THE HINDU

Published: July 21, 2011 23:48 IST | Updated: July 23, 2011 11:00 IST July 21, 2011

‘The National Food Security Act must include strong safeguards'

PDS Survey 2011: selected findings

A detailed survey of the Public Distribution System was conducted in nine States in May-June 2011 by student volunteers.
Two important findings:
1. Evidence of a major revival of the PDS across the country (even in States like Orissa and Uttar Pradesh). Main exception : Bihar.
2. Where PDS works, people much prefer food to cash transfers

	Average monthly purchase of PDS grain (kg/household)	Average purchase as proportion of full quota* (per cent)	Proportion (percentage) of respondents who:	
			Prefer food to cash	Prefer cash to food
Andhra Pradesh	14.9	99	91	6
Orissa	29.2	97	88	6
Chhattisgarh	33.3	95	90	2
Himachal Pradesh	37.1	93	81	9
Tamil Nadu	17.9	92	71	11
Rajasthan	26.0	87	60	15
Uttar Pradesh	30.7	77	42	34
Jharkhand	24.9	71	66	22
Bihar	11.2	45	21	54
All States	24.0	84	67	18

** "Full quota" refers to PDS grain entitlements of sample households, based on official norms. Additional grain quotas supplied in response to recent Supreme Court orders have been accounted for in Himachal Pradesh, Orissa, Rajasthan and Uttar Pradesh; other States did not lift this additional quota. For Orissa, figures pertain to rice only (wheat entitlements are not clear).*

***Note:** The survey was conducted in 106 random-selected villages, spread over two districts in each sample State. It covered 1,227 BPL households (including "Antyodaya" households and related categories). The figures are provisional and subject to minor revisions.*

A letter to the Prime Minister on the importance of a ‘near-universal PDS.'

July 21, 2011 Dr. Manmohan Singh ,Prime Minister of India

Respected Prime Minister,

We are a group of research scholars and student volunteers who have just spent three weeks surveying the Public Distribution System (PDS) around the country. We are writing to share a few thoughts on the National Food Security Act in the light of this experience.

Our survey covered more than 100 randomly-selected villages spread over nine States (Andhra Pradesh, Bihar, Chhattisgarh, Himachal Pradesh, Jharkhand, Orissa, Rajasthan, Tamil Nadu, and Uttar Pradesh). We inspected the local Fair Price Shops and interviewed more than a thousand “BPL” households. Oblivious of the heat or rain, we reached the country's remotest nooks and crannies and spared no effort to understand people's situations and views.

This survey points to an impressive revival of the PDS across the country. In all the sample States, with the notable exception of Bihar, there have been major initiatives in the recent past to improve the PDS and these efforts are showing results. Most of the sample households were getting the bulk if not the whole of their foodgrain entitlements under the PDS (up to 35 kg per month, at a nominal price). The days when up to half of the PDS grain was "diverted" to the open market are gone.

We also found that the PDS had become a lifeline for millions of rural households. A well-functioning PDS virtually guarantees that there is always food in the house. This is an enormous relief for people who live on the margin of subsistence, and a welcome support for everyone. It is a big step towards the end of hunger, which has blighted this country for centuries.

The bad news is that the BPL list is very defective. In many States, entire communities have been left out, and almost everywhere, there are enormous exclusion errors. This has severely reduced the effectiveness of the PDS as a tool of food security. *Therefore, we support the case made recently by a group of academic economists for a "near-universal PDS," whereby all households are entitled to food subsidies unless they meet well-defined exclusion criteria*.

The said economists also believe that there is a strong (though unspecified) "theoretical case" for cash transfers as an alternative to the PDS. We discussed this proposal with the respondents, and found that a majority opposed it. The reluctance was particularly strong in areas with a well-functioning PDS, and among poorer households. Further, we felt that the reasons they gave for opposing cash transfers were generally quite thoughtful and convincing.

In most cases, the reasons pertained in one way or another to food security — an overwhelming concern for poor households. For instance, many respondents were worried that money might be misused or frittered away. Where markets are distant, they wondered where they would buy grain, and how they would cope if there is a sudden increase in local food prices. Even where markets are accessible, there were apprehensions, such as a fear that traders might raise prices if the PDS is closed. Similarly, the local bank was often said to be too far, overcrowded, or difficult to handle. Many respondents had a bitter experience of the banking system in the context of Mahatma Gandhi National Rural Employment Guarantee Act (NREGA) wage payments. In contrast, the familiarity and convenience of the local Fair Price Shop were widely valued. It is only in areas where the PDS was not working, notably Bihar and parts of Uttar Pradesh, that we found substantial interest in cash transfers as a possible alternative.

Accordingly, we urge you to ensure that the National Food Security Act includes the strongest possible safeguards against a hasty transition from food entitlements to cash transfers.

We do recognise, of course, that there is enormous scope — and urgent need — for further improvements in the PDS. We have some suggestions on this too, and would be glad to discuss them with you at your convenience.

Yours sincerely,

Signatories: Anindita Adhikari (independent researcher, Patna); Ankita Aggarwal (independent researcher, Delhi); Megha Bahl (Delhi School of Economics, Delhi); Pooja Balasubramanian (St. Xavier's College, Mumbai); Balu (Jawaharlal Nehru University, Delhi); B. Lakshmi (Kirori Mal College, Delhi); Manish Choudhary (Hindu College, Delhi); Sakina Dhorajiwala (Jai Hind College, Mumbai); Jean Drèze (University of Allahabad); Anchal Dutt (Law College, Delhi University); Aashish Gupta (University of Allahabad); Aparna John (independent researcher, Delhi); Purava Joshi (St. Xavier's College, Mumbai); Samyuktha Kanan (IIT, Madras); Reetika Khera (IIT, Delhi); Sirus Joseph Liberio (University of Mumbai); Radhika Lokur (St. Xavier's College, Mumbai); Aleesha Mary Joseph (St. Stephen's College, Delhi); Swathi Meenakshi (Anna University, Chennai); Karuna Muthiah (independent researcher, Dindigul); Bijayani Mohanty (independent researcher, Bhubaneshwar); Rajkishore Mishra (independent researcher, Bhubaneshwar); Kuber Nag (IIT, Madras); Sudha Narayanan (Cornell University); Soheb Niazi (Jawaharlal Nehru University, Delhi); Gaurav Poddar (St. Stephen's College, Delhi); Raghav Puri (Lee Kuan Yew School of Public Policy, Singapore); Aakriti Rai (St. Xavier's College, Mumbai); Kshama Raj (University of Hyderabad); Alamu Rathinasabapathy (Jawaharlal Nehru University, Delhi); Sambhu Sahu (independent researcher, Bhubaneshwar); Ria Singh Sawhney (Law College, Delhi University); Trishna Senapaty (Delhi School of Economics, Delhi); Kanika Sharma (Lady Shri Ram College for Women, Delhi); Ujjainee Sharma (Delhi School of Economics, Delhi); Dipa Sinha (Jawaharlal Nehru University, Delhi); Neenu Suresh (Law College, Delhi University); Chitrank Upadhyay (Zakir Hussain College, Delhi); Jijo Vadukoot (University of Mumbai); Eklavya Vasudeva (Law College, Delhi University).

Published: July 22, 2011 00:00 IST | Updated: July 22, 2011 04:10 IST COIMBATORE, July 22, 2011

Training at TNAU on July 26, 27

Tamil Nadu Agricultural University will organise a two-day training in processing of fruit products on July 26 and 27. The training will cover processing technologies of dehydrated fruits, pickles, candy, squash, ready-to-serve beverage, mixed fruit jam, etc.

Those interested can attend the training by paying Rs.1,000. For details, contact Head, Post harvest Technology Centre, TNAU, Coimbatore-03 or call 0422-6611268.

Steps to popularise sericulture

The Sericulture Department has planned to create awareness among the farmers of the profitability of sericulture by organising a series of programmes in the district. The Central Silk Board has come out with attractive schemes to promote sericulture in the district, with an eye on setting up sheds and other infrastructure, say official sources.

The department has planned to increase the area in sericulture in the district by taking advantage of the ‘catalytic scheme'.

To start with, a meeting of farmers adopting conventional cultivation practices, would be convened at Kamatchipuram in Keezhapanaiyur village panchayat near Arimalam on July 27. “The Arimalam block provides opportunities for popularising sericulture among the farmers in the wake of the success story of a farmer, M. Adaikappan, who had taken to sericulture on his four acres of land for the past seven years,” say the sources.

The meeting would throw light on the care to be taken for cultivating mulberry, setting up of rearing shed and use of rearing appliances. Special focus would be on drip irrigation methodology for which funds up to Rs. 15,000 would be released an acre.

A number of bank officials would be present to explain the credit facility and repayment mode for the sericulture farmers. Scientists from the Board would also be present to explain the techniques.

Published: July 22, 2011 00:00 IST | Updated: July 22, 2011 04:09 IST PUDUKOTTAI, July 22, 2011

Survey to record data of small and marginal farmers inaugurated

A comprehensive survey on ‘farm plan' to identify and record the data of each and every small and marginal farmer in the district has been taken up in the district.

The survey aims at ascertaining the resources available with each and every small and marginal farmer, their cultivation practices, the agricultural implements and infrastructure available with them in terms of electric motor or tractor, the methodology of irrigation practices so on and so forth.

An estimated 80,000 farmers would be covered under the survey in a phased manner spread over three years. Every details of the farmer would be accessed.

The survey would also include details of assistance extended so far under the State and Centrally-sponsored schemes; the benefits accrued to individual farmer in terms of profitability and productivity.

“The farm plan would help the planners to ascertain the actual demands of the farmers and the government's efforts to fulfilling the same,” says T. Thangavelu, Joint Director of Agriculture.

The survey being conducted all over the state, is expected to include the data of about 75 lakh farmers. Each year, the data of about 25 lakh farmers would be covered.

“We will also update the data in the records, ensuring a sustained follow-up of the survey,” Mr. Thangavelu said.

Published: July 22, 2011 00:00 IST | Updated: July 22, 2011 04:14 IST JAIPUR, July 22, 2011

Poultry farms ordered to stop starving hens

The practice, widespread in India, is banned in most advanced countries

With poultry farms mushrooming in certain districts of Rajasthan due to soaring land prices in the adjoining National Capital Region, the State Animal Husbandry Department has asked authorities to strictly ensure compliance of the Animal Welfare Board of India order to discontinue starvation force molting regimes by egg producers.

Starvation force molting is widely practised at egg production facilities throughout the country. The practice involves depriving egg-laying hens of food for up to 14 days and may be combined with one to two days of water deprivation in order to manipulate their egg-laying cycle.

Rajasthan has come into focus after reports about the move by poultry farm owners from Delhi and parts of Haryana to Rajasthan. Trade sources had recently named Rajasthan as a State with high growth potential in poultry.

This past March the Animal Welfare Board had termed starvation force molting a punishable offence under the Prevention of Cruelty to Animals Act, 1960, and ordered all egg production facilities to immediately discontinue the practice. The order came hot on the heels of a growing movement against battery cage egg production and farm animal cruelty. The country's factory farms confine 140 million to 200 million hens in barren battery cages, where each bird lives within a space smaller than a standard A4 size sheet of paper.

“We are grateful to the Rajasthan Government for the directive. We hope egg-laying farms comply with this order,” says N.G. Jayasimha, manager of Humane Society International's factory farming campaign in India. “Egg producers who continue to starve birds to induce molt must be prosecuted under the Prevention of Cruelty to Animals Act,” he adds.

“Though Rajasthan is not a big producer now, we are aware that a lot of poultry farms would soon be moving in to cater to the growing markets in Delhi and the neighbourhood,” Mr. Jayasimha told *The Hindu* .

During forced molt, hens suffer greatly and even lose up to 35 per cent of their body weight.

“This practice of food withdrawal has been widely questioned throughout the world, and is prohibited in Australia, the European Union, and the US under the American egg industry's animal husbandry programme,” Mr. Jayasimha pointed out. Starvation force molting dramatically increases the risk of hens laying salmonella-infected eggs, it is stated.

Maharashtra, Karnataka, Goa and Chandigarh have already directed all egg producers to discontinue starvation force molting.

Published: July 22, 2011 00:00 IST | Updated: July 22, 2011 04:14 IST ONGOLE, July 22, 2011

Official promises crop loans to tenant farmers

Salient features of ordinance explained at rythu sadassu

Prakasam District Additional Joint Collector Ch. Mohana Rao on Thursday promised to ensure loan eligibility cards and loans to all eligible tenant farmers even if land owners refused to cooperate with them.

Addressing a rythu sadassu organised by the CPI-led Andhra Pradesh Rythu Sangham at Acharya N.G. Ranga Bhavan here, he promised to ensure each and every share cropper in the district crop loans without any deadline for submission of applications.

“You need not have any worry. You just fill the form. We will ensure loan with or without the signature of land owners,” he told the tenant farmers who turned up for the meeting. The tehsildar concerned, after due verification, would provide loan eligibility card to tenant farmers. Mr. Mohan Rao enlightened the farmers on the salient features of the ordinance promulgated by the State government to protect the interests of tenant farmers by ensuring not only crop loan but also subsidised farm inputs and compensation in case of natural calamities.

The banks had been asked to provide at least Rs. 200 crore as crop loans to at least 40,000 tenant farmers in the district. Based on repayment, the loan amount would be doubled next year, he said.

Joint liability groups

Lead Bank Manager P. Mohan Reddy said, in case land owner had already availed himself of crop loan, the same would be rescheduled. “Tenant farmers will be organised into joint liability groups and all of them will be ensured crop loans if land owners have taken crop loans for this year before leasing out their land,” Mr Reddy said.

He said a sum Rs. 350 crore was due from farmers to various banks in the district since 2007. There was a scope for rescheduling 90 per cent of the Rs. 600 crore advanced to farmers last year as the district had been declared flood-hit, he added.

APRS district president K.V.V. Prasad urged the district administration and the bankers to arrange for loans to tenant farmers growing tobacco.

Published: July 22, 2011 00:00 IST | Updated: July 22, 2011 08:22 IST UDHAGAMANDALAM, July 22, 2011

250 farmers to be given training in horticulture

Projects estimated at a cost of Rs. 5.74 crore are to be carried out in the Nilgiris district under the National Horticulture Mission during 2011-12.

A release from the District Collector Archana Patnaik here has said that under the Fruit Cultivation Development, banana would be cultivated in 50 hectares, flowers in 25 hectares, ginger and nutmeg in 100 hectares, and aromatic plants in 30 hectares.

For farmers implementing high quality polygreen houses, 50 per cent subsidy of Rs. 3.25 lakhs will be given for 1,000 sq m. Similarly, 50 per cent subsidy will be given for 65,000 sq m of polygreen houses for cultivation of cut flowers. Highest of Rs. 250 a sq m will be given as subsidy for 500 sq m of cut flower cultivation for every farmer. Mulching will be done in 50 hectares and shade net houses will be carried out in 20,000 sq m.

Rs 30,000 will be given as subsidy for vermicompost pits.

Training will be provided to 250 farmers. Twenty-five farmers will be taken on a field visit throughout the State. Those interested should approach the Assistant Agriculture Officer or the Horticulture Officers, the Collector said.

---

hindustantimes

Indo-Asian News Service
New Delhi, July 21, 2011
First Published: 12:50 IST(21/7/2011)
Last Updated: 15:24 IST(21/7/2011)

Food inflation at 7.58% y/y as at July 9: govt

Food inflation declined to 7.58% for the week ending July 9, compared to 8.31% in the previous week as prices of onions, milk, eggs and meat eased, according to official data released on Thursday.

Food inflation had shot up for the week ending July 2.

The primary articles index also fell to 11.13% for the week under review, compared to 11.58% in the previous week, according to data released by the ministry of commerce and industry.

The index for fuels and power continued to hold steady at 11.89% for the week ended July 9.
The index for non-food articles, however, rose 15.5% from 15.2% in the previous week.

Onion prices rose at a slower 19.68% year-on-year, compared to the rise of 30.72% seen in the previous week, while milk prices eased to 10.76%.

Eggs, meat and fish prices also grew at a slow 7.97%.

The following are the yearly rise and fall in prices of some main commodities that form the sub-index for food articles:

Vegetables: 4.31%

Fruits: 15.84%

Potatoes: 4.2%

Cereals: 4.77%

Rice: 1.32%

Wheat: 2.4%

Pulses: (-) 7.67%

http://www.hindustantimes.com/StoryPage/Print/723612.aspx

Weather

Chennai - INDIA

Today's Weather

Partly Cloudy

Friday, Jul 22

Max	Min
37.4°	26.4°

Rain: 00 mm in 24hrs	Sunrise: 5:51
Humidity: 50%	Sunset: 18:38
Wind: Normal	Barometer: 1002

Tomorrow's Forecast

Rainy

Saturday, Jul 23

Max	Min
37°	26°

Extended Forecast for a week

Sunday	Monday	Tuesday	Wednesday	Thursday
Jul 24	**Jul 25**	**Jul 26**	**Jul 27**	**Jul 28**
33° | 27°	32° | 27°	31° | 26°	31° | 25°	28° | 26°
Rainy	Rainy	Rainy	Rainy	Rainy

express buzz

By PTI

21 Jul 2011 02:28:51 PM IST

Food inflation slips to three-week low of 7.58%

NEW DELHI: Food inflation declined marginally to 7.58 per cent for the week ended July 9 on the back of cheaper pulses, but prices of vegetables, cereals, fruits and milk went up, keeping up pressure on household budgets.

Food inflation, as measured by the Wholesale Price Index (WPI), stood at 8.31 per cent in the previous week, ended July 2.

While the rate of price rise of food items exhibited a decline during the period under review, this appears to have been on account of the high inflation figure of 19.52 per cent for the corresponding year-ago period, a phenomenon dubbed the 'high base effect' in economic parlance.

During the week under review, onions became 19.68 per cent more expensive on an annual basis, while fruits grew dearer by 15.84 per cent.

The price of milk was up 10.76 per cent and eggs, meat and fish grew almost 8 per cent more expensive.

Cereals and vegetables became dearer by 4.77 per cent and 4.31 per cent year-on-year, respectively.

Inflation of overall primary articles stood at 11.13 per cent during the week under review, down from 11.58 per cent in the previous week. Primary articles have a share of over 20 per cent in the WPI.

Meanwhile, inflation of non-food articles stood at 15.50 per cent for the week ended July 9, up from 15.20 per cent in the previous week. However, prices of non-food articles were stable on a week-on-week basis.

Commenting on the latest numbers, Finance Minister Pranab Mukhrejee expressed hope of further moderation on the price front.

"If this declining trend continues, I do hope it will have a moderating influence on the price front," he said.

Experts agreed that the pressure from food prices would decline in the coming months, as a good monsoon would lead to a bountiful harvest, but cautioned against high commodity prices.

The data on food inflation comes a day after the government said that pressure from headline inflation would remain till December on account of high global commodity prices, despite moderation in food prices during recent months.

It had also said that post-December, the pressure on the price front would moderate and help stabilise inflation at 6-7 per cent by March, 2012.

Headline inflation stood at 9.44 per cent in June. It has remained consistently above the 9 per cent mark since December, 2010.

On the price front, Mukherjee said the domestic situation was improving, though concerns remain over international issues.

"The trend is encouraging so far as the domestic sector is concerned. But we do not have total control over international issues, international commodity prices, fuel prices and the influence of the external inflationary pressure could have some adverse impact on our domestic front," he said.

Economists also said that pressure from global commodity prices, particularly crude oil, remain.

"Food inflation numbers will fall further due to a good monsoon and sufficient food stock. However, headline WPI will be high as high prices of commodities will put pressure," Crisil Chief Economist D K Joshi said.

the pioneer

Haryana urges Centre to lift food grains stored in open space

July 21, 2011 11:08:36 PM

PNS | Chandigarh

Haryana Government has urged the Centre to change the specifications for the procurement of Bajra at the minimum support price, as State agencies would not be able to procure the crop during the 2011 Kharif season as per the existing specifications.

Speaking at the conference of State Food and Supplies Ministers at New Delhi, Haryana Food and Supplies Minister, Mahender Partap Singh, also urged the Central Government to immediately lift the food grains stored in open spaces in the State.

He also urged the Central Government to dispose of the Bajra that was procured during Kharif 2009 and 2010 and was yet to be disposed of.

“Around 30,000 tonne of Bajra was procured in 2009 while 74,000 tonnes was procured in 2010. The farmers of Haryana would not be able to get remunerative prices for Bajra in the absence of procurement by Government agencies. This Bajra should get distributed in Haryana under public distribution system,” said Singh.

He also requested the Central Government to lift the food grains that were stored in open spaces as they posed the risk of the crops deteriorating in quality.

“At present, Haryana has a storage capacity of 45.82 lakh metric tonne of food grains as against a huge stock of 88.72 lakh tonne of wheat. Besides, 13.75 lakh tonne of rice and one lakh tonne of Bajra are also stored in the godowns of the State. Also, 70 per cent of the food grains are stored in open space in the state,” he said.

He said that Haryana had given more than 99 per cent delivery of rice without any relaxation this year and as such more rice should be lifted from the State as an incentive.

During the Kharif season of 2011, Food Corporation of India needs a storage capacity of about 80 lakh tonne for rice in Haryana and, if movement of rice was not ensured till October 2011, the milling of paddy would not be possible during the coming season, he added.

“Necessary steps should be taken in this direction. On an average, Haryana needs movement of ten lakh tonne of wheat and three lakh tonne of rice every month,” the minister elaborated.

Business Standard

Friday, Jul 22, 2011

Govt estimates bumper cotton, oilseed output

Anindita Dey / Mumbai July 22, 2011, 0:41 IST

The year 2011-12 will witness bumper cotton and foodgrain output. According to the agriculture ministry’s annual crop estimates for the year, the cotton crop will be 34 million bales (1 bale=170 kg), over 30 per cent higher than last year. Importantly, the year will be one of bumper foodgrain and oilseeds production.

Total production of oilseeds is expected to be around 33.6 mt (32.2 mt last year). Jute and mesta combined is projected at 12.3 mt (11.5 mt), while sugarcane and oilseed production are estimated to be 35 mt (31.5 mt) and 33.6 mt (32.2 mt), respectively.

After producing a record 244.5 mt of foodgrain in 2010-11, India is set for another year of record output, touching 245 mt in 2011-12, albeit a marginal growth year over year.

In the latest production estimates finalised by the ministry, rice production, in the kharif and the rabi season combined, is pegged at 102 mt, same as last year.

Wheat production is estimated at 84 mt as against 82 mt last year. Coarse cereal crop production is estimated a bit lower at 42 mt as against 44 mt. Coarse cereal crops include jawar, maize, bajra, ragi, small millets and barley. The pulses output estimate is pegged at 17 mt (16.5 mt), which according to market sources is not very encouraging and leaves scope for imports.

While kharif is the main monsoon season in India that runs from June- September; rabi is the winter season for sowing of crops, usually ranging from November till April. The main kharif crops are rice, coarse cereals, cotton, jute, mesta, sugarcane and oilseeds, while the main rabi crops include wheat, a small part of jawar, barley, pulses and oilseeds.

Officials explained that 2010-11 in itself was a year of record output and therefore, one year cannot result in drastic change in yield or acreage of crops. But, 2011-12 will also be a good year as far as agri production is concerned.

“For pulses and oilseeds, we have taken measures for increasing the area of production. This, however, will take time. For example, there is a technology mission on oilseeds and pulses. On the other hand, the second green revolution in eastern India to increase foodgrain output has already started. To this effect, the government has also announced attractive minimum support prices (MSP) for foodgrains this year. But this will also take time,” explained a highly placed official. MSP is a floor price announced by the government for all crops below which a farmer cannot sell the crops.

Besides the lucrative MSP announced this year for cotton, officials also attribute another reason for increasing acreage. They say the agriculture ministry, of late, has been laying greater emphasis on the eastern region for paddy and wheat output, since the soil capacity for these foodgrains is saturated in the traditional food belt in the north. Therefore, the ministry, based on the recommendation of the Commission for Agricultural Costs and Prices, has advised farmers to shift to cash crops like cotton and sunflower.

Black pepper exports up 6% in first quarter

George Joseph / Kochi July 21, 2011, 0:58 IST

India registered a six per cent growth in black pepper exports in the first quarter of the current financial year, according to the latest provisional estimates.

The country shipped 4,460 tonnes, as against 4,200 tonnes in the same period of the last financial year. Vietnam, the largest producer and exporter of the spice, shipped 35,000 tonnes during April-June.

With Vietnam exporting 68,000 tonnes (black and white together) in the first six months of this calendar year, traders in other producing countries and importers in the West, as well as in the Asia-Pacific, have been debating over the available stock for the second half of the year.

This, coupled with fresh harvest from Indonesia and Brazil, will determine the movement of prices during the next few months.

Since West Asian and European buyers have been staying away from the Vietnamese market, prices have remained flat and are hovering around $5,500 a tonne for the 500 gm/litre variety.

“The only active buyers from Vietnam for the last four weeks are Indian value-added processors for the 550 gm/litre and Asta grades,” said Nguyen, a leading pepper agent.

The most surprising factor is that in spite of the lacklustre demand, prices have been firm in the domestic market, as farmers are selling in a staggered manner.

Brazil, silent for over a month, is back in action and is aggressively selling till the end of this year at a price tag of $6,200 a tonne for the B-Asta grade.

THE HINDU Business Line

Wheat drops below minimum support price

Karnal, July 21:

Slack demand pulled wheat prices below Rs 1,120 a quintal, the minimum support price, on Thursday. The *D ara* variety dropped further by Rs 30 to Rs 1,100 a quintal.

The support price for this season is Rs 1,120 a quintal and the Government also announced a bonus of Rs 50. The *Dara* variety has dropped by Rs 50 a quintal during this week.

There are hardly any buyers even though prices have fallen below the support price, said a wheat trader, Mr Subhash Chander. There were no arrivals from Uttar Pradesh.

Market sources said flour mills were buying stocks meant for below- and above-poverty-line card-holders as those were cheaper.

Prices of *desi* varieties, though, remained unchanged even as trading was slack. *Tohfa* variety sold at Rs 2,175 a quintal, *Maruti* at Rs 1,800 a quintal, *Lal Quila* at Rs 1,900 a quintal and A-1 at Rs 2,040 a quintal.

Flour Prices

Flour prices settled at Rs 1,140, down Rs 10, for a 90-kg bag as buying was poor. Millers won't sell below Rs 1,140 even though there is no demand at that price, said Mr Sewa Ram. *C hokar* prices went down by Rs 5-10 to Rs 480-485 for a 49-kg bag.

Edible oil refiners hike rates

Mumbai, July 21:

Edible oil prices continued to rise on Thursday, despite lower closing of Malaysian palm oil after rising for two consecutive days.

Groundnut oil jumped by Rs 10/10 kg, tracking a price spurt in Saurashtra market. Cotton oil increased by Rs 5. Palmolein and soya oil rose by Rs 9 and Rs 2 each as local refineries increased their selling rates sharply. Lack of resales in market supported the price hike and kept volumes negligible. Bursa Malaysia Derivatives crude palm oil (CPO) futures closed lower in tepid trade as investors' booked profits after two consecutive days of gains. Traders may be liquidating risky positions ahead of a key production and price forecast by analyst Mr Dorab Mistry, said a broker.

According a leading broker, in the absence of fresh local demand, a sudden price hike by refineries and easing resale selling pressure at lower rates, kept business activities at a low key on Thursday.

Refineries have increased their rates for palmolein and soya oil in range of Rs 6/Rs 2 for 10 kg. Lower consumption/retail demand due to month-end period and rainy season kept traders away from fresh buying.

Weak foreign market and clear weather in most of the producing centres increased the expectation of improvement in arrivals. In the beginning of the week, stockists covered good quantity for August deliveries hence they kept away.

In the absence of demand, merely 50-70 tonnes of palmolein were resale traded in the range of Rs 550-551. Towards the day's close, resellers quoted at Rs 552-553. Liberty quoted palmolein at Rs 556, soya oil at Rs 647. Ruchi's rate for palmolein was Rs 554, soya refined oil Rs 644 and sunflower oil Rs 697. Allana's palmolein was offered at Rs 556.

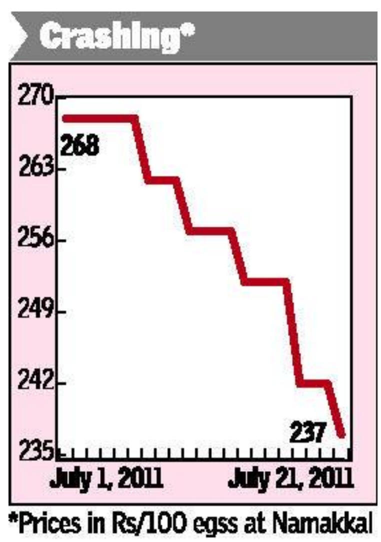
In indigenous oils, rapeseed oil corrected by Rs 3 after continue rise of Rs 28 for 10 kg, in last seven days as speculators book profits.

Groundnut oil and cotton oil rose tracking firm trend at producing centres where after rain clear weather condition attracted fresh buying. Less than expected arrivals of seeds and lack of selling due to higher parity were the supporting factors for price rise.

In Rajkot – Saurashtra, groundnut oil price jumped up by Rs 25 to Rs 1,510 (Rs 1,485) for *Telia* tin and loose – 10 kg rose by Rs 20 to Rs 985 (Rs 965). BMD CPO futures August contracts closed at MYR 3133 (3157), September at 3131 (3155) and October at 3130 (3153) a tonne.

Mumbai Commodity Exchange spot rate (Rs/10kg): Groundnut oil 970 (960), soya refined oil 646 (644), sunflower exp. ref. 655 (655), sunflower ref. 710 (710), rapeseed ref. oil 690 (693), rapeseed expeller ref. 660 (663), cotton ref. oil 665 (660) and palmolein 553 (544).

Auspicious period spells trouble for poultry items



Chennai, July 21:

Egg prices have crashed over 10 per cent since the beginning of this month. This is on account of the start of the auspicious *Aadi* month in Tamil Nadu and *Shravan* in other parts of the country.

On Thursday, the Namakkal zone of the National Egg Coordination Committee (NECC) that covers Kerala and Tamil Nadu cut the price of an egg by five paise to Rs 2.37. At the beginning of this month, the price of an egg was Rs 2.68.

“There is total lack of consumption, especially in the North, due to *Shravan*. Therefore, producers have no option but to cut prices all over the country,” said an industry source.

According to sources, at least 20 lorry-loads of eggs head for Chennai every day from Namakkal. Producers in Namakkal have to contend with eggs that come from places such as Hyderabad and Maharashtra. “Naturally, prices have to match eggs from other States,” said the source.The drop in price could rise to at least Rs 6-7 for every bird that a poultry farmer maintains. “Since the beginning of the year, the selling cost of egg has always been lower than production cost. Only last month, prices looked up but they have fallen again now,” said the source.

FARM-GATE PRICE

Though the price fixed by the NECC is Rs 2.37, the farm-gate price will actually be Rs 2.05-2.10 for an egg

Once summer ends, production picks up but the intervening auspicious period is a drag, according to industry sources.

Prices are likely to stay flat until September.

Meanwhile, the price of a layer bird has been cut by Rs 2 to Rs 38 a kg, while broiler meat prices have been lowered to Rs 47 a kg (Rs 50).

Fresh ‘low' pops up over land, to drive rains

Thiruvananthapuram, July 21:

A fresh low pressure area has sprung up over Gangetic West Bengal and neighbourhood on Thursday, helping slot the crucial land-based monsoon trough back to its normal position.

The ‘low' may have formed over land, but it was sufficient to route the monsoon trough and keep its eastern end anchored in the northeast Bay of Bengal.

This is the ‘next best' alignment to the ideal one when a ‘low' sets up a perch over the sea to which the northwest-to-southeast trough empties itself and allows monsoon easterlies to fill and bring rain over land.

CLOUD COVERAGE

The ‘low' seems to have been triggered in the wake of the weakening of north Pacific typhoon, Ma-On, over Japan. Ma-On had failed to ramp up to super typhoon category, failing global models' outlook.

A weather warning said that isolated heavy to very heavy rainfall would occur over Madhya Pradesh and Chhattisgarh during the next two days and over Jharkhand, Gangetic West Bengal and Orissa on Friday.

Global models saw the Gangetic West Bengal ‘low' moving west-northwest over land as in the case of the deep depression originating from the same region but endowed with far more fire power.

RAIN

During the 24 hours ending Thursday morning, fairly widespread rain was reported from over west Madhya Pradesh, Bihar, Uttar Pradesh, Uttarakhand, Himachal Pradesh, Vidarbha and the Andaman and Nicobar Islands.

Fairly widespread rain or thundershowers is likely over the Northeastern States, Lakshadweep and Andaman and Nicobar Islands.

It would be fairly widespread rain also over Uttarakhand and Uttar Pradesh on Friday and scattered thereafter.

Scattered rain or thundershowers would occur over remaining parts of the country outside west Rajasthan, Andhra Pradesh and Tamil Nadu where it will be isolated.

TN farmers told to sow groundnut

Coimbatore, July 21:

The Tamil Nadu Agricultural University has advised farmers to sow groundnut this season, treat seeds with fungicide and apply gypsum before flowering, which could be after 45–50 days of sowing to reap best returns at harvest.

Farm University researchers, who analysed the price movement in the Tindivanam Regulated Market see the price of the groundnut kernel touching Rs 44-46/kg during the harvest period (October–November).

Citing reports, the researchers pointed out that the total oilseed production in India during 2010-11 was estimated at 39 million tonnes with groundnut at eight million tonnes, soyabean at 9.8 million tonnes, rape/mustard seed at seven million tonnes, cottonseed and copra at 10.8 million tonnes and others at 3.4 million tonnes.

Rising consumption

"The per capita consumption is rising by 3-4 per cent (13.5 kg) and there was huge demand supply gap during 2009-10 with demand touching a high of 15.6 million tonnes against domestic supply of edible oils at 6.5 million tonnes, Dr N. Ajjan, Director, Centre for Agricultural and Rural Development Studies (CARDS) at TNAU said.

The total edible oil production during 2011-12 is estimated at 7.4 million tonnes (slightly higher than the 2009-10 level of 6.5 million tonnes) and imports estimated at nine million tonnes (including seven million tonnes of palm oil, 1.4 million tonnes of soya oil, six lakh tonnes of sunflower oil and 15,000 tonnes of other edible oils), to meet the domestic demand.

(This article was published in the Business Line print edition dated July 22, 2011)

Rubber prices unlikely to fall despite sops for imports

Kochi, July 21:

The announcement that 40,000 tonnes of natural rubber can be imported at the concessional duty of 7.5 per cent has created a flutter in the market and apprehension in the minds of rubber farmers.

What has created greater consternation in the minds of the farming community has been the speed with which the announcement was made.

The announcement came in the backdrop of a short spell of just two weeks when global rubber prices edged lower than domestic prices.

However, Mr R Sanjith, Head of Commodity, United Planters Association of Southern India (UPASI), said that for six months domestic prices were consistently lower than international prices. Between January and mid-July, the average global rubber rice ruled at Rs 244 a kg, Rs 20 higher than the domestic price of Rs 224.

Rubber Board estimate

The Rubber Board has estimated that domestic rubber production will increase by 4.8 per cent in 2011-12 to 9.02 lakh tonnes while consumption is poised to grow by 3 per cent to 9.77 lakh tonnes.

Going by the early trends for the first three months of the current fiscal, the targets are realistic, sources in the Board said.

The potential demand-supply shortfall of 75,000 tonnes can easily be met from the stocks available in the country, they said.

The stock available at the end of June was 2.47 lakh tonnes, enough to last over three months.

While the industry has been consistently questioning existence of the stock, sources in the trade stated that the difference if any would not be so huge as to create a shortfall in 2011-12.

Given the dynamics of the markets and the global demand-supply position, Indian prices are not expected to fall much.

Rubber Board sources said the first consignment of imports undertaken after the announcement was made, would hit the domestic market only 2-3 months down the line.

There is regime of regulatory procedures which have to be complied including regulatory approvals from the Directorate-General of Foreign Trade.

Mr George Valy, President of the Indian Rubber Dealers Federation, said that of the 40,000 tonnes of natural rubber which were permitted to be imported last year, just around 10 per cent would have been imported.

Neither did the announcement, nor the actual imports threaten the price line then, he said.

Short-term blip

However, he did not rule out the possibility of a short-term blip in prices in the wake of the latest announcement.

But even this trend has not been testified to by the developments of the last couple of days when rubber prices did not evince much erosion.

The price spurt in July was mainly due to low arrivals in markets due to incessant rains.

This was also the season of high imports. But all that is poised to change from August when domestic production in poised for their annual cyclical upsurge.

But the increased arrivals from next month are also not expected to depress prices to any degree since it is going to be dictated by global price trends.

In the worst case scenario, India can always resort to the export market if and when the domestic prices fall Rs 10 below the international prices, Mr Valy said.

(This article was published in the Business Line print edition dated July 22, 2011)

Domestic buying, export enquiries lift jeera

Rajkot, July 21:

A rise in domestic demand and new export enquiries pulled up jeera prices marginally in spot and futures markets.

Jeera for August delivery rose by Rs 34 to Rs 16,375 a quintal with an open interest of 19,659 lots on the National Commodity and Derivatives Exchange. September contract was up Rs 44 to Rs 16,799 with an open interest of 15,627 lots.

Jeera gained Rs 25 at Rs 2,100-2,825 for 20 kg at the agricultural produce marketing committee yard in Rajkot.

New arrivals were at around 14,000 bags against 20,000 bags yesterday.

Jeera output in Syria and Turkey is likely to be around 45,000 tonnes (around 30,000 tonnes in Syria and 15,000 tonnes in Turkey), down almost 10,000 tonnes from earlier projections.

According to market sources, jeera output in the current season is likely to be around 21 lakh bags of 60 kg each against 28 lakh bags during the past year because of lower sowing acreage in Gujarat.

Improved offtake perks up soya oil

Indore, July 21:

Improved buying in the physical market pushed up soya oil prices marginally even as foreign markets weakened on Thursday.

Spot soya refined fetched Rs 635-636 for 10 kg, against Rs 632-635 on Wednesday. Soya solvent also gained Rs 3 a quintal on good buying in the physical market. It sold at at Rs 604-607 for 10 kg in spot and delivery markets, against Rs 600-603 on Wednesday. Soya oil refined futures on the National Board of Trade rose, with August contract for soya refined closing Rs 2.90 higher at Rs 665.10 a quintal.

Soya oil futures traded marginally lower on the National Commodity and Derivatives Exchange, with August and September contract closing at Rs 661.3 and Rs 656 for 10 kg.

Soyabean gained on improved export demand for soya de-oiled cake. Soyabean sold at at Rs 2,230-2,280 a quintal in State ex-Indore *mandis*, against Rs 2,220-2,300 in Indore *mandis*. While 45,000 bags arrived in State ex Indore *mandis*, only 2,500 bags arrived in Indore *mandis*.

Sugar firms up on retail demand

Mumbai, July 21:

Spot sugar prices increased by Rs 5-7 a quintal on Thursday.

Mills tender rates increased by Rs 5-10 on improved local retail demand. Stockists were active buyers, expecting higher demand in the coming days. Naka rates were almost unchanged.

A wholesaler said there is no sign of selling pressure for current month's free sale quota as mills are holding the price and keeping tender offer open, despite poor response from buyers. Pressure may be seen next week as monthly quota is due. With weather being clear, retail demand improved.

Secondly, new month quota will be announced next week and that will be a driving factor for the market. The quantity of quota will be the deciding factor for future movement.

tenders

He said on Wednesday about 24-25 mills offered tenders and sold nearly 65,000-70,000 bags (100 kg each) to State level stockists in the range of Rs 2,670-2,725 (Rs 2,665-2,720) for S-grade and Rs 2,750-2,830 (Rs 2,750-2,820) for M-grade.

A little quantity of super fine quality M-grade sugar was sold at Rs 2,850-2,855 also. Neighbouring States' buying was absent. Transport freight rates were unchanged. Arrival in the Vashi market was 51-52 truckloads (each 100 bags) and local dispatches were 49-50 truckloads.

Bombay Sugar Merchants Association's spot rates were: S-grade Rs 2,806-2,842 (Rs 2,791-2,842) and M-grade Rs 2,871-2,991 (Rs 2,851-2,986).

Naka delivery rates: S-grade Rs 2,750-2,790 (Rs 2,750-2,790) and M-grade Rs 2,820-2,950 (Rs 2,820-2,950).

(This article was published in the Business Line print edition dated July 22, 2011)

Turmeric pales as bulk orders dry up

Erode, July 21:

Spot turmeric prices decreased by Rs 100 a quintal on Thursday with traders being guarded in placing bulk orders.

“No North Indian trader placed fresh bulk order with Erode turmeric traders. Only some small quantity orders were placed. Consequently, prices decreased. Bulk buyers decided to purchase limited quantity, fearing to store due to the prevailing downward trend of the yellow spice,” said Mr R.V. Ravishankar, President, Erode Turmeric Merchants Association.

He said that turmeric growers have started realising the situation and are accepting that a bumper crop would be harvested next year and the arrival then will be very high in the local market like this year. So they are of the opinion that prices will not appreciate like last year. Many farmers have decided to liquidate their stocks, selling at the current price. The price in the Regulated Marketing Committee decreased by Rs 323 a quintal due to heavy arrival. Similarly, prices decreased by Rs 240 a quintal in Gobichettipalayam Agricultural Cooperative Marketing Society due to lower arrival of quality goods. In contrast, prices showed an increase of Rs 130 a quintal in the hybrid variety. At the Erode Turmeric Merchants Association Sales yard, the finger variety fetched Rs 5, 009 -7, 074 a quintal, the root variety Rs 4,819-6, 160.

Salem Crop: The finger variety was sold at Rs 6, 669-7, 769, the root variety Rs 5, 989-6, 669. Of the 2,196 bags that arrived, only 627 were sold.

At the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety was sold at Rs 5,246-7,069, the root variety Rs 5, 039 -6,130. Of the 344 bags that were up for sale, 266 were sold.

Tea prices down Rs 8/kg at Coonoor this year

Coonoor, July 21:

Every kg of tea sold through Coonoor Tea Trade Association is currently fetching, on an average, Rs 8 less than this time last year, reveals an analysis of Market Reports.

The auction average is about Rs 59 a kg against Rs 51 last year.

The prices of both orthodox teas which are mostly exported and the CTC teas which are mostly consumed within the country are ruling lower than last year.

Orthodox teas are currently fetching an average price of Rs 71 a kg against Rs 65 last year. CTC teas are fetching Rs 58 against Rs 50.

Increased export demand helped the market to be buoyant in June but insufficient measures to retain the export demand is resulting in lower purchases this month.

With slackened export demand, domestic buyers are facing less competition than in June. This week, 22 per cent of the leaf and 33 per cent of the dust offering had to be withdrawn for want of buyers even after shedding Rs 3 a kg.

In the last few weeks, green tea is also being offered. This week, Hyson grade of Wood Bridge Green Tea, auctioned by Paramount Tea Marketing, fetched Rs 215 a kg and its fine grade was sold at Rs 190.

Bio-pesticide use seen growing

Coimbatore, July 21:

While the market value of bio-pesticides in 2012 is estimated to cross the $1-billion mark, its share of the total pesticide use is expected to touch 5 per cent by 2012. “It rose from 0.2 per cent in the early part of this century to 2.5 per cent in 2005 and we expect it to touch 5 per cent by 2012,” TNAU Registrar, Dr P. Subbian, said. Inaugurating a five-day international workshop on ‘Production of Bio-control agents' organised jointly by the Tamil Nadu Agricultural University and the United States Agency for International Development (USAID)-sponsored Integrated Pest Management Collaborative Research Support Programme (IPM – CRSP), Dr Subbian said the overall growth rate of bio-pesticides was estimated to hover around 10 per cent for the next five years.