by 1,273 tonnes to 10,755 tonnes. Spot prices for want of buying support and in tandem with the futures market trend dropped by Rs 200 to close at Rs 22,000 (MG 1) and Rs 21,500 (ungarbled) a quintal. Indian parity in the international market was at $5,250 a tonne (c&f) and remained out priced, they said.

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Back **Cane diversion to gur, khandsari units drops**

Harish Damodaran

New Delhi, Jan. 6

Unlike last time, the current sugar season has not seen a significant diversion of cane for the production of alternate sweeteners (mainly gur and khandsari) in Uttar Pradesh (UP).

At the start of this season (October-September), gur was selling at Rs 26-27 a kg in Muzaffarnagar, which was more or less on par with the ex-factory price for sugar.

But since then, gur prices have eased to Rs 940-950 per man of 40 kg, i.e. below Rs 24 a kg. This is even as ex-factory sugar realisations have gone up to Rs 30 a kg.

The current rates for gur are below even the Rs 1,080-1,090 (Rs 27 a kg) levels seen at this time last year. “Compared with last season, the diversion of cane is definitely lower. Gur prices are not high enough for the kolhus to be able to offer the farmers more than what the mills are paying,” said Mr Sunil Kakria, Managing Director, Mawana Sugars Ltd.

As a result, though yields of the current ratoon cane are around 10 per cent below last season's crop, crushing by factories has gone up. “A 15 per cent increase in the area sown plus lesser-than-normal diversion to the kolhus and khandsari units has more than made up for lower cane yields,” said Mr S.L. Gupta, Secretary, UP Sugar Mills' Association.

The Rs 6-7 a kg price gap between sugar and gur could prompt a consumer shift towards the latter. But that, Mr Kakria felt, may still not induce the kolhus to bid up cane prices following last year's bitter experience.

“The trade stocked up a lot of gur last time anticipating prices to shoot up further. But with the plant-cane crop turning out to be much better than expected, both sugar as well as gur prices crashed. Having burnt their fingers, the stockists do not want to take risks again,” he claimed.

A significant part of the gur traded at the Muzaffarnagar and Hapur mandis of western UP goes to Gujarat, West Bengal and Bangladesh. Besides, gur — since it is essentially concentrated molasses — is also used for making illicit country liquor. “But today there are many kolhus even in Gujarat and West Bengal, which have undermined the importance of Muzaffarnagar and

Hapur. Also, there are no major elections in the offing that could be a source of additional demand," a miller pointed out.

However, given the low stocks of gur in the market and the prospects of an extended winter, a sudden spike in prices is still not being ruled out. "Our concern is that it does not happen now because the ratoon crop (currently being crushed) is running out and the new plant-cane will not be ready before early-February," he added.

Unlike sugar, which is sold by mills to agents and further routed through wholesalers, dealers and retailers before reaching the consumers, the gur trade comprises just the kolhus that make and sell the product to the stockists at the mandis. The ultimate sellers source their gu r from stockists. The fewer intermediaries makes the flow of information much faster than that in sugar, Mr Kakria said.

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Back **Bull run resumes in soyabean oil**

Our Correspondent

Indore, Jan. 6

The bull run in soya oil, which saw a temporary respite on Wednesday on weak global cues, continued on Thursday with soya oil edging higher on futures and physical markets following strong foreign support and improved domestic demand.

On the spot market, soya refined gained Rs 5-7 with almost all the plants trading in soya refined in the morning at Rs 605 for 10 kg. Later in the afternoon session, soya refined prices dropped to Rs 602 for 10 kg with a slight decline in demand at the higher rate. In the resale, soya refined was traded at Rs 595-600. Soya solvent prices also quoted Rs 5 up at Rs 570-575 a quintal.

Taking cues from bullish Malaysian palm oil futures, soya oil futures on the NBOT increased. In the morning soya oil January contracts on the NBOT closed at Rs 634.80 for 10 kg, up Rs 8. Soya oil futures on the NCDEX gained with the January contracts closed Rs 7.50 lower at Rs 637.50 for 10 kg. Similarly, February contracts closed Rs 6 higher at Rs 650.10. According to traders, the bull run in soya oil is likely to continue on positive overseas market, lower import of edible oil and increased demand in the domestic market ahead of the ensuing marriage season.

On the other hand, soybean also gained by Rs 20-30 on slightly improved demand at plant level, though soya seeds prices are still being quoted low compared with last year's on comparatively weak demand at the plant-level. At State mandis, soybean was quoted at Rs 2,220-2,250 for 100 kg, while its plant deliveries were at Rs 2,320-2,350 a quintal.

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http://www.thehindubusinessline.com/2011/01/07/stories/2011010751301700.htm

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Back **Higher arrivals pull down sugar**

Our Correspondent

Mumbai, Jan. 6

Sugar prices on the Vashi wholesale market declined on Thursday by Rs 10-15 a quintal in the absence of local demand. Higher arrivals forced resellers to lower their rates, while mills kept tender rates higher despite poor buying interest.

The sentiment was weak as nearly half the arrivals were from last month's quota and outstanding contracts for the current month neared their due date. Freight rates were steady, but poor despatches have increased the market inventory. According to market sources, on Wednesday tender offers from 14-15 mills got a lower-than-expected response. While 6-7 mills withdrew the tenders, others sold very little — about 24,000-25,000 bags at Rs 2,820-2,860 a quintal for S grade and Rs 2,870-2,930 for M grade — to local and State-level traders. There was no demand from neighbouring States. The higher quota of 17 lakh tonnes for the current month and less-than-expected demand from local and upcountry buyers may add pressure at the mill level in the coming days. Sugar futures also showed a weak trend, tracking spot market.

Arrivals stood at 50-52 truckloads (each 100 bags) and 40-42 truckloads were despatched.

According to the Bombay Sugar Merchants' Association, the spot sugar rates were: S grade — Rs 2,951-2,991 (Rs 2,956-3,006); and M grade —Rs 2,975-3,051 (Rs 2,980-3,061). Naka delivery rates were: S grade — Rs 2,9002,930 (Rs 2,910-2,950); and M grade — Rs 2,940-2,980 (Rs 2,940-2,980).

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Back **Profit booking hits jeera futures**

Our Correspondent

Rajkot, Jan. 6

Jeera futures dropped slightly as the market witnessed some profit booking sale, while in the spot market there were no major changes. Weak export demand also helped prices to drop further but lower sowing and lower production estimates restricted the fall in prices.

On the National Commodity and Derivatives Exchange (NCDEX), jeera January futures dropped Rs 12 to Rs 14,560 a quintal, with an open interest of 8,610 lots. February contracts dropped Rs 32 to Rs 14,845 with an open interest of 14,529 lots.

At the Rajkot mandi, about 500-600 bags arrived and prices for best quality jeera were Rs 2,600-2,700 and for average quality jeera they were Rs 2,500-2,550. In Unjha, 2,500-3,000 bags arrive every day and price was Rs 2,001-2,840 for 20 kg.

Output

Production of jeera in 2011 is expected to be lower than the previous year and is estimated at 19-20 lakh bags (55 kg each) compared with 25 lakh bags last year.

Jeera carryover stocks are lower at around 4-5 lakh bags compared with 7-8 lakh bags last month.

Exports of jeera in November stood at 2,500 tonnes, a decline of 37.5 per cent compared with 4,000 tonnes in the same period previous year.

Jeera stocks on the NCDEX warehouse, stood at 5,489 tonnes as on January 4.

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Back **Wheat steady with inflows down to a trickle**

Our Correspondent

Karnal, Jan. 6

Dara wheat prices witnessed a steady trend and ruled firm at the previous levels on lower arrivals from Uttar Pradesh. On Thursday, prices of dara variety ruled around Rs.1,250 a quintal. The price at retail outlets ruled at around Rs 1,255-1,265 a quintal, and for finer quality it was around Rs 1,270 a quintal.

Haryana can witness a price rise of Rs. 10-20 a quintal soon as the demand is more than the supply, Mr Sewa Ram, a wheat trader, said.

Because of low availability of stocks in Delhi, dara prices was ruling around 1,350 a quintal, Said Mr Sewa Ram. Arrivals are quite low there; cold weather is a prime reason behind the low arrivals.

Just around 200 quintals of Dara variety were offloaded at the flour mills in Karnal on Thursday.

On the other hand, in desi wheat, low arrivals lifted prices of the Bhojan King by Rs 50 and the variety was quoted at Rs 2,400-2,450 a quintal, Aaj Tak at Rs 2,320 and Nokia at Rs 2,350.

flour

Despite a steady trend in wheat, flour prices rose marginally by Rs 10 for a 90-kg bag. Flour prices were quoted at Rs 1,265-1,270 for a 90-kg bag.

Aata Chakki owners have raised the grinding charges by 50 paisa to Rs 2 for a kg. Chokar prices ruled steady and was quoted at Rs 600 for a 49-kg bag.

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Back **Rubber producers' societies get aid for computerisation**

Aravindan

Kottayam, Jan. 6

The Rubber Board gives financial assistance for the Rubber Producers Societies (RPSs) for acquiring computer and peripherals to facilitate access to information technology (IT)-enabled services, under Rubber Plantation Development Scheme.

The assistance is limited to Rs 45,000 per RPS or 75 per cent of the actual cost of the computer and peripherals. RPSs functioning in their own building or rented building and having uninterrupted trade linkage with companies in the RPS sector, and a good record of performance are eligible for the assistance.

The board will assist 40 RPSs to acquire computer during the current financial year.

The board expects that the usage of IT-enabled services among the rubber planting community will empower the growers with latest information in the field of cultivation world over, and market situation internationally.

The computerisation of RPSs will also enable prompt accounting and make the operations more transparent and, thereby, attract more growers to group activities, which in turn protect them from exploitation by middlemen.Details are available from the Rubber Board Regional Offices.

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Back **Multipurpose farm vehicle**

Economically viable:Mr Vikas Shinde, Jalagoan, displaying with his multipurpose farming vehicle at the second International Auto show at Palace Grounds in Bangalore on Thursday. The vehicle based on the concept of wheel and pulley, which serves as a container for collecting water from the well. In this vehicle, two acres of land can be ploughed and the machine requires only two litres of petrol. — G.R.N. Somashekar

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http://www.thehindubusinessline.com/2011/01/07/stories/2011010751421800.htm

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Back **Rubber stretches gains on global cues**

Aravindan

Kottayam Jan. 6

Physical rubber prices reached another all-time high on Thursday. Sustained uptrend in the international markets and supply concerns lifted the market to unseen levels but it lacked quantity sellers even at record prices. According to reports, Indian tyre makers bought natural rubber at Rs 212 a kg on Wednesday after a surge in international markets. They are expected to remain active even at current levels.

“The prices will scale further highs mainly due to enhanced consumption in China and India,” said Prof. K.K. Abraham, President, Pala Marketing Society. “Even in Thailand one of the major rubber producing countries, there is 30 per cent fall in production. Similarly in India, production fall is said to be quite inevitable. Weather changes also affect the production considerably,” he said.

According to traders, sheet rubber improved to Rs 214 (212) a kg in the main marketing centres. The grade gained further to Rs 213 (210.50) a kg both at Kottayam and Kochi, as reported by the Rubber Board.

Futures weak

The January series for RSS 4 weakened to Rs 213.70 (214.42), February to Rs 220.66 (221.67) and March to Rs 225.76 (226.61) a kg while the April series finished marginally higher at Rs 233.50 (233.01) a kg on the National Multi Commodity Exchange. RSS 3 (spot) increased sharply to Rs 237.53 (230.94) a kg at Bangkok. The grade flared up further at its January futures to ¥432.5 (Rs 235.60) from ¥419 a kg during the day session but then slipped to ¥429.9 (Rs 234.15) in the night session on the Tokyo Commodity Exchange.

Spot rates were (Rs/kg): RSS-4: 214 (212); RSS-5: 203 (202); ungraded: 200 (198); ISNR 20: 210 (208) and latex 60 per cent: 144 (143).

Date:07/01/2011 URL: http://www.thehindubusinessline.com/2011/01/07/stories/2011010751371800.htm

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Back **Tea prices drop 2.33% in 2010**

P.S. Sundar

Coonoor, Jan. 6

Prices of teas sold through the auction centres of the country fell 2.33 per cent in 2010 compared to 2009, reveals an analysis of the market reports and the latest information available with the Tea Board.

Till November, for which official data is available, prices at the country's auction centres averaged Rs 102.77 a kg against Rs 105.22 in 2009. This decline of Rs 2.45 a kg posted a fall of 2.33 per cent.

Prices declined sharply in South Indian auction centres while they posted an increase in the North.

In the North, prices rose 2.91 per cent to average Rs 117.94 a kg — Rs 3.34 more than 2009. But volume sold declined by 6.35 million kg (mkg) to total 321.95 mkg as the asking price was more. Prices increased in all the auction centres in the North. Kolkata auctions fetched the country's highest average price of Rs 130.37 a kg (in 2009: Rs 124.01), followed by Guwahati at Rs 111.67 (Rs 110.56) and Siliguri at Rs 103.96 (Rs 103.48).

In the South, prices declined as much as 17.07 per cent to average Rs 67.41 a kg – a whopping fall of Rs 13.88 over 2009.

Date:07/01/2011 URL: http://www.thehindubusinessline.com/2011/01/07/stories/2011010751401800.htm

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Back **India takes up onion ban with Pakistan**

Our Bureau

New Delhi, Jan. 6

Terming Pakistan's move to ban onions through the land route as “shocking and unfortunate,” the Commerce and Industry Minister, Mr Anand Sharma, said New Delhi has taken up the issue with Islamabad.

He said the issue has been discussed with the High Commissioner in Islamabad, who has already met the officials concerned there. The Minister said that India has asked Pakistan release at least trucks carrying the contracted quantity of onions.

The Minister held a meeting with state importing agencies STC and PEC. Meanwhile, Secretaries of the Ministries of Commerce, Agriculture and Finance met with the Cabinet Secretary, Mr K.M. Chandrasekhar, to ensure alternative supplies of the commodity.

Following the meeting, the Commerce Secretary, Dr Rahul Khullar, said a contract with Pakistan via sea route has been concluded, adding that onion will arrive at Mundra port in Gujarat.

Date:07/01/2011 URL: http://www.thehindubusinessline.com/2011/01/07/stories/2011010751331800.htm

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Back **Egg prices hit 25-year high as mercury dips in North**

Our Bureau

Chennai, Jan. 6

Egg prices climbed to a record Rs 2.96 on Thursday, surpassing Wednesday's Rs 2.91 a piece, cracking a 25-year record on account of sudden spurt in domestic demand.

The prime reason for the price hike is attributed to the intense cold weather in the North, besides a drop in production and pricey vegetables across the nation.

Industry sources told Business Line that since the Sabarimala season is coming to a close, consumption is seen picking up in the South.

Mr A. Shivakumar, Managing Director of the Coimbatore-based VKS Farms, attributed the price rise to the winter in the North. “The cold wave impact in Delhi and Punjab is driving up the prices. It (the price rise) may not sustain for long and we could see a downward correction in the next two weeks,” he said.

However, industry sources say that considering the cold wave could extend till February, there are lesser possibilities of a drop in price.

“More and more people now go in for eggs as the prices of common vegetables have soared to Rs 50 and more for a kg. Egg prices in Delhi and Kolkata are ruling at Rs 3.37 and Rs 3.20 a piece respectively. Rain has resulted in a vegetable shortage and eggs are gaining since it is seen as the only balanced diet at a lower price. Moreover, transportation to Bihar and other States is an issue due to fog and, hence, prices gain in the North,” said Mr N. Senthilkumar, General Manager – Farm Products of the Coimbatore-based Suguna Poultry Farms Ltd.

Continuous rains have hit production too. Of the three crore eggs produced daily in Namakkal, there is a shortage of 15 lakh eggs, according to a poultry owner in the city which is India's poultry hub. While supply has decreased, demand for eggs is consistent and has even increased as a substitute for other more expensive sources of protein such as fish.

The Telegraph
calcutta, india

Issue Date: Friday , January 7 , 2011

Food fury in full force

OUR SPECIAL CORRESPONDENT

New Delhi, Jan. 6: The government has hit the panic button as food inflation jumped to 18.32 per cent for the week ended December 25 from 14.44 per cent in the previous week.

Finance minister Pranab Mukherjee asked state governments to ease supply bottlenecks, a signal that the Centre would crack down on profiteering and wanted states to join in the drill.


WORRYING TREND

Group price index	Dec. 26, 2009	Dec. 25, 2010	% rise
Cereals	170.4	169.5	-0.52
Pulses	211.6	189.3	-10.53
Vegetables	165.5	262.9	58.8
Fruits	134.6	161.5	19.9
Milk	151.1	180.7	19.6
Egg, meat, fish	164.2	198.4	20.8

Base year: 2004-05

Soon after the shock announcement, cabinet secretary K.M. Chandrasekhar held a meeting of top secretaries to control profiteering and augment supplies; he also spoke to state chief secretaries. Officials said Congress-ruled states were expected to swoop down on hoarders. "

What have gone up are the prices of fruits and vegetables, milk, meat, poultry, eggs and fish. We will move to control them," an official who attended the meeting said.

Mukherjee said the growing demand for these non-staples was a result of rising income levels. Besides, floods and untimely rains have hit production.

The government's chief economic adviser Kaushik Basu told reporters that the movement of onion, which is the main culprit behind rising food inflation, should be facilitated to bring down its cost.

He cautioned against using any blunt instrument like arbitrary fixing of rates to tame the exceptionally high prices as such a move resulted in the shortage of commodities.

It is not only in India that food prices are rising. According to the Food and Agriculture Organisation, global food prices have hit a record high last year, moving beyond the levels of 2008, when riots broke out in countries as far afield as Egypt, Cameroon and Haiti.

Food inflation in many Asian countries, including China and India, is already in double digits, raising fears that the price pressures could spread broadly to other sectors and pose a threat to both economic and social stability as millions of Asians live in poverty.

Analysts were also worried about La Nina — a weather pattern that brings cooling temperatures, resulting in higher rainfall in Australia and parts of Southeast Asia.

Overall inflation in India will probably have risen to 8 per cent in December, said Icra economist Aditi Nayak. Overall inflation had eased to a 12-month-low of 7.48 per cent in November after hitting 8.58 per cent in October.

However, most people measure price inflation on the basis of a few food items.

With state assembly elections in Bengal, Kerala and Tamil Nadu round the corner, all eyes are on onions.

Onion prices rose 23 per cent week-on-week and up 82 per cent from a year earlier.

The rising price trend may prompt the Reserve Bank of India to increase interest rates and curb lending to traders during its policy review later this month.

Over the past one year, the Reserve Bank has upped rates by 150-200 basis points as it seeks to rein in demand and check prices.

RBI deputy governor Subir Gokarn has said the inflation level has been quite "high despite a good monsoon this year."

The IMF, which came out with a report today, asked India to end stimulus measures that pushed up money supply, besides advising cuts in the subsidies on fertiliser, food and power rates.

Officials said that while the stimulus measures would be rolled back, the suggestion on subsidies would be ignored as "farmers have been hit as much by price rise as anyone else."

"The only winners from all this are traders," they added.

Top North Block officials said the rising food inflation could force political leaders to reconsider the opening up of retail to foreign direct investment.

"There could be a limited opening up of the food retail market by allowing foreign supermarket chains … this could have a salutary effect on prices and could bring about integrated food chains which reach consumers faster," officials said.

At present Indian laws allow 51 per cent foreign investment in single brand retail, with prior approval from the Foreign Investment Promotion Board.

This policy allowed single brands such as Guess, Esprit, Marks & Spencer to set up shops in India, but it precludes setting up foreign owned or operated stores such as Sainsbury's or Wal-Mart or Macy's.

Issue Date: Friday , January 7 , 2011

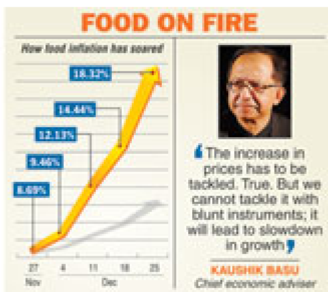
Pak salt in price wound

- Assassination-hit province bans onion exports to India

OUR BUREAU

Jan. 6: Pakistan's domestic turmoil fried India's kitchen budgets on a day it emerged that the food inflation here had shot up close to a year's high.

Punjab, Pakistan's most powerful province whose governor Salmaan Taseer was gunned down two days ago, has banned onion exports to India over land routes. It has stopped 300 trucks of onions bound for India on the Wagah border, citing rising domestic prices.



Onion prices increased to Rs 60-65 a kg in major markets in India.

"Retailers have jacked up prices on reports of the ban by Pakistan," the general secretary of the Tomato and Onion Merchants' Association in Delhi's Azadpur Mandi said.

Soon after, the Pakistan government signalled the rollback of a fuel price hike. The desperate measures were concessions to Opposition demands in an attempt to defuse Pakistan's latest political crisis.

Prime Minister Yousaf Raza Gilani's government is fighting for survival after a coalition partner withdrew in protest against the price rise, leaving the government without a majority. Pressure was piled from another flank by former Prime Minister Nawaz Sharif, whose party dominates the Punjab government.

New Delhi dubbed Pakistan's decision "shocking". Commerce minister Anand Sharma said the issue has been taken up with Islamabad.

“It is shocking and unfortunate that Pakistan has banned onion exports to India via land route,” Sharma said.

“The matter has been discussed with the high commissioner in Islamabad, who has already met the officials concerned there,” the minister added.

The secretaries of the ministries of agriculture, commerce and finance went into a huddle with cabinet secretary K.M. Chandrasekhar to find alternative supplies.

“I have concluded a contract with Pakistan via the sea route. Onions will arrive at the Mundra port (in Gujarat),” commerce secretary Rahul Khullar said after the meeting.

A Punjab province spokesperson said the ban on onion exports has been imposed to control prices of the commodity, which had escalated since the sales to India began last month. “After the ban, the prices in domestic markets declined by 45 per cent,” he said.

Pakistan started exporting onions to India for the first time in a decade in mid-December after prices skyrocketed here. Over 300 tonnes of onions were being sent to India every day. Traders said the exports pushed up prices in Pakistan from Rs 45 to Rs 80 a kg.

But the ban without notice, which reflected the pressure on the Pakistan government, angered traders in Punjab. The traders said they had not been given any warning and they had already accepted sizeable orders from Indian importers.“The government should at least allow the 300 truckloads of onions at the border to be exported,” said Hamid Aziz, an exporter.When the news of the ban was trickling in, the Indian government was announcing that food inflation has risen to nearly a year’s high of 18.32 per cent on December 25 because of a spurt in vegetables, onion and milk prices.Kaushik Basu, the chief economic adviser in the finance ministry, said he agreed with home minister P. Chidambaram’s statement yesterday that the government did not have full control over prices.“I mean this is a huge country in terms of population and land area. It is an utter mistake to think that it is fully within the control of the government to move prices of food up and down,” Basu said.