

Inflation hurts households badly, says Crisil study

Special Correspondent

Food inflation likely to remain high due to supply-side issues

Growth of private consumption expenditure increases Productivity improvement will require better technology

NEW DELHI: Even as inflation seems to be going out of control despite tough measures taken by the government, global research company Crisil on Tuesday revealed that Indian households incurred additional expenses to the tune of a huge Rs.5.80-lakh crore during the last three years due to skyrocketing prices.

In a study titled 'Inflation hurts' it stated that rise in inflation to 8 per cent annually during 2008-09 to 2010-11, from 5 per cent in the preceding three years eroded the purchasing power of money and inflated the consumption expenditure bill of Indian households by Rs.5.80-lakh crore.

Crisil said inflation was not uniform and food items saw a sharper price rise, compared to non-food items during the three-year period. "Food inflation was at 11.6 per cent during 2008-09 to 2010-11 as compared to non-food inflation of 5.7 per cent," the study said. Headline inflation, which includes both food and non-food primary articles, besides manufactured items, has been above the 8 per cent mark since January 2010. It was 9.06 per cent for May this year.

The Reserve Bank of India (RBI) has hiked its key policy rates ten times since March 2010 to curb demand and tame inflation. In its annual monetary policy for 2011-12, the RBI said that inflationary pressure was likely to continue during the first-half of the current fiscal on account of high global commodity prices, particularly crude. The apex bank had exuded confidence that the pressure from high food prices would moderate in the days to come.

However, after a brief period of moderation, food inflation has again started surging and stood at 9.13 per cent for the week ended June 11. "The surge in inflation was initially driven by supply shocks such as a rise in food and fuel prices, which then spread to manufacturing goods as well," Crisil said.

Headline inflation for the whole of 2010-11 averaged 9.6 per cent as compared to a mere 3.8 per cent during the previous fiscal.

The study said that growth of private consumption expenditure in nominal terms increased to nearly 17 per cent per year during 2008-09 to 2010-11, as against 14 per cent in the preceding three years mainly due to rise in food inflation. Crisil said that food inflation was likely to remain high in the near future due to structural and supply-side issues.

"Higher food prices should be an incentive to enhance production of food items, but this has not happened so far. In addition to price signals, productivity improvement in food/agriculture categories would require better technology and improved investments in irrigation. In the absence of these measures, high food inflation is here to stay," it said.

The study said that inflation in certain food items, especially eggs, meat, fish and milk, has surged to double-digit over the last two years after increasing moderately in the preceding period. "Rise in prices of these items has a greater impact on consumers, as they are purchased frequently and also account for a large share of a household's daily expenditure. Purchases of manufactured goods, especially durables, are not as frequent. Therefore, a decline in prices of these goods often goes unnoticed," the study added.

Farm raises mango grafts

C. Jaishankar

Plans to promote good mango varieties in southern districts

— Photo: L. Balachandar



RIGHT WAY:Mango grafting under way at the government horticulture farm at Sundaramudayan in Ramanathapuram district.

RAMANATHAPURAM: Those who are wary of eating mangoes over an apprehension that the fruits might have been ripened using carbide, a chemical substance, here is some good news. The government horticulture farm at Sundaramudayan near Mandapam in Ramanathapuram district has come out with a plan to promote planting of mango saplings in each and every house in south Tamil Nadu.

If people plant a mango graft now, they can taste naturally grown and ripened mangos within three years. To boost the mango production, the horticulture farm has begun a massive exercise to raise one lakh mango grafts.

A team of experienced workers from Dharmapuri district, renowned for its mangoes, has been brought to the farm for vegetative mango grafting by joining root stock with mother plants. Root stocks have also been brought from Dharmapuri. Since the current climate is conducive for speedy growth, they have been asked to work from dawn to dusk to complete the process.

“We plan to make available top-end mango varieties to each and every household in southern districts. There is already a huge demand for mango grafting. People want to have at least one fruit-bearing tree in their houses and it will be exploited in the best possible manner,” said T. Anandraj, Project Director, Ramanathapuram District Development Agency tharuns the horticulture farm.

People could get grafted mango varieties such as Imam Pasand, Malliga, Banganapalli, Alphonso, Bangaloor, and Senthura. The grafting made in Sundaramaudayan farm was most sought after owing to the high survival rate of the saplings.

S. Nagarajan, Horticulture Officer, said that the farm would not encourage growing mango seedlings as it was not a successful formula for farmers to reap benefit quickly. It would take a minimum of seven to eight years to bear fruits. In the vegetative grafting, the flowering would start within a year. They could harvest within three years. Moreover, it would give maximum genetic purity.

He added that it would take 90 days for completing mango grafting. Since they were being grown at a tough climatic condition in the district, they naturally developed the strength to withstand or adopt conditions in other parts of the State. The high chances of survival of mango plants produced from the farm had given a special name to the farm.

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Kuruvai cultivation picking up in Thanjavur

Special Correspondent

Farmers raising nurseries and transplanting saplings; plan to raise paddy on 42,500 hectares

— Photo: M. Srinath



Women transplanting seedlings in Thanjavur.

THANJAVUR: Kuruvai cultivation is picking up in Thanjavur district. With canal water reaching the upper reaches, farmers are involved in activities like raising nurseries, transplanting saplings and applying basal fertilisers.

According to Balasubramanian, Joint Director of Agriculture, the plan is to raise kuruvai on 42,500 hectares in Thanjavur district this year. Of this, transplantation has been completed on 6,909 hectares.

In this transplanted area, crop on 3177 hectares has been raised under System of Rice Intensification method. Crop on 3832 hectares has been transplanted under conventional method.

With respect to nursery, seedlings have been raised on 124 hectares under SRI method. This can be used for transplanting them on 12,400 hectares. Under conventional method, seedlings have been raised on 913 hectares. This can be used for transplanting them on 9130 hectares.

Seedlings raised on one hectare under SRI method can be used for transplanting them on hundred hectares while seedlings raised on one hectare under conventional method can be used for transplanting them on ten hectares, Mr. Balasubramaniam said.

“We hope to cover the targeted area of 42,500 hectares in Thanjavur district this year,” he said.

Meanwhile, Public Works Department is introducing turn system of water release into the Cauvery and the Vennar from June 30. From June 30 to July 6, the turn is for the Vennar and

during this period, 7,500 cusecs will be released into the Vennar. The Cauvery will get only 1500 cusecs during this period. Turn for Cauvery starts on July 6 evening and for the next six days, the Cauvery will get 7,500 cusecs of water and the Vennar 1,500 cusecs. However, there is no turn for Grand Anicut canal and it will get 2,000 cusecs. Kollidam will get 1500 cusecs.

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New Zealand expertise for agro-processing units sought

Special Correspondent

Keen to boost trade and investment with India

— PHOTO: S. SUBRAMANIAM



BOOSTING TIES: New Zealand Prime Minister John Key (right) with Minister of Commerce and Industry Anand Sharma at a business meeting in New Delhi on Tuesday.

NEW DELHI: India on Tuesday urged New Zealand to transfer its state-of-the-art technology and make investments in the country's \$200-billion agro-food processing industry to enhance bilateral economic engagement and expand trade relationship.

"The two economies are essentially complementary and there is considerable potential to increase bilateral trade and economic relations. It is time to give depth to our partnership," Commerce and Industry Minister Anand Sharma said while addressing a luncheon meeting with

visiting New Zealand Prime Minister John Key at a business summit organised by the Confederation of Indian Industry and the Federation of Indian Chambers of Commerce and Industry.

Mr. Sharma said India was keen to benefit from New Zealand's advanced technology in dairy, renewable energy and agro-food industries.

The Commerce and Industry Minister further stated that the two countries had a longstanding and positive bilateral relationship. The two economies were essentially complementary and there was considerable potential to increase bilateral trade and economic relations. "India is looking forward to partner with New Zealand in the infrastructure sector, agro-food processing, renewable energy and IT," he remarked.

He appreciated the state-of-the-art technology being used by the dairy industry and the renewable energy sector and asked for bringing such technology to India. He also appreciated New Zealand for taking forward the Doha development round and believing in the rule-based and rule-governed multilateral system.

Addressing the meeting, Mr. Key said New Zealand was keen to boost trade and investment with India. "It is a two-way partnership. Our trade and investment is growing. There are opportunities for both countries to further increase it," Mr. Key said.

India and New Zealand are negotiating a Free Trade Agreement (FTA) and the two countries are hopeful to conclude the deal by early next year. Bilateral trade between the two countries rose by 7.83 per cent to \$812.94 million in 2010-11. India's exports to New Zealand were \$191.39 million and New Zealand's exports to India were \$621.55 million. Bilateral trade has more than trebled during the last five years.

Mr. Key said the two countries had a lot of untapped potential and the proposed FTA would give a big push to bilateral trade and investment.

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Rain brings cheer to farmers

KARIMNAGAR: The sudden downpour on Tuesday brought relief to the people who were reeling under a spell of heat wave conditions. Farmers, who were eagerly waiting for the arrival of rains after taking up sowing of cotton seed, heaved a sigh of relief with the heavy downpour in various parts of the district. Eligaid mandal recorded 42 mm rainfall, Veenavanka and Manthani recorded 32 mm each, Sultanabad 30 mm, Karimnagar mandal 18.2 mm, Gangadhara 22 mm.

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Kharif activity missing

G. Nagaraja

Farmers in Godavari delta determined to observe a crop holiday this season for lack of buyers

ELURU: The hustle and bustle usually seen during the kharif operations in the Godavari delta, which accounts for over 10 lakh acres of paddy in West and East Godavari districts, is missing as farmers are determined to observe a crop holiday this season.

“We would have been busy with paddy transplantation by now but this year we have decided against sowing a fresh crop,” says Kalavakolanu Veeraswamy, president of the Sitarampuram Cooperative Central Bank in Narsapur mandal.

He was among the farmers' leaders who took the lead in mobilising paddy growers from several villages in Narsapur, Palacole, Mogalturu and Veeravasaram mandals to meet the visiting Collector G. Vani Mohan at Narsapur on Tuesday, reiterating their resolve for a crop holiday.

Water has been released from the Godavari into the canals on June 17, but it has failed to instil enthusiasm among the farmers in most parts of the delta areas. The farmers are seen reluctant to raise seedbeds for the kharif.

In Konaseema region of East Godavari where farmers in 17 mandals declared crop holiday, the peasant leaders closed the canal locks and built cross bunds preventing water supply for paddy cultivation, according to Yerneni Nagendranadh of the A.P. Rytanga Samakhya who visited these areas recently.

“We are more worried about finding takers for the paddy harvested in rabi than going in for the kharif,” adds Mr. Veeraswamy. Lanka Krishnamurthy, a leader of the CPI-affiliated A.P. Rytu Sangham said he found during a visit to Ballipadu, Varigedu, Duvva and Tetali that a large number of paddy stocks were dumped on the margins of the Kolkatta-Chennai National Highway-5 for want of buyers.

Unviable vocation

In Attili and Tanuku mandals, 70 per cent of the produce is yet to be disposed of, Mr. Krishnamurthy said. To quote Mr. Veeraswamy, shortage of labour caused by the Mahatma Gandhi National Rural Employment Guarantee Scheme (MNREGS) and the worst ever market crisis had made agriculture unviable, forcing the farmers to go for the crop holiday. Resolutions were adopted at the gram sabhas in several delta areas of the West and East Godavari districts in favour of the crop holiday. The slogan of crop holiday which began in Achanta of West Godavari and a handful of villages in East Godavari, is snowballing into a movement in the entire delta.

Concern over drop in mango crop area in West Godavari

Staff Reporter

ELURU: K. Ravi Prakash, Assistant Director, Horticulture Department, on Tuesday expressed serious concern over a drop in mango area in West Godavari district.

Training programme

Speaking at a training programme for the personnel of the Horticulture Department here, he said the district witnessed a sharp decline in the mango crop area from 35,000 ha to 12,000 ha in the last two decades as the growers switched over to the seemingly more lucrative crop of oil palm.

Rate fluctuations and the lack of pest management with a community-based approach, among others, were the causes for the declining trend, he observed.

Mr. Ravi Prakash urged the growers to avail themselves of various government incentives for rejuvenation of the old and unproductive plantations.

He highlighted the need for formation of cooperative societies involving the mango growers to make a reality the community based approach for pest management.

District Collector G. Vani Mohan inaugurated the programme.

National council to regulate turmeric prices

S. Ramesh

It is modelled on the lines of National Egg Co-ordination Committee

— PHOTO: M. GOVARTHAN



Farmers at a meeting to discuss fixing a minimum support price for turmeric in Erode on Tuesday.

ERODE: The turmeric farmers in the country have come together to form a national council to regulate the prices of their produce.

Farmers associations from major turmeric producing States have floated “Turmeric Farmers Council of India” that will fix a floor price for the yellow spice and, if required, intervene in the market to procure turmeric at viable prices. The council has been modelled along the lines of the National Egg Co-ordination Committee.

Conference

The first co-ordination meeting of the council was held in Erode on Tuesday with the participation of representatives from turmeric farmers associations in Tamil Nadu and Karnataka. The council members had decided to conduct a national level conference this year to announce the floor price for turmeric.

“The move was taken in order to protect over 2.5 lakh turmeric growers in seven major turmeric producing States in the country. Former President APJ Abdul Kalam had agreed to participate in the conference. We will fix a remunerative price for the turmeric during the conference,” all India co-ordinator of the council P.K. Deivasigamani told TheHindu.

The volatility in turmeric prices had badly affected the farmers. Prices in the market fell below Rs. 7,500, which was well below the cultivation cost.

“A farmer spends more than Rs. 8,500 for producing a quintal of turmeric,” Mr. Deivasigamani pointed out.

Members of the council had also decided to meet the Chief Ministers of seven turmeric growing states, Union Agriculture Minister and the Prime Minister to seek support for the council and provide assistance to carry out their activities. “We would require support in the areas of warehousing, financial credit and others,” Mr. Deivasigamani said.

Similar co-ordination meetings would be held in Andhra Pradesh and Maharashtra shortly.

“The number of farmers in turmeric cultivation is relatively small when compared with most other crops and we will be able to bring them under the council,” he added.

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'Use coconut and palmyra for making of IMFL replacing molasses'

Staff Reporter

Tirupur: A meeting of Tamil Nadu Toddy Movement (TNTM) has appealed to the State Government to use coconut and palmyra for the making of IMFL replacing the present practice of utilising molasses as the solitary raw material. “This alternate method should be adopted till total prohibition was achieved,” TNTM field coordinator C. Nallasamy said.

The members expressed their disappointment over the delay in lifting the ban on toddy tapping even though Chief Minister Jayalalithaa during an election campaign in Pollachi had given an assurance to remove the ban.

Deforestation

The meeting had also expressed concern over the lean forest cover in the state. "Only 13 per cent of the total area is under forest in our state against the conventional norms of 33 per cent," Mr Nallasami said.

Crops from attack

Another demand put forward by the TNTM members was the need to protect vegetable crops from the attack of peacocks and peahens as the bird's population had been steeply rising in the state during the last few years.

Mr. Nallasami was of the opinion that dyeing units in Tirupur cluster should cater to only for making cloths for domestic consumption.

"We should stop dyeing cloths meant for exports as the foreign countries had wisely been using our country as dumping ground for effluents by stopping all dyeing activities in their land," he pointed out.

Date:29/06/2011 URL: <http://www.thehindu.com/2011/06/29/stories/2011062953180300.htm>

Govt. allocates Rs. 1.58 crore to improve cultivation of nutritious pulses and cereals

Staff Reporter

KRISHNAGIRI: The State Government has allocated Rs. 1.58 crore for improving the area of cultivation of nutritious pulses and cereals in the district for the financial year 2011-12, said a release issued by K. Rajan, Joint Director, Agriculture here recently.

The release said the subsidy is distributed to the farmers to encourage cultivation of nutritious crops such as 'ragi' and 'samai.'

The scheme was launched by the Collector on June 22.

Under this scheme, bio fertilizer, micro fertilizer, chemical fertilizer and other inputs required to safeguard the crops from insects would be issued on 100 per cent subsidy basis.

Subsidy

This scheme would be implemented for ragi crop on 5000 hectares, 'samai' crop on 400 hectares in Shoolagiri, Thali, Hosur, Kelamangalam, Mathur and Uthangarai Panchayat Unions. Under this scheme, the subsidy per hectare for ragi Rs. 3000 and Rs. 2000 for 'samai' have been fixed by the government.

Due to the implementation of this scheme, ragi and 'samai' production would improve 25 to 35 bags per hectare and about 5,187 farmers would be benefited.

Production

Improving the production of ragi and 'samai' would automatically improve the iron, vitamin and fibre nutrition to the people of the district.

Increase in production of ragi and 'samai' would also improve the usage among the people in the form of value added products, the release further added.

Date:29/06/2011 URL: <http://www.thehindu.com/2011/06/29/stories/2011062960890300.htm>

Panel to keep tabs on fertilizer supply, sale

Staff Reporter

THENI: A special monitoring committee had been formed to keep tabs on supply and selling price of fertilisers, said Collector K.S. Palanisamy.

In a release, he said that an agriculture officer would be on duty from 10 a.m. to 6 p.m. on all working days to guide farmers on selection of crop, fertilisers to be used, crop protection methods, and to clarify their doubts on cultivation.

For more details, farmers may contact telephone number 04546 251561. Besides, farmers may also contact the respective Assistant Agriculture Officers at the block level, and agriculture officers.

Sufficient quantity of fertilizers had been kept ready in the district to maintain supply during cultivation to farmers in the Cumbum valley.

All fertilizer sellers should display the price list in front of the shop to enable farmers to know the right price. He also advised farmers to pay only the price printed on the fertilizer bag.

The price of Spic urea was Rs.278.51, Vijay urea Rs.278.88, Mangala urea Rs.278.51, Spic DAP Rs. 651.06, Rs. IPL Potash 312, Coromandal super phosphate Rs. 251, Kothari super phosphate Rs.225, 20:20:00:13 fact Rs.488.64, Coromandal Rs.493 and Spic 542.72. These were maximum prices. Farmers need not pay more.

With release of water from Periyar dam, agriculture activities were in full swing in Cumbum valley. A majority of farmers had been raising paddy only.

Compensation

Efforts were being taken to pay immediate compensation to farmers whose crops were damaged by wild animals. We had been receiving complaints that standing crops in several villages adjoining forests were damaged by wild animals.

If there were any damage to crops, farmers may lodge complaints either to forest officials or to the Personal Assistant to the Collector for further action. Such petitions would be forwarded to the Forest Department to pay suitable compensation to farmers quickly, he added.

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Poondi reservoir receives steady inflow

K. Lakshmi

The volume of Krishna water at State border may increase

— File Photo



IN FULL FLOW: A view of the Poondi reservoir, which is used to store Krishna water received from Andhra Pradesh.

CHENNAI: The Poondi reservoir, the prime storage point for Chennai's drinking water needs, has so far received a steady inflow of Krishna water from Andhra Pradesh since Friday morning, sufficient for the city's supply for two days.

Officials of the Water Resources Department said on Monday that the State's entry point of the Kandaleru Poondi canal in Uthukottai, Tiruvallur district, received 300 cubic feet per second of water (cusecs) on Monday. Of this, nearly 260 cusecs reached the waterbody at Poondi owing to evaporation loss. (One cusec would yield 28.3 litres of water).

The reservoir has realised about 70 million cubic feet of water (mcft) over the past three days. Chennai Metrowater draws nearly 35 mcft daily from the city reservoirs to supply 710 million litres a day. Nearly 1,000 mcft is required for a month's drinking water supply. Only if the Poondi reservoir receives 700 cusecs daily, 8,000 mcft of water can be realised in four months, which is the volume assured by Andhra Pradesh between July and October.

Officials of the WRD expect the volume of water realised at the State border to increase to 400 cusecs. The water from Kandaleru reservoir, which is discharged for Andhra Pradesh's irrigation and domestic needs and Chennai, has been stepped up to 1,500 cusecs.

Water transmitted

About 400 cusecs from Poondi reservoir is being transmitted through link canal to the reservoir at Chembarampakkam to boost its storage. Water would be transported to that at Red Hills too once the repair work of feeder canal linking Red Hills reservoir is completed in a week, an official said.

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Reaping harvest

— Photo: Basheer



Women collecting groundnut at Ippili village near Srikakulam district on Tuesday.

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Banks asked to extend loans for kharif crop

GUNTUR: Joint Collector A. Sarath called upon banks to extend loans for kharif crop as per the 'scale of finance' fixed by the District Consultative Committee (DCC) and try to exceed the disbursement made last year (2010-11). A sum of Rs. 2,325 crore was disbursed in 2010-11 against the target of Rs. 2,292 crore.

It was 101 per cent achievement which has to be surpassed in the current year if the farmers are to benefit the most from banks. Addressing a District Level Bankers' Committee meeting

here on Tuesday, Mr. Sarath said the emphasis should be laid on tenant farmers who need maximum support from banks. Steps should be taken to extend loan to every eligible farmer and failure to do so would be viewed seriously. Farmers ought to be given the full extent of bank linkage as planned by the DCC, Mr. Sarath added. Guntur East MLA Sk. Mastan Vali suggested to the banks to motivate the Self-Help Groups (SHGs) to repay the loans taken by them. SHGs required higher financial assistance from the banks, the MLA asserted.

Andhra Bank Deputy General Manager P.S. Subba Rao, Assistant General Managers K.S. Mahadeva Swamy (RBI) and M. Nageswara Rao (NABARD), Lead District Manager Rami Reddy and others were present.

Date:29/06/2011 URL:

<http://www.thehindu.com/2011/06/29/stories/2011062961600500.htm>

Insurance firms told to settle claims of farmers

GUNTUR: Joint Collector A. Sarath has instructed insurance companies to take steps for speedy settlement of the claims made by proprietors of the three cold storages in which fire accidents took place in quick succession beginning with the first incident on April 16. They were also asked to submit their assessment of the incidents to facilitate preparation of a comprehensive report at the earliest.

At a meeting, Mr. Sarath said the investigations of electricity, fire and police departments were nearing completion and efforts were under way to fully compensate the loss incurred by the farmers.

District Revenue Officer M. Venkateswarlu and Guntur RDO S. Dhilli Rao spoke at the meeting.



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Inflation cost Indians extra Rs 5.8 l cr: Crisil

Indian households incurred an additional expenditure of Rs 5.8 lakh crore in the last three years, due to spiralling inflation and dearer food items, research firm Crisil said on Thursday in a report titled Inflation Hurts.

“The rise in inflation to 8% per year during 2008-09 to 2010-11 from 5% in the preceding three years eroded the purchasing power of money and inflated the consumption expenditure bill of Indian households by Rs 5.8 trillion (Rs 5.8 lakh crore),” the report said.

Food items saw a much sharper price increase compared to non-food items. “Food inflation was at 11.6% during 2008-09 to 2010-11 against non-food inflation of 5.7%,” Crisil said.

<http://www.hindustantimes.com/StoryPage/Print/714972.aspx>

Washington, June 28, 2011

First Published: 18:50 IST(28/6/2011)

Last Updated: 18:53 IST(28/6/2011)

Inflation at 5-6% ideal for Indian economy: Pranab

Amidst all-out efforts by the government and RBI to tame inflation, now hovering around 9%, finance minister Pranab Mukherjee on Tuesday said it would be ideal for the economy if it is managed at 5-6% level.

“To be very frank, what shall be acceptable and what can be a tolerable level of inflation is very difficult to define. But in our economy, we feel that if we can keep inflationary pressure within 5-

6%, it could be ideal, but we can live with 6 to 6.5%," Mukherjee said while addressing business delegates from India and the US.

He added this year inflation will be a little more.

Overall inflation climbed to 9.06% in May from 8.66% in the previous month, fanning fears that high rate of price rise could hurt the economic growth.

Mukherjee said the current inflation level was due to high global commodity prices.

"(inflation is) Not because of near supply constraints on the agricultural front ... But the international commodity prices, including food and fuel, is causing severe constraints," he said.

Mukherjee said food prices have started coming down and the government has also tried to cushion the impact of rising crude prices by sacrificing central taxes. Besides, state governments too have been asked to reduce their taxes on fuel.

"I do have hope that it will have some impact. But this (inflation) is going to be a major problem and it would have its impact on the overall growth scenario," he said.

<http://www.hindustantimes.com/StoryPage/Print/714803.aspx>

Weather

Chennai - INDIA

Today's Weather



Cloudy

Wednesday, Jun 29

Max Min
38.8° | 29.1°

Rain: 00 mm in 24hrs Sunrise: 5:45
Humidity: 47% Sunset: 18:38
Wind: Normal Barometer: 1001

Tomorrow's Forecast



Rainy

Thursday, Jun 30

Max Min
38° | 27°

Extended Forecast for a week

Friday Jul 1	Saturday Jul 2	Sunday Jul 3	Monday Jul 4	Tuesday Jul 5
				
34° 28°	33° 28°	33° 28°	29° 27°	31° 27°
Rainy	Rainy	Rainy	Rainy	Rainy

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THE TIMES OF INDIA

Edible oil prices set to fall

Namrata Singh, TNN | Jun 29, 2011, 01.25am IST

MUMBAI: At a time when consumers are burdened with rising costs, here's something to cheer about. Edible oil prices have eased, prompting players like Adani Wilmar and Ruchi Soya Industries to reduce consumer prices across brands.

Both leading players, Adani Wilmar and Ruchi Soya Industries, have confirmed their plans to pass on the price reduction to consumers, which is expected to be in the range of 3 to 6 %. Given that edible oils is a highly competitive market, other branded edible oil makers are also expected to follow suit.

Anghsu Mallick, chief operating officer, Adani Wilmar, told TOI that the company is bringing down prices by Rs 2-3 per litre, depending on the brand of oil.

A spokesperson of Ruchi Soya Industries also confirmed that the company has reduced prices of several brands across the category of sunflower, soya bean and palm oils by 3% to 6% in the past one month. "Weakening of crude palm oil prices globally and reduced prices of soya with the onset of a favourable monsoon have helped the company to reduce its retail prices. Ruchi Soya is keen on passing on the cost reduction benefits to its consumers," the spokesperson said.

However, exact details of the price reductions were not immediately available. When contacted, Videh Jaipurkar, vice-president (foods), Bunge India, said: "Since the market is volatile, we are watching the situation before taking any pricing decision."

An industry analyst pointed out that although prices of edible oils have come down over the last few weeks compared to the same period last year, they are still on the higher side.

Post Diwali last year, branded edible oil makers had taken prices up following a spike to an all time high owing to supply constraints.

At that time, consumer prices were up by almost Rs 5 per litre over a period of time. Edible oil prices have been sliding in the wholesale market for almost three weeks due to sluggish demand and a weak global market.

On the other hand, inflationary pressure is putting serious constraints on the Indian economy. "Consumers are already under a lot of pressure from various quarters in terms of pricing. Therefore, since global edible prices have come down, the consumer price on edible oils too should be passed on to the consumer," said Mallick.

As per Nielsen's data, Adani Wilmar is the market leader in the total ROCP (refined oil in consumer packs) market, with a volume share of 14.7%, followed by Ruchi Soya Industries (12.7%) and Cargill (8%). Brand wise, Fortune is a leader in total ROCP with a volume share of 10.6%, while Ruchi Gold has a share of 6.4% and Mahakosh's share is 2.1%. The edible oil industry is of the order of Rs 75,000 crore (15 million tonne), including packaged and loose oils.

28 Jun, 2011, 08.00PM IST, Madhvi Sally,ET Bureau

Paddy plantation in Haryana reaches three lakh hectare

AHMEDABAD: Paddy plantation in Haryana has touched the three lakh hectare mark and the target set for the current year is likely to be achieved soon. Also, the farmers have been advised to complete plantation of paddy before July 15 so as to avoid the spread of 'Badra' disease.

A spokesman of the Agriculture Department said that timely rains in the state during the month of June has ensured the possibility of an increase in production. As against an average rainfall of 24.2 mm recorded in the year 2010, till now an average rainfall of 72.6 mm has been

recorded this year which is 25 mm more than the normal rainfall.

The target for sowing of paddy in the current year had been set for an area of 12 lakh hectares as against a target of 12.45 lakh hectare area in the year 2010-11. At the same time the target for production of paddy had been set at 3250 Kg per hectare for this year as against a target of 2789 Kg per hectare last year. The production of rice in the state had increased from 2.23 lakh tonnes in the year 1966-67 to 34.72 lakh tonnes in the year 2010-11 as per government data.

The state government had launched a village level seed treatment campaign to enable farmers get good yield by having disease free crops.

28 Jun, 2011, 04.33PM IST,PTI

Sugar firms up on good demand

MUMBAI: Sugar prices firmed up at the Vashi wholesale market here today on better offtake from stockists and retail consumers amidst restricted arrivals from the mills.

Small sugar (S-30) moved up by Rs 4/10 per quintal to Rs Rs 2,630/2,661 from its overnight closing level of Rs 2,626/ 2,651.

Medium sugar (M-30) also gained Rs 10 per quintal to Rs 2,681/2,851 as against Rs 2,681/2,841 previously.

The following are today's closing rates for sugar (per quintal), with the previous rates given in brackets:

Small sugar (S-30) quality: Rs 2,630/2,661 (Rs 2,626/2,651).

ICFRE meet on joint forest management ends

June 28, 2011 11:45:29 PM

PNS | Dehradun

The two-day national meeting on the Joint Forest Management programme organised by the Indian Council of Forestry Research and Education (ICFRE) concluded with various important recommendations being made to further increase public participation and to enhance work with the use of latest technology. It was decided that the Central Government instructions on constituting the JFM committees by the Gram Sabhas should be followed. Concurrently, the Panchayat Act shall be amended in each State to recognise the JFM committees.

On the concluding day of the two-day meet of Principal Chief Conservator of Forests from all States, the participants agreed to adopt the JFM charter. It was decided that the legal back up to the JFM committees should be given by the States, while the Acts and rules implemented in States including Uttarakhand and Karnataka may be adopted as models. It was also felt that due to special feature of JFM as a joint management framework there should be a separate JFM chapter within the State Forest Act. The ICFRE will collect State notifications, legal enactments, proposed acts and resolutions providing legal backup to the JFM committees within 30 days.

The council will also compile the status report of JFM as per the programme circulated by the DG Forests, PJ Dilip Kumar and ICFRE DG, Dr VK Bahuguna to the states separately and publish it as a JFM update for wider public circulation and publicity. It will also conduct the

impact assessment of JFM on the health of forests and biodiversity along with the economic and social status of the people to strengthen JFM programmes in addition to which research will also be conducted to develop technological packages for the programme. State forest departments should constitute a team of officers and others headed by nodal officer of JFM to conduct the performance audit of the JFM committees, the status of implementation of micro plan and the utilisation of village funds, and suggest recommendations for further strengthening and improvement of the programme. NGOs, academicians, and other civil society members may be associated with this team.

Earlier, inaugurating the meeting on Monday, DG, Forests and Special Secretary, Ministry of Environment and Forests, PJ Dilip Kumar stressed on the need for formulation of a common strategy for strengthening the JFM programme in view of the swiftly changing forestry scenario in the nation. He said that though substantial progress has been achieved by forest department in different states and JFM programme has transformed the lives of the community in many cases, the department has failed to showcase the achievements. Kumar also stressed on the need for improvement in media management and effective use of information technology and other technologies and new technologies in forest management. The ADG Forests, AK Bansal exhorted the officials to carry out a thorough monitoring of the programme to present a real picture. Success and failures should be recorded without bias and appropriate lessons should be learnt, to make the programme more efficient. The ICFRE DG Dr VK Bahuguna said that the need for working with people and strengthening JFM has increased since implementation of the Forest Rights Act. FRI Director Dr SS Negi, IGNFA director Dr RD Jakati also addressed the gathering.

Business Standard

Wednesday, Jun 29, 2011

Coffee planters shift to robusta variety as pests attack arabica

Debasis Mohapatra / Bangalore June 29, 2011, 0:49 IST

Coffee planters are slowly moving away from cultivating the arabica variety of coffee on the back of reducing productivity due to pest and disease attacks. The robusta variety has replaced arabica due to its lower susceptibility to diseases and higher productivity.

“Robusta is slowly replacing arabica as the latter’s output is being affected due to a white stem borer attack on the crop. As arabica is the superior quality coffee in comparison to robusta and fetches higher price in the international market, any drop in the cultivated area of arabica will have a negative impact on the coffee industry,” said Sahadev Balakrishna, president of the Karnataka Planters’ Association.

As per data available with the Coffee Board, the area under arabica variety has fallen to 48 per cent of the total planted area in 2010-11 from around 73 per cent in 1950-51. Similarly, the area under robusta has increased from 27 per cent of the total cultivated area in 1950-51 to 52 per cent in 2010-11, indicating constant migration from arabica to robusta.

In 2010-11, while the area under arabica stood at 193,155 ha, constituting 48 per cent of the total area under coffee, it was 206,646 ha under robusta (52per cent). “India is one of the significant arabica producers of Asia, excluding Indonesia. So, any drop in production will reduce export revenue for the country, along with lower earnings for coffee planters,” he said.

Usually, arabica fetches double the value of robusta in both the domestic and the international market. While arabica parchment costs around Rs 10,200 per 50 kg, it is around Rs 4,650-Rs 4,900 per 50 kg in case of robusta. So, any drop in production will reduce the income of planters in the country. Also, any significant drop in production due to reduced area may force the country to import arabica coffee in the future.

A Coffee Board official said the shift in production pattern was happening mostly in Karnataka. "The past 10 years' trend shows the ratio between arabica and robusta's cultivated area stands at 48:52 and is not changing much. So, the situation is not alarming," a Karnataka-based planter said.

Late monsoon hurts Gujarat farmers

Rutam Vora / Ahmedabad June 29, 2011, 0:45 IST

Cotton, groundnut sowing likely to be affected if the clouds don't relent in 10 days or so.



The wait seems to be getting longer for farmers in Gujarat. The southwest monsoon has been delayed in the state by close to a fortnight from the earlier forecast of June 15.

The pre-monsoon showers at most places earlier this month had generated a wave of hope among farmers for a timely monsoon this year. However, says Kamaljit Ray, director here at the India Meteorological Department: "The monsoon system which was expected to bring rain in parts of Gujarat from June 15 onwards has failed and shifted upwards to Rajasthan. Now, it is only after a new monsoon system gets formed that the state can see some rains, which is expected in a week's time."

ACREAGE BREAK-UP	
Major kharif crops	Acreage (hectares)
Cereals	1,721,800
Pulses	582,400
Cotton (lint)	2,464,400
Groundnut	1,757,600
Castor	421,600
Sugarcane	190,300
Other oilseeds	644,300

*Based on the final forecast report of
2009-10 by the Directorate of
Agriculture, Government of Gujarat*

Concern has started mounting in government departments, as the two major kharif crops, groundnut and cotton, are feared to be at risk. A delay in monsoon may adversely affect sowing activity for these crops. The kharif season started in April-May.

“The sowing has already begun in parts of Saurashtra and north Gujarat, which had seen pre-monsoon showers earlier this month. But as the regular monsoon has got delayed, there are fears of damage to sowing in these regions. The crops sown so far include groundnut and cotton,” informed a senior official at the agriculture department. Groundnut sowing has been done on about 376,000 hectares, while cotton sowing has been taken up on nearly 452,000 hectares.

Sowing for cereals and pulses, including paddy, jowar, bajra, maize, ragi, tur, moong and urad, and oilseeds like soybean, sesame seed and sunflower seed, will be taken up as the monsoon sets in. A damage to the sowing would bring down production and yield of the major crops. Gujarat is one of the largest producers of groundnut and cotton. It produces about 10 million bales (a bale = 170 kg) of cotton every year, while groundnut production is seen at around two million tonnes. On an average, kharif crops are cultivated on about 8.6 million hectares in Gujarat.

“The situation is not alarming but there are concerns among farmers. A further delay in monsoon would not only affect the sowing but also put a dent in the yield,” said Govindbhai Patel, an edible oil expert from Rajkot.

Experts maintained that in some parts of the coastal region, there was some damage to cotton sowing. “Replanting had to be taken up for cotton as there was damage due pre-monsoon showers. The area for replanting would be less than 10 per cent of the total cotton acreage in the state. Now, there is a potential threat to the groundnut sowing, if it does not rain in the next 10 days,” informed Biren Vakil, a commodity expert based here.

Saurashtra and parts of northern Gujarat are the key growing regions for groundnut and cotton. The districts having groundnut and cotton sowing include Junagadh, Jamnagar, Rajkot,

Bhavnagar, Amreli and Surendranagar. Southern and central Gujarat are the key growing regions for oilseeds, pulses and cereals, including paddy.

Haldi becomes the new fancy of Haryana farmers

Vikas Sharma / New Delhi/ Chandigarh June 29, 2011, 0:41 IST

Turmeric is seemingly catching fancy of Haryana farmers this year. According to horticulture department officials, Yamunanagar, where 80 per cent of the total turmeric in Haryana is sown, has witnessed twice growth in the area compared to previous season.

The area under turmeric, sown along with polar trees, indeed has shown remarkable progress in Haryana considering that it covered an area of just 625 hectare (253 acres) in 2008-09.

Farmers in Haryana this year seems to have caught fancy for the turmeric, the area for which has shown considerable rise. As per horticulture department officials in Yamunanagar area where 80% of the turmeric in Haryana is sown, has witnessed twice growth in the area compared to previous season.

As per District Horticulture officials compared to 800 acres area sown under turmeric last year this year the area has increased to 2000 acres and could move further up.

HAFED is anticipating 3000 acre area under turmeric this season (2011-12).

This inclination towards turmeric could be attributed to higher remunerations which the farmers are receiving and also because of the subsidy on the seeds. The state horticulture department says that farmers in the state are getting 50 per cent subsidy on the seeds. Similarly Haryana State Co-operative Supply and Marketing Federation Limited, better known as HAFED also has distributed seeds to farmers eyeing acreage 3000 acres.

Farmers in Yamunanagar district, which produces 80 per cent of the total turmeric grown in Haryana said that setting up of processing plant in Haryana by Haryana State Co-operative Supply and Marketing Federation Limited, better known as HAFED has indeed helped the farmers.

Compared to earlier prices of Rs 4-5 per kg, now the farmers are being paid Rs 20-22 per kg by HAFED, which serves as an encouragement to the farmers.

S P Singh, secretary, Kisan Club (Yamunanagar) said that this year he has sown 7000 quintals of turmeric compared to 2000-2500 quintals sown last year.

HAFED in 2008 had started a turmeric processing plant with processing capacity of 1437 tonnes per year. While 39 quintals of turmeric was purchased by HAFED for its plant in 2008-09, the number increased to 3677 quintal for the season 2010-11.

An official in HAFED said, "50 quintals of turmeric powder processed in the plant already has been supplied to the domestic market. In addition to this, HAFED is also in process of exporting the turmeric powder to countries like US as officials maintained necessary approval has been obtained."

The officials in HAFED added that out of 3677 quintals of raw turmeric purchased by processing plant, just 800 quintals came from Haryana farmers but this year they are targeting more turmeric from the state farmers considering the increase of area.

Govt fixes sugar quota at 17.72 lakh tonnes for July

BS Reporter / New Delhi June 29, 2011, 0:21 IST

The government on Tuesday fixed a quota of 17.72 lakh tonnes of sugar for the month of July, out of which millers have been allowed to sell 15.60 lakh tonnes in the open market and the rest to be sold through public distribution system (PDS).

In India, the government fixes the quota of sugar that each mill can sell every month. Last month, the government had allocated a quota of 18.57 lakh tonnes of sugar, of which 2.07 lakh tonnes was sold through the ration shops and rest in the open market

The Indian Sugar Millers Association (ISMA) said the country's sugar production had touched around 24 million tonnes (mt) this season.

Progressive farmers in Punjab to export potatoes to CIS countries

Vijay C Roy / New Delhi/ Chandigarh June 28, 2011, 0:59 IST

Having already exported over 5,000 tonnes of potatoes to Russia, Jalandhar-based progressive farmers are contemplating to export the crop to Ukraine, Azerbaijan and other Commonwealth of Independent States (CIS) countries in next potato season. The export would be done either directly by the farmers or through the Punjab State Cooperative Supply & Marketing Federation (Markfed), a nodal agency for agriculture export. The farmers are eyeing to export about 100,000 tonnes in the next season, if the farmers get remunerative price for the crop.

Speaking to Business Standard, POSCON (Confederation of Potato Seed Farmers), Secretary General, Jang Bahadur Singh Sangha said, "We are working on the modalities and recently our members visited Russia and other CIS countries with Markfed officials to explore the opportunities. If the price of potato supports us in the next season, we would like to export it to Ukraine, Azerbaijan and other countries. If everything goes well, we are eyeing a export of 100,000 tonnes of Potato in the next season."

This is for the first time potato growers in Jalandhar have inked a deal with Russian traders to export Potatoes. The first consignment was sent in February 2011 and this was for the first time when India exported potatoes to Russia.

He added, "Our POSCON members have exported over 5,000 tonne of potatoes to Russia. It was completely a new destination for us and we are keeping a tab on the future business prospects in Russia and other the neighbouring countries for exports if the exports seem to be conducive to us."

Last season, potato was grown over about 84,000 hectares in Punjab and the total production was about 2.2 million tonnes. Further, normally the crop is sown in October and its harvesting begins in January-February.

In order to facilitate the exports, he demanded that the government should introduce freight subsidy on the transportation of the crop for exports to other states. Also, in order to stabilize the potato prices in domestic market, he suggested that there should be proper cold chain facilities. Sangha is also in process of setting up its own cold storage for perishable vegetables with an investment of Rs 15-20 crore.

TN fixes foodgrains production target at 115 lt



Mr K. Arul Mozhi

Coimbatore, June 27:

The Tamil Nadu Government has fixed a production target of 115 lakh tonnes of foodgrains this year from 22 lakh hectares under rice, 10 lakh hectare each under millets and pulses, the Agricultural Production Commissioner and Principal Secretary to the Government, Dr K. Arul Mozhi, said.

Inaugurating the 77th Scientific Workers' Conference at the Tamil Nadu Agricultural University here, Dr Arul Mozhi said in order to sustain the food production target, the State would need to sustain the primary sector growth rate, which is now hovering at 8.4 per cent.

“Land and water are the two main requirements for agricultural production,” he said and pointed out that land area had turned inelastic and water - erratic due to unseasonal rain and flooding or scarce following drought situation.

Further, over 90 per cent of the farmers in the State belonged to the small and marginal category, occupying 58 per cent of the total land area. “It is going to be a real challenge to achieve the target under such conditions, considering that the area put to non-agricultural use is on the rise and permanent fallows occupying sizeable acreage.’

Notwithstanding such constraints, the State envisions to double food production and farmers income, diversify without affecting food security, strengthen supply chain and marketing strategies and mechanise farm-activities, he said and urged the scientists to facilitate farmers achieve production targets.

Hailing the Farm Varsity's research work, he said, "there still exists a gap in rice yield, pulses, oilseeds, sugarcane etc." and stressed the need for reorientation of research towards semidry rice, millets, pulses, oilseeds and giving priority to dry land technology practices in farming.

"High density technology, dynamic agronomic practices, package of technology coupled with regional, cluster approach would pave the way for achieving targeted results particularly in pulses," Dr Arul Mozhi said.

He also pointed out that to ascertain if varietal releases reached the farmers, researchers should find its acceptability amongst farmers and ensure availability of seeds.

The Commissioner of Agriculture, Mr Sandeep Saxena, said while improved varieties and practices, technology and tools were in place, there was a lack of focus, forcing the farmer to run from pillar to post, instead of providing the necessary access.

He called upon the scientists to do scientific planning, have farm-level intervention, impart lessons in the use of technology and work out ways and means to plug the ever-widening demand-supply gap. "Aim at achieving high productivity for each crop starting from the district level (bottom-up)" he said.

The Commissioner of Sugars, Mr Rajeev Ranjan, expressed concern over the stagnation in the yield level of sugarcane in the State. "Over dependence on one variety has led to this stagnation in yield," he said and called upon the scientists to come up with new, high yielding, pest resistant varieties.

Cashew rules firm on tight supply



Kochi, June 27:

The cashew market last week ruled steady with a firm undertone, and there was a fair amount of business in W320, W450, Splits and Pieces.

Business for W240 was done at \$4.80-4.85 a lb, W320 at \$4.50-4.60, W450 at \$4.45-4.50, Splits at \$3.90-3.95, and Pieces at \$3.80-3.85 (fob). While some processors were selling at a few cents lower, some others were able to sell at a few cents higher.

During the last three weeks, the domestic market has been firm with prices moving up 10-12 per cent for brokens and 5-6 per cent for wholes.

Availability for prompt deliveries is limited and this is adding to the firmness of the market.

Normally, availability is better during August-December, which is the peak consumption period in India. But this year, the supply will not be as comfortable as in the past as the raw cashew nut (RCN) flow has been spread over a longer period.

Added to this, RCN imports have been lower following more aggressive buying by Vietnam and Brazil which have already taken control of a good quantity, and the pipeline is almost empty, the trade sources said.

Slow arrivals

Currently, the RCN market is steady. Guinea Bissau (GB) is at around \$1,700 a tonne, Senegal/Gambia \$1,600, Benin \$1,550, and Ivory Coast (IVC) \$1,350-1,450 (c&f).

Arrivals into India have also been slow, with transit time at around eight weeks compared with the normal 4-5 weeks. Coupled with the delays in shipments from IVC, the processing in April-June has been much lower than normal, Mr Pankaj N. Sampat, a Mumbai-based dealer told *Business Line*.

He said buyers seem to be reluctant to buy larger volumes for longer spreads as they are concerned about the impact of high prices on usage (so far the impact has not been much because currency movements are reducing the impact in some markets and some markets have absorbed the increase).

“At the back of their mind, there is probably also a concern about the precarious condition of the economy and financial markets.”

The pattern of buying 2-3 months' requirements at a time coupled with the tight supply position is keeping the market firm, he said. “Some market or the other is always buying, and since RCN shipments are coming in slowly, most sellers are not under pressure to sell even if markets go quiet for a couple of weeks.

“At such times, some processors who need to keep selling regularly because they do not have forward sales (by choice or compulsion) sell at few cents lower, but such lower offers are quickly absorbed.”

Short-term buying

According to the trade, this trend of short-term buying which provides support to the market will continue until:

the supply improves significantly (which is unlikely in the short term as 2011 Southern and 2012 Northern crops have to be good to provide relief on supply side);

there is a big drop in usage in the last quarter and in contracting for 2012; or

buyers cover a larger portion of their requirements for a longer time.

Overall, the market outlook continues to be hazy and until “we come to some tipping point, the market will continue to dip (buying opportunity) and spike (selling chance). Trend change will

happen only when there is some big change in supply or demand (or some big external development), Mr Pankaj added.

Finnish firm Vaisala sells two weather radars to IMD

June 28:

Weather forecast, especially near-term and a little beyond, has become rather critical not only for Governments across the world (to advise or warn people), but also for a number of organisations such as the meteorological offices, defence establishments and aviation industry. No wonder, weather measurement systems are increasingly in demand everywhere, more so in large emerging economies.

India is no exception. As an agrarian economy, meteorological office predictions are critical for the country. Additionally, with the massive expansion of aviation services and opening of new airports, the necessity of setting up sophisticated weather measurement systems has become acute.

Finnish company, Vaisala, a global leader in environmental and industrial measurement, has sold two weather radars to the India Meteorological Department (IMD). "We are in the process of delivering two weather radars to IMD, one for installation in New Delhi and the other in Jaipur," said Mr Panu Partanen, Director and head of emerging market segment at Vaisala's Meteorology division.

Value of order

Disclosing that the value of the Indian order was €3 million, the company representative added that the first of the two radars was delivered to India recently and that the project would be completed by year-end. So far, as many as 40 weather radars have been sold by the company globally.

In addition to serving customers in meteorology, Vaisala Group is into weather critical operations and controlled environment markets. With net sales of €253 million in 2010, the group employs about 1,350 professionals in its 30 offices worldwide, including one in New Delhi.

Its products are currently used in over 140 countries. There is huge research spend on producing innovative observation and measurement products for the global market.

In India, Vaisala is increasingly targeting Government business for its huge potential. The other major target customer group is airports. As weather events impact airline operations, it is imperative modern systems are installed at every airport.

Rs 4.4-cr APEDA grant for Namakkal college lab

Coimbatore, June 28:

The Agricultural & Processed Food Products Export Development Authority (APEDA) has sanctioned Rs 4.36 crore for upgrading and modernising the Animal Feed Analytical and Quality Assurance Laboratory of the Veterinary College & Research Institute, Namakkal, which is under the Tamilnadu Veterinary and Animal Sciences University (TANUVAS), Chennai.

The laboratory was started in 1994 to cater to the needs of small and medium poultry farmers of the Namakkal region to improve the quality of feed.

Mr P. Valsan, Secretary, All-India Poultry Products Exporters Association, said the association had approached APEDA with a request for assistance to upgrade the laboratory. The aim of the project was to strengthen the lab in 'residue analysis and various advanced analysis of feed ingredients for poultry and livestock industry.'

It could also handle more number of samples in a short time with greater accuracy and reliability which will help not only domestic suppliers but also the exporters.

Mr Valsan said the MoU was signed by Mr Asit Tripathy, Chairman, APEDA, New Delhi and Dr Purushothaman, Director- Research, TANUVAS, Chennai, at Bangalore on June 25.

Currently, the lab is getting 50 samples a day and analysing contaminants, adulterants, mycotoxins, nutritional composition, vitamin analysis in premixes, etc. The samples are not only from various parts of the country but also from neighbouring countries. The results are given in 24 hours. The lab also offers counselling and advice to poultry farmers in making quality feed with quality feed ingredients.

Spot rubber slips on buyer resistance

Kottayam, June 28:

Physical rubber prices weakened on Tuesday. The market slipped further on buyer resistance extending the previous day's steep declines. According to sources, the losses were limited on marginal improvement in domestic futures and there were no quantity buyers in the trading houses even during the closing hours.

Except supply, all factors now stay unfavourable to natural rubber (NR) market according to the Association of Natural Rubber Producing Countries. While supply of NR continues to be low, the market sentiments are slightly outweighed by growing concerns about global economy; a weak demand for the commodity; depreciation of Thai baht, Malaysian ringgit and Indonesian Rupiah against the dollar; and strengthening of Japanese yen.

In spot, sheet rubber slipped to Rs 206 (207) a kg, according to traders. The grade weakened to Rs 207 (210) a kg both at Kottayam and Kochi, as reported by the Rubber Board.

In futures, the July series recovered partially to Rs 208.30 (206.73), August to Rs 209.42 (207.37), September to Rs 208.10 (206.57), October to Rs 207.25 (204.99), November to Rs 210.90 (208.23) and December to Rs 211.45 (210.05) a kg for RSS 4 on the National Multi Commodity Exchange.

RSS 3 (spot) dropped to Rs 207.49 (209.46) a kg at Bangkok. The July futures closed unchanged at ₹358.0 (Rs 199.37) a kg during the day session but then improved marginally to ₹361 (Rs 201.08) in the night session on the Tokyo Commodity Exchange.

Spot rates were (Rs/kg): RSS-4: 206 (207); RSS-5: 204 (205); ungraded: 201 (202); ISNR 20: 203 (206) and latex 60 per cent 132 (132).

Coffee output likely to remain flat at 3 lakh tonnes

New Delhi, June 28:

India's coffee production is likely to remain flat at three lakh tonnes in the 2011-12 season starting October this year.

The country is estimated to have produced 2.99 lakh tonnes in the current 2010-11 season (October-September), according to the Coffee Board's post-monsoon forecast.

In the post-blossom estimate, the board had pegged the output at 3.08 lakh tonnes for the current year. The board will shortly release the post-blossom estimate for the 2011-12 season.

"The post-blossom estimate for coffee is likely to be about 3 lakh tonnes. The ratio of robusta and arabica is 60-40 per cent," a senior coffee board official said.

Production of robusta is likely to fall to about 1.8 lakh tonnes in the next season from this year's 2.04 lakh tonnes due to untimely and inadequate rains during March-April and also because of 2011-12 being an off-season.

Arabica output could increase to 1.2 lakh tonnes in 2011-12 season against 95,000 tonnes this year as next year would be the peak season for the premium bean.

The growers association, too, has estimated robusta crop at around 1.8 lakh tonnes, but differs on the forecast of arabica.

According to planters, the board's estimate for robusta during 2011-12 at 1.8 lakh tonnes is in line with their expectations as the output in the next season is expected to go down due to the season being an off-year and because of patchy and inadequate blossom rains.

However, they pointed out that the board's estimate for arabica at 1.2 lakh tonnes does not match their expectations.

Arabica potential is expected to rise as the next season is the peak season, but with patchy and inadequate blossom rains, production of the premium brew is expected to be below potential at around one lakh tonnes, the planters said.

According to the board officials and planters, the area for coffee would more or less remain the same.

Arabica was cultivated in 1.93 lakh hectares, while area under robusta plantations stood at 2.06 lakh hectares in 2010-11, as per the Coffee Board data.

Export buying, domestic demand buoy cardamom



Domestic use: Approximately 45 per cent of cardamom is used for industrial consumption especially in pharmaceutical, ayurvedic and cosmetics industry. (file photo)

Kochi, June 28:

The cardamom market ruled steady/firm on good export buying and domestic demand last week at the auctions held in Kerala and Tamil Nadu.

An estimated 60 tonnes of the commodity were bought by exporters. The buyers are enthused by the quality of the material and the current viable prices, trade sources said. The bold capsules are from the October-November picking and hence in good colour while the prices are moderate and below that prevailed for the same material last year, they said.

Upcountry buyers were also seen active, Mr P.C. Punnoose, General Manager, CPMC, told *Business Line*.

However, the market declined on Sunday probably because of the heavy arrivals of 69.8 tonnes and the entire quantity was sold, he said.

Arrivals contrary to the usual trend at this time of the year, have been on the rise in June and last week it stood at 357.5 tonnes. Such heavy arrivals are also pointed out as the reason for the decline in prices in recent weeks this year, the trade sources said.

According to them, many were holding back their produce hoping that prices would touch Rs 1,500 kg and since the new crop is round the corner they started releasing their stocks from last crop. The next crop is expected to hit the markets late this month or early next month in a small way, they said.

The maximum price fetched at Sunday's auction was Rs 1,031 a kg and the auction average dropped to Rs 718.21 a kg from Rs 766.12 a kg, the previous Sunday Mr Punnoose said.

Arrivals

Arrivals on Monday at the CPA auction at Bodinayakannur were at the higher side with 23 tonnes. Maximum price fetched was at Rs 837 a kg. The auction average price dropped to Rs 696.38 kg from the Sunday's average of Rs 718.21 a kg. Arrivals contrary to the usual trend at this time of the year, have been on the rise in June and last week it stood at 357.5 tonnes.

Such heavy arrivals are also pointed out as the reason for the decline in prices in recent weeks this year, the trade sources said. According to them, many were holding back their produce on the anticipation that the prices would touch Rs 1,500 kg and since the new crop is round the corner they started releasing their stocks from last crop.

The next crop is expected to hit the markets late this month or early next month in a small way, they said. The maximum price fetched at Sunday's auction was Rs 1,031 a kg and the auction average dropped to Rs 718.21 a kg from Rs 766.12 a kg, the previous Sunday, Mr Punnoose said.

Total arrivals during the current season stood at 11,529 tonnes. Of this 11,237 tonnes were sold. Arrivals and sales in the same period of the previous season were 9,678.5 tonnes and 9,474.7 tonnes respectively. Weighted average price, as on June 26, was at around Rs 1,012.48 a kg against about Rs 866.15 a kg same day last year.
