THE HINDU

Online edition of India's National Newspaper

Friday, June 10, 2011

Date:10/06/2011 URL: http://www.thehindu.com/2011/06/10/stories/2011061061130600.htm

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Export of agriculture commodities holds great promise

Staff Reporter

Walter D' Souza (second right), Regional Chairman, Federation of Indian Export Organisations (FIEO), Southern Region, at the launch of a link in the university's website in Coimbatore on Thursday. –

COIMBATORE: From conditions of ‘export or perish' to ‘export and perish,' now the situation is ‘export and flourish'. This has been made possible due to the interaction between the Ministry of Commerce and Industry and the exporters in the last decade. Yet, there is still a lot to be done to turn the bread earners of the country into exporters, Walter D' Souza, Regional Chairman, Federation of Indian Export Organisations (FIEO), Southern Region, said here on Thursday.

“From a food-deficit country in the post-Independence era, we have not only become a self-sufficient country feeding 120 crore of our own, but also 27 crore people in the rest of the world through exports. A single ‘Green Revolution' was able to achieve an increase in production and also productivity. But, there are a few sectors like horticulture and food processing that are still weak,” Mr. D' Souza said.

He was speaking at a training on “Exporting Agricultural Commodities from Tamil Nadu” at the Tamil Nadu Agricultural University. The training for State farmers was organised jointly by the Department of Trade and Intellectual Property of the university and FIEO.

“Since the food processing industry is still at a nascent stage, the wastage of agricultural produce is sizeable. Processing of fruits and vegetables is as low as 2 per cent, milk is 35 per cent, meat is 21 per cent and poultry products are 6 per cent. By international standards these levels are significantly low,” he added.

Pointing out that processing of agricultural produce in China was 40 per cent, in Thailand 30 per cent, in Brazil 70 per cent and in Philippines 78 per cent, Mr. D' Souza said value-addition in India was just a mere 20 per cent. The wastage that occurred due to poor rate of food processing was estimated to be a whopping Rs. 580 billion.

He urged the scientists to work hand in hand with the Government and private sector to equip farmers with the best tools to help export of agro-products from Tamil Nadu achieve a quantum jump.

S. Sasikumar, Joint Director General of Foreign Trade, Coimbatore, said: “Due to food inflation, it is becoming impossible to ensure that people had the physical and economic accessibility to a balanced diet that will lead to nutrition security. Food shortage being imminent, it is essential to adopt the fundamental molecular level of research in ensuring food security,” he said.

He urged the scientists to come up with indigenous solutions for local problems and not copy solutions from the West. Only 1.5 per cent constituted the goods and services trade, while the rest was currency based. Hence, with more globalisation, more areas for export had to be identified. Brazil, Russia, India, and China had been identified as having potential for export.

P. Murugesa Boopathi, Vice-Chancellor of TNAU, said that though India had made a significant development in agricultural production, it had not yet become a major player as far as agricultural exports were concerned. The share of India in world agricultural trade was less than one per cent.

“Poor level of food processing in India leads to large wastage of agricultural produce. To reduce wastages and ensure higher returns to farmers, Indian agriculture has to be transformed by increasing the export of agricultural produce,” the Vice-Chancellor said.

A new link of the Department of Trade and Intellectual Property in the university website was launched. A technical manual was also released.

N. Ajjan, Director, Centre for Agricultural and Rural Development Studies, K.N. Selvaraj, Head, Department of Trade and Intellectual Property, and M. Chinnadurai, Head, Department of Agricultural Economics, of TNAU, spoke. K. Unnikrishnan, Director, FIEO, Chennai, was present.

Date:10/06/2011 URL: http://www.thehindu.com/2011/06/10/stories/2011061054841800.htm

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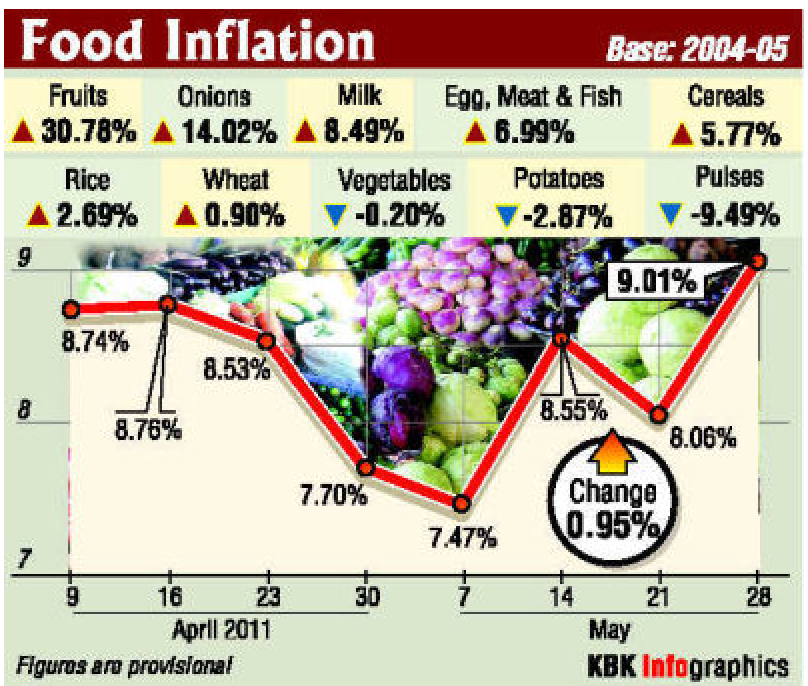
Food inflation at 2-month high

Special Correspondent



NEW DELHI: Food inflation touched a two-month high of 9.01 per cent for the week ended May 28, notwithstanding the Finance Ministry and Planning Commission claims that inflation would moderate in the coming months.

Riding on the back of increased prices of fruits and onions, food inflation, as measured by the Wholesale Price Index (WPI), was 8.06 per cent in the previous week. In the last week of May, 2010, it was as high as 20.62 per cent. The last time when food inflation was above 9 per cent was for the week ended March 26, when it had stood at 9.18 per cent.

According to the official data released by the government on Thursday, fruits became 30.78 per cent more expensive year-on-year, while onions were up by over 14 per cent. In addition, milk prices went up by 8.49 per cent and egg, meat and fish became dearer by 6.99 per cent. Cereals went up by 5.77 per cent on an annual basis. “If the monsoon is favourable, food prices will come down over the next 2-3 months," Prime Minister's Economic Advisory Council Chairman C. Rangarajan said.

Experts said a lot depended on the progress of monsoon and how it behaves. “The monsoon will play a major part in determining the food inflation trajectory. If the monsoon is normal, we may well see a moderation in the rate of price rise of food items in the months to come," Standard Chartered Head of Research Samiran Chakraborty said. Following its arrival in Kerala in the last week of May, the monsoon has progressed till Maharashtra and Andhra Pradesh and the forecast says it will gain momentum in next few days. During the week under review, inflation of overall primary articles stood at 11.52 per cent, up from 10.87 per cent in the previous week. Primary articles have a weight of 20 per cent in the overall inflation basket. However, inflation of non-food primary articles fell to 20.97 per cent from 21.31 per cent in the previous week. Experts were of the view that sustained high global commodity prices would put pressure on headline inflation, which has been above 8 per cent since January, 2010. Headline inflation stood at 8.66 per cent in April.

The Reserve Bank of India, in its Monetary Policy for 2011-12, had projected that the overall inflation would average 9 per cent during the first half of this fiscal, before moderating to around 6 per cent by the end of the financial year.

Date:10/06/2011 URL: http://www.thehindu.com/2011/06/10/stories/2011061067301400.htm

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MSP for paddy raised by Rs. 80

Special Correspondent

NEW DELHI: The Union government on Thursday allowed an increase in the Minimum Support Price (MSP) of Rs. 80 per quintal for paddy during the current kharif season, but it is said to be way below the hike recommended by both the Union Ministry of Agriculture and the Commission for Agricultural Costs and Prices (CACP).

The government said the objective was to boost production during the current kharif season and meet the increased demand in case the Food Security Act were to be put in place.

The Cabinet Committee on Economic Affairs fixed the MSP of paddy common at Rs. 1,080 per quintal and of paddy grade A at Rs. 1,110 per quintal, which is an increase of Rs. 80 per quintal over the MSP fixed for 2010-11.

According to sources, the Ministry had proposed an MSP of Rs. 1,160 per quintal for paddy, but the CCEA tempered it in the face of the prevailing high food inflation.

As regards the CACP recommendation for an additional bonus of Rs. 80 per quintal, the CCEA, reportedly took the stand that the proposal could be considered later if the export ban on rice continued and there was need to procure more in case the proposed food security law were to be enforced.

Continuing with its initiative towards self-dependence in pulses, the government increased the MSP by up to Rs. 400 per quintal. Production of pulses was at a record level of 17.29 million tonnes, thanks to a sharp rise in the MSP in 2010-11.

As a matter of fact the CCEA has fixed the MSP of arhar (tur) and moong higher by Rs. 100 per quintal than that recommended by the CACP.

The MSP of arhar (tur) is Rs. 3,200 per quintal, moong Rs. 3,500 per quintal and urad Rs. 3,300 per quintal, marking an increase of Rs. 200, Rs. 330 and Rs. 400 per quintal.

As last year, this year too, an additional incentive of Rs. 500 per quintal for tur, urad and moog sold to the government procurement agencies during the harvest and arrival period of two months will be paid.

Oilseeds too have been given a favourable treatment with an increase of up to Rs. 500 per quintal.

Date:10/06/2011 URL: http://www.thehindu.com/2011/06/10/stories/2011061058010500.htm

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Farmers firm on zero liquid discharge

R. Vimal Kumar

Not ready for any compromise with dyers Stance conveyed to government

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Tirupur: Farmers living alongside River Noyyal, who faced the brunt of the indiscriminate effluent discharge from dyeing units, are firm on their decision that they would not be ready for any compromise with dyers other than ensuring of zero liquid discharge (ZLD).

A.P. Kandasamy, president of Noyyal River Ayacutdars Protection Association (NRAPA), and on whose contempt petitions the Madras High Court ordered closure of all 754 dyeing and bleaching units in January, told The Hindu that the farmers had conveyed this stance to the government recently through Industries Minister C. Shanmugavelu.

“We have even submitted a booklet containing our justification why the farmers' fraternity wanted the compliance of ZLD, as directed by the court, without getting the criteria diluted by any other alternative method,” he said.

He termed it absurd the proposals aired by a certain sections of industrialists in different forums to allow them continue with the discharge of effluents into River Noyyal subject to the condition that TDS (total dissolved solids) level would be maintained at 2,100 ppm (parts per million).

“We have been forced to take the legal recourse only because of the frequent pollution control norms violations by the dyers in Tirupur cluster whenever they were allowed any sort of discharge all through the last 15 years,” Mr. Kandasamy said.

The farmers had also recently rejected a proposal put forward by the president of an industrial association to the NRPA's legal consultant to allow nine more months to the dyers for ensuring compliance of ZLD norms.

“The suggestion too was rejected point blank as dyers who told the Madras High Court of the same demand in the last week of March, which resulted in the court imposing costs on the Dyers Association for trying to ‘indirectly nullify the closure order issued on January 28', started approaching the Tamil Nadu Pollution Control Board (TNPCB) within the next few days stating various units had successfully implemented the ZLD systems,” they reminded.The TNPCB district environmental engineer said that seven dyeing units had been given permission to recommence their operations after they successfully implemented the ZLD system.With the farmers inflexible on their stance, the rest of the dyers' have now just one solution ahead of them that of following the pollution control guidelines if they had to restart operations of their units.

Date:10/06/2011 URL: http://www.thehindu.com/2011/06/10/stories/2011061066871100.htm

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U.S. varsity students to visit milk production societies, poultry farms

Special Correspondent

— Photo: R. Ragu

People-to-people ties:Andrew T. Simkin, Consul General, US Consulate General in Chennai; R.

Prabakaran, Vice-Chancellor, TANUVAS; and Daniel Grooms of Michigan State University with the team of students, in Chennai on Thursday.

CHENNAI: The United States Department of Agriculture-funded Food Systems Fellowship Grant programme was inaugurated at a function held at Madras Veterinary College here on Thursday.

Giving details about the programme, R. Prabakaran, Vice-Chancellor, Tamil Nadu Veterinary Animal Sciences University (TANUVAS) said six students along with two faculty members from the Centre of Veterinary Medicine Michigan State University (CVM MSU) will visit milk production societies and poultry farms in two districts for a fortnight.

They will interact with the farmers and learn techniques of poultry farming and rearing milch cows. Apart from this TANUVAS had done research on animal production system, which would be demonstrated to the students. The USDA had allocated a grant of 1.5 lakh US dollars for the programme, he said.

Inaugurating the programme, Andrew T. Simkin, Consul General, US Consulate General in Chennai, said there had been advancements in veterinary science. Describing the fellowship programme as a people-to-people tie up, Mr. Simkin said more such programmes were needed.

Around the world there were reports of inflation and providing nourishment to the global population was a major challenge faced by the world community. Fellowship programmes of this kind would help in providing the required nourishment, he added.

Speaking on the occasion, Daniel Grooms, Associate Chair, Department of Large Animal Clinical Sciences, CVM MSU, said the fellowship was a unique programme through which the students from his university would be exposed to veterinary and animal agriculture practices in India.He also invited students from TANUVAS to his country to have a similar exposure.

Date:10/06/2011 URL: http://www.thehindu.com/2011/06/10/stories/2011061050420200.htm

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Vegetable prices soar

K. Lakshmi

Fall in yields, lesser arrivals escalate price of beans

Escalating price has made some vegetables out of reach for consumers.

CHENNAI: After onions that created a record among vegetables that went beyond consumers' reach, beans is following suit. Fall in yields and lesser arrivals of the vegetable to the city have escalated its price to Rs.70-Rs.80 a kg in the retail market.

According to traders in the Koyambedu wholesale market, beans are being sold up to Rs.60 in the wholesale market as the supply is less from places such as Hosur. Broad beans are also costly and priced at Rs.40 per kg in the retail shops.

The market gets its supply of broad beans from localities including Dindigul.

Rains in neighbouring States which supply to the city have also contributed to the cost escalation of some vegetables, traders said. P.Rajini, a resident of Ashok Nagar, said that she was buying lesser quantity of her usual purchase as many of her favourite vegetables had become expensive. “Some vegetables are costly even at the Koyambedu wholesale market,” she said.

C.S. Harikrishnan, a trader in the Koyambedu market, said even seasonal vegetables such as carrots, double beans and green peas are priced high.

This is more than their cost this time last year. One drumstick costs Rs.6. Cabbage is one of the few vegetables affordable and is priced at Rs.10 a kg.

Ladies Finger that was sold for Rs.15 a kg until a week ago now costs Rs.22 in the wholesale market and sold for Rs.28 in retail shops.

Bitter gourd and snake gourd, which are usually priced less, now cost Rs.20-Rs.25 per kg, he said.

However, onions and tomatoes that are relatively cheap bring some relief to vegetable shoppers. While onions cost Rs.18 a kg, tomatoes are sold for Rs.16 a kg.

K.Murugan, who runs a vegetable shop in Korattur, said many residents have started buying 100 g of vegetables such as beans and carrot as they are expensive. “I sell vegetables for Rs.8-Rs.10 more than the wholesale price. I will otherwise suffer a loss as I have to cover transportation charges,” he said.

Date:10/06/2011 URL: http://www.thehindu.com/2011/06/10/stories/2011061057540300.htm

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Small onion prices go up

K. Raju

Poor arrivals and bulk buying for export cause the rise

— PHOTO: G. KARTHIKEYAN

Dearer commodity:Labourers sorting out small onions at the wholesale market in Dindigul

DINDIGUL: Prices of small onion has gone up to Rs.34 a kg from a mere Rs.11 a kg in the three-month period in the wholesale market here on Thursday, thanks to ever growing demand for exports and poor arrivals.

The onion whole sale commission agents hope that the prices will go up further in the days to come, due to the marriage season and other festivals.

Since the ban on export of small onions has been lifted, exporters have started procuring small onions in bulk quantities. They have been buying the entire arrival without worrying about the prevailing price. Demand for small onions is growing in Thailand, Malaysia, Singapore and other East Asian countries every day. Arrival to Dindigul market is around 3,500 to 4,000 bags (each bag containing 50 kg of onion) a day. The exporters have been lifting 95 per cent of arrival. This trend has been prevailing for the past one week.

With no arrival from domestic farmers owing to lack of season, traders manage to meet the growing demand of exporters with arrivals from neighbouring districts. At present, the market receives onions from Coimbatore, Tirupur and Erode districts.

Most beneficiaries of the price rise are onion growers from neighbouring districts. Arrival from domestic farmers will hit the market only after September.

Even as both farmers and traders are happy over better procurement price for small onion, one section is not happy. And they are small onion vendors, who procure onions in small quantities and sell in the retail market. Exporters leave only pittance for them to buy. Shortage of onions has hit the domestic market acutely. The retail sellers could sell onions only for Rs.40. All small buyers including hotels and restaurants had to share 300 to 500 bags left by exporters. If this trend of short supply continued, onion prices will shoot up sharply affecting domestic customers, worried retail sellers. Exporting only the surplus stock alone will solve the problem, they added.

Date:10/06/2011 URL: http://www.thehindu.com/2011/06/10/stories/2011061051030500.htm

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Water released for Kuruvai cultivation

Special Correspondent

THANJAVUR : Water was released from Grand Anicut for Kuruvai cultivation in the Cauvery delta districts on Thursday.

As the shutters were lifted at Cauvery, Vennar, Grand Anicut and Kollidam systems in the Anicut, water gushed out of the sluices much to the delight of the farmers and people who have gathered at the Anicut.

After offering pujas to Lord Anjaneya, and Lord Ganesa at the temples located at the Anicut, State Ministers R.Vaidyalingam and N.R.Sivapathy, O.S.Manian MP, C.Suresh Kumar, Collector (in-charge), Thanjavur, C.Munianathan, Collector, Tiruvarur, T.Munusamy, Collector, Nagapattinam, P.Balasubramaniam, Chief Engineer, PWD, S.Asokan, Superintending Engineer, PWD, K.A.Nagarajan, Exeuctive Engineer, Karaikal representing Puducherry government lifted the shutters at the Anicut. They sprayed paddy seeds to mark the beginning of the Kuruvai season.

Water reached the Anicut in the afternoon and it was released at 6 p.m. Water weeds formed a green carpet on water thus making the full water portion of the Anicut to look green.

There was a slight drizzle. Later briefing presspersons, Mr.Vaidyalingam, Minister for Housing, said that for the first time after Independence, Mettur dam was opened on June 6, ahead of the traditional date of opening on June 12, this year for Kuruvai cultivation. Advance release of water will help farmers to save the Kuruvai crop from getting caught in the North east monsoon in October and November during harvest.

From Grand Anicut, 4000 cusecs each is released into Cauvery and Vennar systems, 1500 into Grand Anicut Canal systems and 500 cusecs into Kollidam system.

The Minister said that quantum of water released will be increased depending upon the need. Kuruvai will be raised on 40,000 hectares in Thanjavur district, 38,000 hectares in Nagapattinam district and 40,000 hectares in Nagapattinam district. In total, Kuruvai will be released on 1,18,000 hectares in the three districts.

The Minister said that desilting works taken up by the PWD Department will be completed before water reached tail end areas. There is adequate stock of fertiliser. Tamil Nadu Chief Minister Jayalalithaa has also written to Central government seeking more fertilizers.

MLAs Ranthanasamy (Thiruvaiyaru), Rangasamy (Thanjavur), Balasubramanian, Joint Director of Agriculture, Thanjavur participated in the function.

Date:10/06/2011 URL: http://www.thehindu.com/2011/06/10/stories/2011061060450300.htm

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Farmers told not to bring paddy for procurement

Staff Reporter

Produce stocked in 32 schools to be removed

Millers promise to lift stocks from schools by June 13Farmers asked to keep paddy at home for two weeks

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SANGAREDDY: The district administration has asked farmers not to bring paddy, at least for two weeks, for storage as there was no space at procurement centres.

The instructions are more specific at places where the Indira Kranthi Patham (IKP) centres were procuring paddy from farmers.

So far, the administration has used 32 schools, currently on vacation, to stock the paddy procured from the farmers. The schools are located at Chinnakodur, Chegunta, Dubbak, Siddipet, Gajwel, Kondapaka, Kowdipally, Kulcharam, Medak, Mirdoddi, Papannapet, Ramayampet, Shankarampet (A), Shankarampet (R), Narsapur, Shivampet, Toguta and Veldurthi. The IKP centres have stocked the paddy in schools. As the schools will re-open next week, the administration has decided to lift the stocks.

Plea for cooperation

Collector S. Suresh Kumar recently held a meeting with the millers in the district seeking their cooperation in vacating the schools.

About 3,500 tonnes of paddy is stocked in these schools and the millers have reportedly promised to lift the stocks before the deadline of June 13.

Onset of monsoon

As the rainy season has almost set in, the officials have asked the farmers not to bring the paddy to the procurement centres as it will be better to wait for a couple of weeks by keeping the produce at home. “It will be a loss for farmers if they take paddy to the market yards which have no space and the rains have started.

In a couple of weeks, some space in the market yards will be available for new arrivals,'' said IKP district project manager M. Mallesh.

Date:10/06/2011 URL: http://www.thehindu.com/2011/06/10/stories/2011061065960600.htm

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State streamlining Bt cotton seed supply

Special Correspondent

Seed companies agree to supply one crore seed packets

Chief Secretary S. V. Prasad reviews supply of cotton seed with district officials

‘Ryots preferring only two brands out of the 30 varieties of certified hybrid cotton seed'

HYDERABAD: Concerned over the agitation by farmers over shortage of Bt cotton seed and the delay in supplies, the government initiated a series of measures to streamline the distribution and infuse confidence among farmers.

The government, which recently increased the price of Bt cotton seeds after studying the situation in other States, asserted that the seed companies agreed to supply one crore seed packets against the requirement of an estimated 91 lakh packets.

Kiran's instructions

Yet, as the long wait for the Bt cotton seed continued, Chief Minister N. Kiran Kumar Reddy a few days ago issued instructions to all district officials to keep adequate stocks of cotton seed and expedite their supply to the needy farmers. He also said officials should crack down on those indulging in hoarding to create artificial scarcity for black-marketing.

Chief Secretary S. V. Prasad, who reviewed the supply of cotton seed with District Collectors, Superintendents of Police and other officials over phone here on Thursday, said that the government already despatched 43.84 lakh packets to various districts and the balance 56 lakh packets would be supplied in the next few days.

Among the districts where the demand for the Bt cotton seed is more, Adilabad was supplied the highest quantity of 8.94 lakh packets, Khammam- 3.8 lakh packets, Guntur 2.98 lakh packets so far. As there was no shortage of cotton seed, he wanted the district officials to regulate the supply and cut down the delay.

Special task force teams comprising officers of agriculture, revenue and police departments swung into action in the districts to check hoarding and seize such stocks.

Such raids were taken up in Nalgonda, Karimnagar. Six dealers indulging in black marketing were arrested and action was taken against one distributor so far, officials informed.

Meanwhile, Collectors reported that the farmers were preferring only two brands out of the 30 varieties of certified hybrid cotton seed resulting in excess demand for some varieties.

Date:10/06/2011 URL: http://www.thehindu.com/2011/06/10/stories/2011061053560300.htm

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Biotech will contribute to food security: JNTUK V-C

Staff Reporter

KAKINADA: Marking its 13th anniversary, city-based Society for Promotion of Integrated Coastal Areas Management (SPICAM) conducted a national seminar on ‘Current trends in aquaculture development, its future, prospects of processing and marketing' at the seminar hall of JNTUK on Thursday.

Vice-Chancellor of JNTUK Allam Appa Rao, who was the chief guest, said that JNTUK was the first Indian University to launch M.Tech. in food technology. He felt that biotechnology could contribute to the future food security in developing countries such as India.

Stating that protection of intellectual property rights would encourage private sector investment in agro-biotechnology, he said that in developing countries the needs of smallholder farmers and environmental conservation were unlikely to attract private funds.

President of SPICAM T. Rajyalakshmi underscored the need for multidisciplinary approach to achieve development and called upon various departments pertaining to sea foods to work together to improve food security.

Demand for shrimp

President of All India Hatcheries' Association L. Satyanarayana faulted various government departments for not working with close coordination.

He felt that it was hampering the industrial development, particularly in the area of sea foods.

He, however, foresaw huge demand for shrimp in the international market in the next five years.

Date:10/06/2011 URL: http://www.thehindu.com/2011/06/10/stories/2011061050930500.htm

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Rs. 360 crore crop loans to be rescheduled

Special Correspondent

KADAPA: Seed distribution is in progress in all 50 mandals in Kadapa district from June 4, district Collector Shashi Bhushan Kumar said on Thursday.

Addressing ZPTC members, district and municipal officials in the last District Planning Committee meeting at the ZP meeting hall here, he said Reserve Bank of India accorded permission to reschedule the crop loans amounting to Rs. 360 crore for farmers in 20 mandals, which recorded crop losses owing to heavy rainfall and cyclone last year and wanted rescheduling completed by June 30. Disbursement of crop loans of Rs.1,336 crore was targeted this year.

Under Backward Areas Growth Fund, 7,436 works were taken up with an outlay of Rs.97 crore in the last four years and 6,152 works were completed with an expenditure of Rs.81 crore. He told officials to keep seed available for farmers as monsoon has set in. Less number of farmers were given loans last year. Three bags of seed would be supplied per pattadar passbook, the Collector said.

Water scheme became functional in Rayachoti and water supply through tankers was stopped there. Drinking water was supplied by tankers in rural areas by spending 16 lakh. The government issued G.O. No. 55 facilitating laying of roads in SC and ST colonies.

He wanted officials to take measures to check incidence of rabies Zilla Parishad CEO A.S. Venkataswamy also spoke.

Date:10/06/2011 URL: http://www.thehindu.com/2011/06/10/stories/2011061062570300.htm

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Farmers selected for Suvarna Bhoomi scheme

Staff Correspondent

Opposition to draw of lots in five Raitha Samparka Kendras

60,000 applications received from 27 RSKs against the target of 17,452 Funds already released for distributing the first instalment of Rs. 5,000 each to beneficiaries

BELLARY: The process of selecting beneficiaries of the Suvarna Bhoomi Yojana through draw of lots passed off smoothly on Thursday at 22 Raitha Samparka Kendras (RSKs) in the district, though it was opposed by farmers in five kendras.

Since the number of applications for the scheme was in excess of the target set, the authorities decided to select beneficiaries by a draw of lots, as directed by the Government. Under the scheme, the Government will pay an incentive of Rs. 10,000 each to beneficiaries, in two instalments, to diversify their agricultural activities into horticulture, apiculture, dairy farming and so on. In Bellary district, nearly 60,000 applications were received from the 27 RSKs against the targeted 17,452.

Farmers in Chornur of Sandur taluk, Hosahalli in Kudligi taluk, and Hagari Bommanahalli, Kogali and Tambralli in Hagari Bommanahalli taluk, opposed the draw of lots and urged the Government to provide the cash incentive to all applicants. Alternatively, the funds set aside under the scheme could be equally distributed among all the applicants, they said.

The higher-ups had been informed of the opposition and their advice was awaited. “We will persuade the farmers to accept the method. Otherwise, they may lose the benefits of the scheme.”

The funds to disburse the first instalment of Rs. 5,000 each had been released. Cheques would be handed over to farmers before the end of the month.

Date:10/06/2011 URL: http://www.thehindu.com/2011/06/10/stories/2011061062390300.htm

Sowing for kharif season begins in Dharwad district

Staff Correspondent

Farmers has started sowing in Dharwad, Kundagol and Kalghatgi taluks Navalgund and Hubli to follow suit in couple of days

ENTHUSIASTIC:Farmers sowing in a field at Yadwad village in Dharwad district.

DHARWAD: Agricultural activities for the kharif season have gained momentum following heavy rainfall in last 72 hours in the district.

Farmers began sowing in three out of five taluks — Dharwad, Kundagol and Kalghatgi.

They have been busy preparing fields to sow paddy, maize, soya and cotton — the main crops of the region. In Navalgund and Hubli taluks, sowing is expected to begin in a couple of days as these areas received good rainfall in the last 24 hours.

Ganesh Naik, Joint Director, Department of Agriculture, said a target area of 2.48 lakh hectares had been set for agricultural activities this season. Against the total sown area of 8,000 hectares, paddy will be sown in 6,000 hectares, and soya and cotton in the remaining 2,000 hectares.

The Metrological Department predicted good rainfall this season and, hence, the department distributed seeds and fertiliser to farmers in advance.

There is a demand for 15,000 tonnes of seeds in the district while the department had procured 12,000 tonnes. Of these, 8,000 tonnes were distributed to farmers through Raitha Sampark Kendras.

As the Government does not provide subsidy for commercial crops such as Bt cotton, arrangements were being made to supply Bt cotton seeds through private merchants.

Many farmers in Kalghatgi and Dharwad have opted for cotton in kharif season, following a bumper crop last year.

Intercropping

Intercropping is practised in Navalgund, Hubli and Kundgol where farmers grow green gram, millets and Bengal gram along with the main crop as these can be harvested within three months. Farmers in Kundgol generally give priority to chilli.

Fertiliser demand

The total demand for fertilizer in the district is 60,000 tonnes. The Government had already supplied 30,000 tonnes and the second load was expected soon.

Date:10/06/2011 URL: http://www.thehindu.com/2011/06/10/stories/2011061065370300.htm

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Farmers cold to mechanised cultivation

Staff Correspondent

— Photo: R. Eswarraj

TECHNOLOGY: People watch a demonstration of rice transplanter during a workshop on mechanised paddy cultivation at Krishi Vignana Kendra in Mangalore on Thursday.

MANGALORE: Farmers in Dakshina Kannada are yet to show interest in the mechanised paddy cultivation, which is claimed to provide good yield at a lesser production cost.

This was revealed at the workshop on mechanised paddy cultivation that was held here on Thursday. The workshop was jointly organised by the University of Agriculture, Bangalore, Krishi Vignana Kendra, Dakshina Kannada Zilla Panchayat's Agriculture Department, Dakshina Kannada Agriculture Development Society, and the VST Tillers and Tractors Limited.

Joint Director of Agriculture A. Padmayya Naik said not many farmers had shown interest in government scheme for the purchase of Rice Transplanters of VST Tillers. So far, four farmers had shown interest in the scheme, which was being implemented since May.

The State government initiated a scheme to give subsidy of Rs. 77,000 to each farmer for the purchase of the transplanter that costs about Rs. 1.7 lakh. The farmer had to pay Rs. 33,000 and he would be asked to sow paddy on about 50 acres of land of farmers registered at the Raitha Samparka Kendra. Each of the farmer in whose field the paddy was sowed had to pay the purchaser of transplanter Rs. 2,000 for each acre of sowing. While the purchaser would retain Rs. 500 with him, he would remit Rs. 1,500 to the VST. The State government was providing a subsidy of Rs. 1,000 for the farmer for each acre of sowing done using the transplanter. Mr. Naik asked farmers to go for purchase of a transplanter in a group and carry out sowing in their areas.

Divisional Manager of VST Tillers and Tractors P.C. Prasad said the new scheme set a target to bring mechanised cultivation to 50 per cent of the 50,000 hectres of paddy cultivable land in Dakshina Kannada, which was one of the 15 districts where the scheme was being implemented.

Date:10/06/2011 URL: http://www.thehindu.com/2011/06/10/stories/2011061053270300.htm

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New gram variety in demand

Rishikesh Bahadur Desai

However, scientists advice farmers to exercise caution

‘Dal mill owners prefer the pink variety' The gram is highly susceptible to disease: expert

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Bidar: A new variety of red gram, Cajanus Indicus, which is pink, has become a rage among farmers in the district.

Farmers have been queuing up to buy these seeds, trusting that the crop will fetch better prices due to its unique colour and bigger size. Scientists have, however, cautioned against the trend, stating the claims made about the seed have not been verified and that the pink toor dal could attract disease more easily than other varieties.

Rasool Khan of Mannalli, who has bought enough pink toor seeds to sow in four acres, said he decided to go for this variety after his friend, Basavaraj Pawar, another farmer, recommended it.

Mr. Pawar said Amritappa Chincholikar, a ‘munim' (clerk), who works for Patil Brothers, an agriculture commission agents' firm in Bidar, sold him the seeds, claiming the crop would fetch him Rs. 200 more per quintal than other varieties. When contacted, Mr. Chincholikar said all the ‘munims' in the Gandhi Gunj agricultural market in Bidar were selling the pink seeds. Veerashettappa Gangashetty, president of the Gandhi Gunj agricultural traders' association, said when contacted that the pink variety was in great demand as the dal mill owners also preferred it to other varieties.

Basavaraj Dhannur, one of the mill owners, said he preferred the pink variety as de-husking it was easier. The skin peeled off completely in the pink variety, unlike in other varieties. This quality made it the fastest selling dal in the market. As the demand for the dal was high, traders tended to buy it by paying a premium to the farmers, he explained. “I think over 75 per cent of the toor grown in Raichur is of the pink variety. That is where we are getting the seeds from,” Mr. Dhannur said.

However, C.R. Konda, senior scientist at the Agriculture Research Station in Bidar, advises caution.

He said farmers should be cautious while choosing the pink variety as it was highly susceptible to the fusarium pigeon pea wilt disease. “Hectares of red gram crops have been destroyed by the disease in Bidar and Gulbarga districts in the past. If that happens again, farmers will suffer heavy losses,” he said.

Farmers' associations suspect the focus on pink toor could be a ploy of the agricultural traders. Traders take advantage of the gullibility of farmers and create hype just to sell their wares, said Karnataka Pranta Raitha Sangha district president Siddappa Metre.

“What will happen if all farmers grow the pink variety? The same traders will force farmers to sell them the toor for very low prices in the next harvest and say there was a demand for other varieties that will obviously be in short supply,” he said

Date:10/06/2011 URL:
http://www.thehindu.com/2011/06/10/stories/2011061062500300.htm

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‘Don't depend on MNCs for seeds, fertilizers'

Staff Correspondent

Shimoga: Kadidal Shamanna, farmers' leader, has urged farmers not to depend on multi-national corporations for seeds and fertilizers.

He was speaking at a programme organised here on Thursday under the aegis of Sahaja

Samrudha organisation to distribute native varieties of seeds among farmers.

High yield

He said farmers should exchange the native varieties of seeds and free themselves from the clutches of multi-national corporations . The native varieties of seeds had the capacity to deliver high yield by braving vagaries of weather. Research had proved that some native strains had medicinal quality. The practice of exchanging seeds had been prevalent prior to the green revolution. The system needed to be revived and farmers should develop a network to exchange seeds and share knowledge of farming, he said.

The excessive dependence on MNCs for seeds and fertilizers had pushed farmers to dire straits. Referring to the incident of the police firing on farmers who were protesting for fertilizers in Haveri, he said that such a situation could be avoided by promoting farmers to become self-reliant.

The nationwide campaign against Bt brinjal proved that farmers were against genetic engineering. He said genetic engineering would create serious imbalance in the nature.

Agriculture expert Krishnaprasad said farmers who grow cotton, maize, and sunflower had lost the freedom to select seeds. MNCs engaged in seed business were trying to deceive farmers by creating myths in the name of genetic engineering. The high-yielding varieties introduced by MNCs had failed in Indian conditions, he said.

Chikkaswamy of Karnataka Rajya Raitha Sangha said farmers should collect, process, and exchange the high-yield varieties of native seeds.

Progressive farmer Revanasiddappa of Sindhanur spoke.

hindustantimes

HT Correspondent, Hindustan Times
Email Author

New Delhi, June 09, 2011
First Published: 20:39 IST(9/6/2011)
Last Updated: 01:58 IST(10/6/2011)

Govt in dilemma as food inflation jumps

Government policy-makers are headed for a fresh dilemma, as there is no sign of respite on the inflation front. India's food inflation surged to a two-month high of 9.06% for the week-ended May 28, driven by costlier fruits, and protein-based items such as milk, egg, meat and fish.

That means prices are not under control despite a slew of fiscal and monetary measures and the Reserve Bank of India (RBI), due for a policy meeting on June 16, may have a bigger headache than it was expecting.

Food inflation was 8.06% in the previous week, but is set to rise further in the next few weeks following a possible hike in prices of diesel and cooking gas. And it does not help that global crude prices are surging again, while finance minister Pranab Mukherjee said on Wednesday that the government may miss its tax collection targets — implying a crunch on spending power.

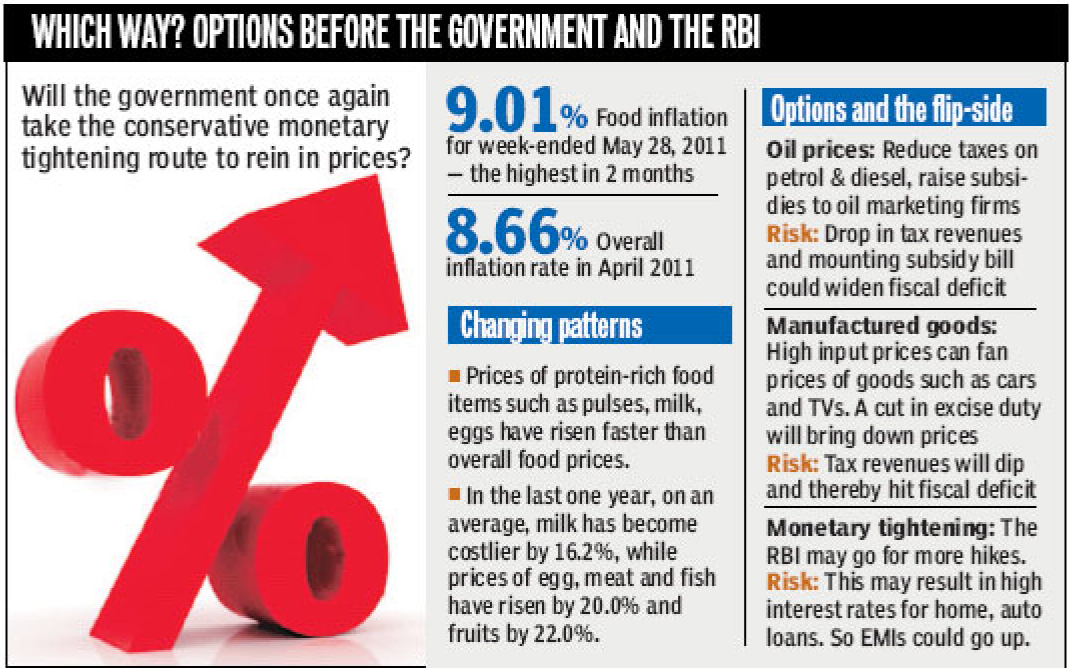
High food and commodity prices are fanning prices of most manufactured goods and inflation of non-food articles has been in the range of 20-25% over the past many weeks.

Both the government and the RBI have acknowledged that underlying inflationary pressures have accentuated, even as risks to growth are emerging.

The RBI has raised the repo rate, the rate at which banks borrow from RBI, by nine times to in 13 months to 7.25% to cool prices.

Costlier money chokes demand for loans.

Experts expect the Reserve Bank of India to raise interest rates again in its mid-quarter review, despite signs of an industrial slowdown. India's manufacturing sector grew by 5.5% during January to March, the slowest in 18 months.



"In light of still-high WPI inflation and the incomplete adjustment in fuel prices, it is likely that the RBI will hike the repo rate by 0.25 percentage points," Rajeev Malik, senior economist as broking and research firm CLSA, told Hindustan Times.

A lot will still depend on an adequate monsoon. The Met department has forecast a normal monsoon, crucial for the summer-sown crop that accounts for more than half of the country's annual food
output.

A strong farm sector output is critical to bringing down food product inflation that is inching towards double digits and has spread on to "core inflation," affecting prices of goods other than food and fuel.

"If monsoon is favourable, food prices will come down over the next 2-3 months. Overall inflation rate will come down slowly by October-end," Prime Minister's economic advisory council chairman C Rangarajan told reporters on Thursday."Once monsoon picture becomes clear, I expect decline in prices. We could see WPI (wholesale price inflation) at 6.5% by March-end," Rangarajan said.India's farm sector expanded at 6.6 % during 2010-11 and the government is pinning its hopes on strong agriculture output for the second straight year to sustain the growth momentum in the broader economy and keep food prices in check as well.

http://www.hindustantimes.com/StoryPage/Print/707640.aspx

Weather

Chennai - INDIA

Today's Weather

Clear

Friday, Jun 10

Max Min

37.6° | 26.6°

Rain: 00 mm in 24hrs	Sunrise: 5:41
Humidity: 79%	Sunset: 18:34
Wind: Normal	Barometer: 1003.0

Tomorrow's Forecast

Rainy

Saturday, Jun 11

Max Min

35° | 28°

Extended Forecast for a week

Sunday	Monday	Tuesday	Wednesday	Thursday
Jun 12	**Jun 13**	**Jun 14**	**Jun 15**	**Jun 16**
35° | 29°	34° | 28°	32° | 27°	32° | 27°	32° | 28°
Rainy	Rainy	Rainy	Rainy	Rainy

THE ECONOMIC TIMES
Fri, Jun 10, 2011 | Updated 08.31AM IST

10 Jun, 2011, 06.09AM IST, Sutanuka Ghosal,ET Bureau

Soya nuggets sales zoom in Urban markets

KOLKATA: Soya nugget demand is hotting up as health conscious urban Indians heap more on their plate. While new entrants like Priya Biscuits have started offering soya chunks, older players are expanding capacities to meet demand .

The soya nugget market in India is growing at a rate of 25% to 30% which are prompting companies to become more active. Jatin Girdhar , director of Savour India, said: "Soya nuggets are becoming very popular in India because of its high protein content and cheap price.

We are seeing that health conscious urban Indians are picking up the product with a lot of enthusiasm. The market has been growing at a rate of 25-30 % year-onyear basis."

9 Jun, 2011, 02.19PM IST,PTI

Cardamom futures remains up on firm spot demand

NEW DELHI: Cardamom prices rose by Rs 12 to Rs 775.80 per kg in futures trade today largely on the back of strong demand against the restricted supply in the spot market.

At the Multi Commodity Exchange , cardamom futures for delivery in June rose by Rs 12, or 1.57 per cent to Rs 775.80 per kg, with a trading volume of 390 lots.

Cardamom for July delivery rose by Rs 10.30, or 1.23 per cent to Rs 845.60 per kg in 345 lots.

Similarly, the spice for delivery in August rose by Rs 9.90, or 1.13 per cent to Rs 889 per kg, with a business turnover of 60 lots.

Market analysts said the rise in cardamom futures prices was due to strong domestic and export demand amid low stocks followed by restricted supply.

Lower arrivals in the physical markets further fuelled the gains in futures prices of cardamom, they added.

9 Jun, 2011, 02.17PM IST,PTI

Crude palm oil futures marginally up on spot demand

NEW DELHI: Crude palm oil prices went up marginally by Rs 2.90 to Rs 523 per 10 kg, in futures trade today as speculators created fresh positions on the back of a rise in spot market demand.

On the Multi Commodity exchange , crude palm oil futures for delivery in June rose by Rs 2.90, or 0.55 per cent to Rs 523 per 10 kg, with a business volume of 99 lots.

Similarly, the oil for delivery in July edged up by Rs 2.80, or 0.53 per cent to Rs 523.30 per 10 kg, with a business turnover of 187 lots.

The oil for delivery in August went up by Rs 2.50, or 0.48 per cent to Rs 522.40 per kg in 82 lots.

Analysts said fresh buying by speculators on the back of pick-up in demand in the spot market mainly pushed up crude palm oil futures.

expressbuzz

By PTI

09 Jun 2011 12:47:23 PM IST

Food inflation rises to 9%, rate hikes in offing

NEW DELHI: Notwithstanding the government's projections of a moderation in the rate of price rise of food items, food inflation jumped to a two-month high of 9.01 per cent for the week ended May 28 on the back of costlier fruits, onions and protein-based items.

Food inflation, as measured by the Wholesale Price Index (WPI), was 8.06 per cent in the previous week, while it was as high as 20.62 per cent during the last week of May, 2010.

The latest numbers are the highest level of food inflation since the week ended March 26 when it had stood at at 9.18 per cent.

For the last two months, the rate of price rise of food items has been below the 8 per cent mark.

As per data released by the government today, fruits became by 30.78 per cent more expensive year-on-year, while onions were up by over 14 per cent.

During the week under review, milk prices were up by 8.49 per cent and egg, meat and fish became dearer by 6.99 per cent. Cereals also became costlier by 5.77 per cent on an annual basis.

However, the prices of pulses went down by 9.49 per cent year-on-year, while vegetables and potatoes became cheaper by 0.20 per cent and 2.87 per cent.

Inflation in overall primary articles, which have a weight of 20 per cent in the headline WPI, was reported at 11.52 per cent during the week under review, up from 10.87 per cent in the previous week.

However, inflation of non-food primary articles fell to 20.97 per cent, as against 21.31 per cent in the previous week.

This is likely to bring some cheer to the government and the Reserve Bank, who have termed inflationary pressure from the core (non-food) segment as the biggest threat to the economy in the near future.

In the non-food segment, fibres became dearer by 56.56 per cent year-on-year, while minerals were up 12.11 per cent.

Fuel and power became more expensive by 12.46 per cent and petrol by 33.23 per cent on an annual basis during the week under review.

The government and RBI had said that in the months to come, inflationary pressure would be more from core (non-food) items on account of high global prices of commodities, particularly crude.

A rise in prices of food items was the main reason for inflationary pressure during 2010. Food inflation was in double digits for most of last year, before showing signs of moderation from March this year.

Food inflation had fallen to an 18-month low of 7.47 per cent in the first week of May. However, the prospects for a prolonged moderation now seems to have vanished.

Headline inflation stood at 8.66 per cent in April. The RBI, in its monetary policy for 2011-12, had projected that overall inflation would average 9 per cent during the first half of this fiscal.

The latest jump in food inflation numbers comes in the wake of a slew of bad news for the economy.

GDP growth of the country slowed to a five-quarter low of 7.8 per cent during the January-March quarter, while the six core industries registered meagre 5.2 per cent expansion in April.

Experts had blamed inflation and the resultant rate hikes by the RBI, which resulted in slowing down of investment, for the poor economic growth numbers.

The RBI is expected to go for another round of rate hikes at its mid-quarterly review next week.

the pioneer

Puts forward need for DAP to increase soyabean production

June 10, 2011   11:10:13 AM

Pioneer News Service | New Delhi

Chief Minister Shivraj Singh Chouhan met Union Chemical and Fertilisers Minister Shrikant Jena and Union Road Transport and Highways Minister CP Joshi here on Thursday.

Chouhan requested Jena to ensure an early availability of 2.70 lakh DAP with an aim of increasing soyabean production this year.

Chouhan informed that June 15 to July 30 is a period of soyabean sowing. Demand of DAP goes high during this period. He told Jena that Madhya Pradesh was allotted only one lakh 45 thousand metric tonne DAP against actual need of 2.70 lakh metric tonne. Moreover, the State has received only 62,000 metric tonne DAP so far.

Jena assured Chouhan of providing DAP as per demand of the State to increase food production. The Union Minister said that 82,000 metric tonne DAP would be provided to the State till June 25. The Central Government will keep on providing fertiliser with priority as per demand from time to time. Jena lauded the efforts of Chouhan for giving bonus amount to the farmers on support price and depositing the amount directly into the farmers' accounts. Chouhan drew the attention of Joshi that NHAI has been entrusted the responsibility of constructing seven national highways of 1,250 km but there is no progress in this direction. Madhya Pradesh Road Development Corporation has to develop 8 roads of 700 km and DPR of seven roads has been forwarded to the Government of India. However, only one road on Gwalior-Bhind has been given administrative sanction. Chouhan urged Joshi for according approval for the construction of seven roads with releasing the requisite funds as expeditiously as possible. Chouhan apprised the Union Minister of proposal of 11 roads under inter-state connectivity project upon which a total amount of Rs 140 crore is expected to be spent.

Apprises of need for arrangements to store wheat

June 10, 2011 11:10:18 AM

Pioneer News Service | New Delhi

Madhya Pradesh Chief Minister Shivraj Singh Chouhan on Thursday met Union Minister for Food and Civil Supplies, Consumer Affairs and Public Distribution System Prof KV Thomas in New Delhi.

Chouhan told Thomas that over 49 lakh metric tonne of wheat has been procured on support price in Madhya Pradesh this year. Over 62 lakh metric tonne of wheat is expected to be procured on support price in the State next year, he added. He pointed out that at present wheat is lying in open area for which arrangements should be made to transport it to other States.

He informed that as much as 18 lakh metric tonne of wheat is lying in open area which has to be stored safely. Chouhan said that there is a need to increase the storage capacity of foodgrain by 30 lakh metric tonne in the State. The Chief Minister further added that as the wheat has to be stored before the onset of monsoon otherwise it will rot in rains. Thomas praised Madhya Pradesh for directly depositing the money into the accounts of farmers.

Chouhan told Thomas that land would be made available for construction of warehouses in the State. The Central Government should provide necessary funds for construction of warehouses in the State. "Efforts are being made to execute the work of Public Distribution System through the forest committees in the State. The ration-cards are being linked with the UID in five districts of the State so that the ration quota is provided properly to the BPL families," he added.

Better flood control info this season

June 10, 2011 11:10:28 AM

The flood control information network would be extended in the ensuing monsoon so as to improve better flood control management in the State. The railways would also be provided flood information so that they can take necessary action in case railway traffic gets affected.

This was stated by Additional Chief Secretary OP Rawat who was chairing the review meeting at Narmada Bhawan on Thursday with various departments. Rawat asked departmental heads to use latest available information transfer technology to communicate flood related information like e-mail and mobile phones. He said that special alert must be maintained in the upstream and downstream areas of major reservoirs such as Indira Sagar, Gandhi Sagar, Ban Sagar, Omkareshwar, Tawa, Maan and Jobat. Rawat discussed in detail with the senior officers of various departments and sought their suggestions in this regard.

Rawat said that the flood control cell under various departments should be kept in perfect coordination with each other and flood control cells running at district headquarters. He also emphasised that the metrology department should impart information of heavy rainfall forecast with NVDA, NHDC, WRD and Districts.

The meeting was attended by Principal Secretary, WRD Swadeep Singh, CED NHDC KM Singh, PS Revenue RK Swai, DRM Bhopal Ghanshyam Singh, director CWC SK Haldar, engineer in chief WRD NG Choubey, director Metrology DP Dubey, member (Engineering) NVDA KC Chouhan.

Business Standard

Friday, Jun 10, 2011

Groundnut oil crosses Rs 1500 per tin in Gujarat

Vimukt Dave / Mumbai/ Rajkot June 10, 2011, 0:47 IST

Supply tightens for crushing

Even as the groundnut production has remained robust in kharif and summer season this year, the oil millers in Gujarat are crying foul on the reduced availability of groundnut for crushing. The situation has jacked up groundnut oil prices to hover above Rs 1,500 per tin of 15 kg.

This, when the prices had already been ruling higher for past two weeks. In retail market, the prices of groundnut oil have gained by around Rs 100 per 15 kg tin in last four days.

The fall in the groundnut availability is attributed to the rise in prices. The export demand for peanuts has been rising to countries like China, Taiwan and Indonesia. Also, the exports to countries like Indonesia, Philippines and parts of Europe has picked up in recent times. In Indonesia groundnut is used for both direct consumption and for crushing purpose.

The prices hovered at Rs 1545-1550 per 15 kg against Rs 1325-1330 per tin on May 31. Similarly, groundnut oil 'loose' for 10 kg has jumped by Rs 100 in past nine days to Rs 930-935 per 10 kg as against Rs 830-835 per 10 kg. About 80,000 to 100,000 bags (a bag= 40 kg) of groundnut arrive every day in the markets of Saurashtra and Gujarat. The price of groundnut bold stood at Rs 662-715 and small hovered at Rs 557-800 per 20 kg. Groundnut seed prices stood at Rs 960-1025 per 20 kg in Rajkot APMC.

"The main reason behind recent price hike is lack of availability of groundnut, which is the main raw material for groundnut oil. It is true that rabi groundnut production is good and kharif production has also been encouraging but most of the stock has been consumed for exports and peanut products," said Suresh Kaneria, managing director of Kaneria Oil Industry.

About 50,000 to 60,000 bags groundnut arrives every day in Saurashtra and other parts of Gujarat. Groundnut bold quoted at Rs 500-702 per 20 kg, while small quality stood at Rs 665-815 per 20 kg. The groundnut seed prices hovered at Rs 850-987 per 20 kg.

Echoing similar sentiments, Vikram Duvani of Rachana Seeds Industries from Junagadh informed that export demand for groundnut had been rising. "The export demand is rising from all export markets. China is also in a queue to buy groundnut from India. Moreover now groundnut is used as replacement of cashew in various products like chocolate, butter as value addition," said Duvani.

According to the estimates provided by the Indian Oilseeds and Produce Export Promotion Council (IOPEPC), the summer groundnut production in Gujarat would remain at around 271,000 tonnes as against 129,000 tonnes last year, showing an impressive growth of 110 per cent.

Kharif groundnut production is also predicted to be higher by around 1.8-2.0 million tonnes.

Exporters unhappy with additional cotton quota

Komal Amit Gera & T E Narasimhan / Chandigarh/chennai June 10, 2011, 0:33 IST

The decision to allow export of an additional one million bales of cotton this year by the government has not gone down well with the exporters, who termed it too little and too late.

According to Dhiren Seth, president of the Cotton Association of India, exporters had demanded a free trade policy for cotton. “We sought the cotton exports under OGL (open general license) with unrestricted quantity but the EGoM allowed an export of a restricted quantity.”

South India Mills Association (Sima) chairman J Thulasidharan said the government’s decision to increase the ceiling would lead to shortage of cotton for the domestic industry, which could again push up prices, resulting in further glut in the market and abnormal losses.

“This has come as a rude shock to the ailing spinning sector, which has been forced to cut production by 35 per cent to adjust to the supply-demand mismatch caused due to lopsided policies announced by the government, particularly the premature announcement made on cotton export, and also the suspension of cotton yarn export between January and March, resulting in huge accumulation of yarn stocks,” he said.

On Wednesday, a Group of Ministers under the chairmanship of Union finance minister Pranab Mukherjee decided to increase the cotton export ceiling to 6.5 million bales from 5.5 million for the 2010-11 season.

Except for the farmers, other players in the textile chain expected more from the government, as the business is passing through an uncertain phase.

In spinning and garment sector are lamenting the lackadaisical attitude of the government, as there has been no response to their demands.

The demands put up by the industry on duty drawback, 10 per cent excise duty on garment manufacturers, two per cent interest subvention and restructuring of repayment of loans has been kept pending.

According to Shishir Jaipuria, chairman of Citi (Confederation of Indian Textile Industry), the Duty Drawback Committee (headed by Saumitra Chaudhuri, member, Economic Advisory Council to Prime Minister) is expected to come out with its report this month and they expect some positive approach to be taken by the government.

Cotton exporters across India contend that due to a good monsoon and increase in area under cultivation, the crop is likely to be better this year. The export quota of 5.5 million bales that was allowed in October 2010 was exhausted in three months and exporters had been demanding a revision in quota since January.

Due to the low offtake by spinning mills, traders were flush with cotton stock, which they said was difficult to retain after the new crop arrives in October this year.

There is an estimated stock of 4.5 million bales of cotton with traders and 1.5 million bales with farmers (in the states of Maharashtra, Gujarat and Madhya Pradesh).

Spinning mills in India slowed their production early this year due to low demand in the international market. Sources in Cotton Corporation of India confirmed that there was sufficient stock and demand from the spinning sector was sagging due to sundry reasons.

The industry may not be contented but farmers are sanguine over the government's decision on exports. Growers in Punjab and Gujarat said if they get a return of Rs 4,000-4,500 a quintal on raw cotton, they would earn good profits. The price of cotton is about Rs 49,000 a candy (1 candy=170 kg) in the international market and it is lucrative, one of the traders said.

So, the additional exports suit cotton growers and traders. EGoM could not please the spinning sector but farmers are happy, as the revived sentiments would help them get better remuneration.

THE HINDU Business Line

Food inflation rises to 9%

The Hindu Fruits being kept for sale at a roadside shop. Food inflation jumped to a two-month high of 9.01 per cent for the week ended May 28 on the back of costlier fruits, onions and protein-based items.

New Delhi, June 9:

The annual food inflation rate has increased to 9.01 per cent for the week ended May 28, from the previous week's 8.06 per cent.

This is the highest year-on-year increase registered by the wholesale price index for ‘food articles' since the 10.95 per cent of April 2, which fell to a low of 7.47 per cent for the week ended May 7, before resuming its upward climb.

The food inflation rate continues to exhibit volatility despite a bumper rabi crop this time. In absolute terms, however, the latest recorded ‘food articles' index of 187.5 (base 2004-05=100) is below the 196.5 at the start of 2011 and the peak 196.6 touched on December 25.

The 9.01 per cent food inflation for the week under review was mainly led by fruits (30.78 per cent year-on-year price increase), followed by onion (14.02 per cent), milk (8.49 per cent), and egg, meat and fish (6.99 per cent). On the other hand, the inflation rate was only 0.9 per cent in wheat, 2.69 per cent in rice, minus 2.87 per cent in potatoes and minus 9.49 per cent in pulses.

Non-food articles

Among non-food articles, the inflation rate amounted to 12.46 per cent for the ‘fuel and power' sub-group, with this mainly on account of petrol (33.23 per cent, reflecting the recent price hikes by oil marketing companies). The annual price increase stood at 11.31 per cent for LPG and 5.64 per cent for diesel.

Labour scarcity affects paddy cultivation in Dakshina Kannada

Mangalore, June 9:

Stakeholders at a workshop on ‘mechanised paddy cultivation' at the Krishi Vijnana Kendra in Mangalore have urged the Karnataka Government to follow the Kerala model of paddy cultivation, as they feel this will help them tackle labour shortage in the sector.

Speaking on the occasion, Mr Naveen Kumar Rai, Chairman of the Standing Committee on Agriculture of the Dakshina Kannada Zilla Panchayat, said the paddy cultivation in the district is coming down every year. This is mainly because of the shortage of agriculture labour in the district.

The members of the paddy task force in Kerala take up mechanised cultivation at the fields of farmers for a fee. This will help farmers who find it difficult to get farm labour. The same model should be followed in coastal Karnataka also, he added.

Endorsing his views, Mr K. Jayarama Rai, President of SKADS (South Kanara Agriculture Development Cooperative Society), said that lack of labour force in the agriculture sector has brought down the area of paddy cultivation in the district over the years.

Proposal sent

Recently, the Dakshina Kannada Zilla Panchayat sent a proposal to the State Government seeking the implementation of the Kerala model of paddy cultivation. If implemented, this will help tackle labour shortage in paddy cultivation, he said.

Mr A. Padmayya Naik, Joint Director, Department of Agriculture, Mangalore, said that mechanisation of paddy cultivation will be a necessity to tackle the labour shortage in the sector. Subsidy will be provided for the farmers who go in for mechanised paddy cultivation.

Giving the example of the paddy transplanter, he said farmers can own it and rent it out to others. One machine can transplant around two-three acres of paddy a day, he said.

Mr Balakrishna P., a paddy grower and member of zilla panchayat, said that there is a need to fix a support price for paddy, as the cost of production has gone up over the years.

Productivity will increase

Mr H. Hanumanthappa, Programme Coordinator, Krishi Vijnana Kendra, Mangalore, said that the mechanised paddy cultivation will help increase productivity by 15-20 per cent. At the same time, the cost of production can be brought down by 30 per cent, he said.

The workshop was jointly organised by the Krishi Vijnana Kendra, Mangalore; SKADS; the Dakshina Kannada Zilla Panchayat; and the VST Tillers Tractors Ltd, Bangalore. Nearly 100 farmers from various parts of Dakshina Kannada and Udupi districts attended the workshop.

Rubber consumption set to outpace output

Kochi June 9:

Millions of small rubber farmers in the country can look forward to a bright future with firm prices and good demand in the coming days. Preliminary indications are that India would be a net importer of natural rubber in the coming years.

While natural rubber production in the country has grown by close to 15 per cent during the last six years, consumption has grown far faster at over 25 per cent. India's natural rubber consumption seems to be far outstripping production and indications are that the trend is likely to be maintained into the coming years.

This could be in contrast to the trends prevailing in global markets. High market prices have not only brought more areas under tapping but also resulted in greater intensity of tapping operations across the world, the International Rubber Study Group has said. It pointed out that this growth in extent and intensity of tapping was in progress in several South-East Asian countries including Myanmar, Cambodia and Indonesia. The peak prices have also brought large areas of rubber plantations which were lying untapped in Malaysia, back into productivity.

Also, increasing areas are also being brought under rubber cultivation in China and several other South East Asian countries. This spurt in intensity and extent of tapping operations is likely to result in greater rubber production this year. Global rubber production is estimated to grow by 5.8 per cent to 10.9 million tonnes, up from 10.3 million tonnes recorded last year. On the other hand, the rapid growth in the automobile sector of India and China are seen as sustaining the demand for rubber in the coming years.

Widening deficit

While in earlier years, India used to cut a fine line between production and consumption of natural rubber with either a small level of deficit or surplus, the trend seems to have changed for the worse in recent years. The level of deficit which was at a marginal level of 5,740 tonnes or less than one per cent of the total production in 2004-05, has suddenly bloated to 87,255 tonnes in 2010-11, accounting for over 10 per cent of the country's natural rubber production. The earlier year was even worse with the deficit accounting for close to 12 per cent of the country's production.

Cabinet limits paddy procurement price hike to Rs 80/quintal

New Delhi, June 9:

The Centre has raised the minimum support price (MSP) of the current year's paddy crop by Rs 80 a quintal.

The increase – approved by the Cabinet Committee on Economic Affairs here on Thursday – is below the Rs 160 recommended by the Commission for Agricultural Costs and Prices (CACP), which was inclusive of a bonus of Rs 80 over and above the MSP.

The new MSP would work out to Rs 1,080/quintal for common paddy and Rs 1,110/quintal in the case of fine (‘Grade A') varieties grown mainly in Punjab and Haryana. While the Rs 80 bonus recommended by the CACP and proposed by the Agriculture Ministry has not received the Cabinet's nod in view of opposition from the Finance and Food Ministries, it may still be announced before the crop gets harvested from October, official sources said.

Last year, the Centre had effected hefty hikes in the MSPs of pulses, which recorded an all-time-high production. This time, in a similar bid to boost output of the other major importable crop group – oilseeds – the Centre has raised the MSP of soyabean, groundnut, sunflower and sesamum by 17-19 per cent. Even in pulses, the MSPs for arhar (pigeon-pea) and moong (green gram) and have been fixed Rs 100/quintal higher than the levels recommended by the CACP. Moreover, an additional Rs 500/quintal incentive would be paid on arhar, moong and urad (black gram) sold to government procurement agencies during the harvest/arrival period of two months, an official release said.

Cottonseed shortage: AP to set up vigilance teams

Hyderabad, June 9:

The State Government has asked officials to set up vigilance teams across the cotton-growing districts to curb hoarding of Bt cottonseeds.

“Officials have so far arrested six seed dealers and filed case against one,” a Chief Minister's Office statement said here on Thursday.

Estimates put the Bt cottonseed requirement at 91 lakh packets (450 gm each). “Seed firms promised to supply one crore packets. So far, they have despatched 44 lakh packets to various districts. Efforts are on to deliver the remaining packets in the next few days. There is no need for panic,” the statement said.

It advised the farmers to go for one-and-a-half packets an acre and not to go for two. It also asked the farmers to tip off the officials if they found any instance of hoarding by dealers.

Soya oil weakens on lack of buying

Indore, June 9:

Soya oil ruled firm on weak foreign markets and poor buying support in the physical market. Soya-refined oil opened up as high as Rs 615-20 for 10 kg in the morning. But slack buying support and decline in Malaysian palm oil futures in the evening resulted in prices dropping to Rs 615-18 for 10 kg. However, even at this rate, trading was absent.

Compared to soya-refined, soya-solvent saw some scattered buying but its prices remained firm at Rs 585-590, which was almost the same as that of Wednesday. Soya oil witnessed some buying in resale at Rs 615-616.

Weak foreign markets dragged soya-refined prices in the futures market here with its June contract on the NBOT closing Rs 2 lower at Rs 652.30.

Similarly on the NCDEX also, soya oil futures traded low on weak buying with its June and July contracts closing lower at Rs 651 and Rs 652.45 respectively.

Soya seeds also traded low on increased selling pressure in the physical market. In the spot, soya bean was quoted about Rs 20-30 lower at Rs 2,200-2,260 a quintal.

At the Indore *mandis* also, arrival of soya bean declined to about 2,000 bags and it was quoted at Rs 2,200-2,250 a quintal.

Onion export floor price raised to $200/t

Chennai, June 9:

A sudden surge in onion prices on Wednesday led to the Government increasing the minimum export price to $200 a tonne. The move is seen as precautionary one so that prices do not surge like last year. In December, onion prices at retail outlets ruled over Rs 80 a kg following short supply. It then led to ban on onion exports. The ban was lifted in March but since then, the Centre has been fixing the minimum export price.

Onion prices, which had been ruling stable around Rs 550 a quintal in the last one month increased to Rs 700 on Wednesday.

“The Government need not have increased prices just for prices rising one day. It could have waited for a couple of more days,” said an official connected with onion trade.

“Arrivals had dropped and that led to rise in prices,” said Mr Madan Prakash, Director of Rajathi Exim, which exports agricultural produce, including onions.

“There is always fluctuation in onion prices. Therefore, the rise on Wednesday was not a surprise,” the official, who did not wish to be identified, said.

At Lasalgaon in Maharashtra, Asia's biggest onion market, the modal rate or prices at which most trades took place increased to Rs 701 a quintal from Rs 650 on Wednesday.

Prices for quality onions topped Rs 800 a quintal. In markets such as Pimpalgaon and Pune, prices were around Rs 850.

“Farmers are holding onions, hoping for a higher price. What is coming in the market is inferior quality,” said Dr R.P. Gupta, Director, National Horticulture Research Development Foundation.

Prices are seen rising in the coming months since kharif onions are expected to arrive only in September. “There has been surplus production in the rabi season. We will have to watch out for arrivals,” said Mr Prakash. Onion export floor price had been cut to $170 a tonne in April when the rate was revised downwards five times from $600 a tonne. A Government notification on Wednesday said the floor price for export of Bangalore rose onion and Krishnapuram onion will continue to be $350 a tonne.
