

All schemes formulated for agriculture sector will be implemented: Minister

Staff Reporter

Sengottaiyan recalls the contribution of Tamil Nadu Agricultural University

— PHOTO: S. SIVA SARAVANAN



FOCUS ON FARMING:K.A. Sengottaiyan, Agriculture Minister, speaking at the 41st Foundation Day of Tamil Nadu Agricultural University in Coimbatore on Thursday.

COIMBATORE: Within a year all schemes and subsidies formulated for agriculture sector will be implemented to make Tamil Nadu a model State in agriculture, Minister for Agriculture K.A. Sengottaiyan said here on Thursday.

Addressing the 41st Foundation Day of Tamil Nadu Agricultural University, he said scientists had to contribute their bit to make this dream of Chief Minister Jayalalithaa a reality.

“Increasing agricultural production and feeding the population of the country are two areas that need focus. There is a general complaint that farm technologies are not reaching the farmer. But, Tamil Nadu is an example where scientists are working hand in hand with farmers to see that technologies are reaching the farmer to the extent possible.”

Recalling the contribution of the university in the development of agriculture, Mr. Sengottaiyan said those who had passed out from the portals of the university were serving the country and the world in various capacities. Their continued services were very vital to the country, which had 56 per cent of the population involved in agriculture and 1.30 lakh hectares under cultivation.

Later, answering questions of presspersons on the ban on endosulfan, the Minister said the government was familiarising itself with the issues and in due course the Chief Minister would announce relevant policy decisions.

He replied in similar vein to a question on the Tamil Nadu Toddy Movement's plea to the Chief Minister for lifting the ban on toddy tapping.

Major role

Minister of Special Programme Implementation S.P. Velumani said TNAU had played a major role in transforming production-oriented agriculture into market-oriented agriculture.

“Even though the economy is doing well and various businesses are prospering, it is a fact that farmers are not in an economically enviable position. Many schemes and subsidies were not reaching the farmers so far. Without improving the quality of the life of the farmer, we cannot look forward to increasing production and productivity.”

To mark the Foundation Day, 72 staff members who had completed 25 years of service were honoured. In addition, 41 awards were given away for the best researcher, teacher, extension worker, team researcher, college, research station, and Krishi Vigyan Kendra.

As many as 70 faculties, who had obtained research grants of Rs.5 lakh and above, were also honoured.

Vice-Chancellor P. Murugesu Boopathi, Registrar P. Subbian, and Director of Research M. Paramathma spoke.

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Food inflation eases marginally to 8.06%

Special Correspondent

Pranab Mukherjee expresses cautious optimism over likely moderation in inflation in coming weeks

NEW DELHI: Food inflation eased marginally to 8.06 per cent during the week ended May 21 from 8.55 per cent in the previous week, mainly owing a fall in the prices of wheat, pulses and vegetables. However, the price volatility in non-food items continues to be a cause for concern as the inflation in this primary article segment, though declining, still remains above 20 per cent.

Even as food inflation, as measured by the Wholesale Price Index (WPI), at slightly over 8 per cent during the week was way lower when compared to 21.15 per cent during the third week of May, 2010, the inflation in non-food primary articles eased only marginally to 21.31 per cent, ostensibly owing to the Rs.5 a litre hike in the retail prices of petrol following which the motor fuel was up 32.41 per cent on a year-on-year basis.

Despite the uncertainty over oil prices in the global market, Finance Minister Pranab Mukherjee expressed cautious optimism over a likely moderation in inflation in the coming weeks. Noting that though uncertainty still prevailed on the fuel price front, he said a decline in overall primary articles' inflation was also evident.

"... If the declining trend in food items and non-food primary articles continues, then perhaps it will be possible to have a moderate rate of inflation ... The important figure is the non-food WPI. There is practically a two percentage point decrease from 23.22 per cent to 21.31 per cent [in that segment]. My comment is that there will be a moderation in inflation," Mr. Mukherjee said.

Mr. Mukherjee also felt that analysts should look at the broader picture and not the week-to-week or month-to-month inflation figures even though the fact remains that the retail prices of diesel and LPG are expected to be raised some time during this month which, in turn, would get reflected in the WPI inflation data with a fortnight's time lag.

Commenting on the WPI data, financial services firm Kassa Director Siddharth Shankar said: "The numbers have shown some improvement, but it is too early to say that inflation will fall in the coming months. We still have to see the impact of fuel price hike."

During the week, prices of pulses eased by 9.22 per cent year-on-year, while wheat turned cheaper by 0.77 per cent. Alongside, vegetable prices were lower by 1.06 per cent on a yearly basis, while potatoes became cheaper by 2.15 per cent. However, milk turned dearer by 7.04 per cent while eggs, meat and fish were also 5.50 per cent costlier. Other food items also turned more expensive with prices of fruits up 30.51 per cent and onions by 12.32 per cent on an annual basis.

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Paddy farmers concerned over supply of seeds and fertilizers

M.K. Ananth

Land to be irrigated through Rajavaikal, Mohanur Vaikal, Kumarapalayam Vaikal, Poiyeri Vaikal

'Kharif harvest is seven tons per hectare and would be done in late July or August'

Namakkal: Farmers are all set to cultivate Kharif paddy in Mohanur, Kabilamalai and Paramathi blocks in this district that would be getting Cauvery water when the sluices of Mettur Dam are opened on June 6.

However, they seek information from the Agriculture Department regarding availability of quality seeds and fertilizers.

Their main concerns centre on availability of required certified seeds and fertilizers and procurement of the harvested paddy by the Government.

G. Ajeethan a farmer of Mohanur said that there is shortage of fertilizers, fine and superfine quality paddy varieties such as ADT43, ADT39 and BPT.

The available seeds are not of that quality, he added.

He was of the opinion that the Agriculture Department should take efforts to enlighten farmers on availability of seeds and fertilizers and also sensitize them on using bio fertilizers, so that they would be well informed on what should be done for better harvest. Farmers there said that the State government that has brought smiles on their faces by releasing the water in advance should also promise to procure the harvested paddy from them at the Government-assured price of Rs. 1,100 per quintal.

The expected Kharif harvest is seven tons per hectare and would be done in late July or August, they added.

Joint Director of Agriculture (In-charge) A. Prabakaran told The Hindu that close to 6,000 hectares of agricultural land would be irrigated by Cauvery Water through its tributaries – Rajavaikal, Mohanur Vaikal, Kumarapalayam Vaikal, Poiyeri Vaikal – when water is released from Mettur Dam.

Only 500 hectares is under paddy cultivation in that area, which is only 2.5 percent of the total 20,000 hectares of Samba cultivation in the district, he added.

Efforts are underway to ensure seed and fertilizer availability, he said.

On inadequacy of fertilizers, the Joint Director said that a major stock was available, while the dearth would be filled up by Saturday – two days before releasing water.

A total of 136 metric tons of certified seeds has been stocked at the agriculture cooperative societies in those areas and an additional 75 to 100 metric tons is getting processed at the processing centres, Mr. Prabakaran added.

Primary Cooperative Societies have also been encouraged to give seeds to farmers with subsidy of Rs. 5 per kg through the Integrated Cereal Development Programme (ICDP), the Joint Director (JD) said.

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Rain brings good tidings to Theni district farmers

Staff Reporter

Level in Periyar dam to cross 121- feet mark by Friday morning

THENI: Water level rose by one foot in Periyar dam in the last 24 hours, thanks to heavy downpour in the dam site and in the catchment areas, and also owing to a sharp increase in inflow in to the dam.

Water level at the dam touched 120.8 feet on Thursday evening which was 119.5 feet on Wednesday. Quantum of inflow into the dam shot up manifold when compared to the inflow two days ago. The inflow was 1,563 cusecs which was just 208 cusecs on Wednesday. Discharge from the dam was nil. Public Works Department (PWD) engineers are keen on increasing the storage to a permissible level of 136 feet to maintain supply for irrigation of first crop.

They expect the level to cross 121-feet mark by Friday morning. If this trend continued, farmers would not have difficulty in getting the required quantum of water for irrigation of the first crop in the double crop area of Cumbum valley, they added.

Torrential showers were recorded in Periyar dam site as well as in Thekkadi in Kerala, and moderate to heavy rain in many parts of the valley in Theni district.

There was not much improvement in the storage level at Vaigai dam. The level rose marginally to 50.9 feet which was 50.1 the previous day. The discharge from the dam was 60 cusecs.

Already, several farmers have started preparing their fields with the help of intermittent showers. Early onset of monsoon has given them encouragement.

Earlier, farmers strongly believed that there would not be much delay in releasing water from Periyar dam for the first crop in June. But fixing filters at the drawing point and other repair works to withdraw optimum quantum of water from the reservoir delayed water release.

However, even grey areas of Bodinaickanur, Andipatti and Periyakulam also received mild showers. The sky was overcast in some areas and there were some showers in other parts of Theni district on Thursday evening.

Rainfall recorded at various places in Theni district at 8 a.m. on Thursday (in mm): Periyar 111.2, Thekkadi 70.8, Gudalur 20.6, Uthamapalayam 23, Shanmuga Nadhi Reservoir 7, Veerapandi 17, and Vaigai dam 1.

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Online quality assessment system for edible oils

Special Correspondent

CHENNAI: An online quality assessment system for edible oils was launched here on Thursday under an academia-industry partnership.

The online tool, which is based on the Near Infrared Reflectance Spectroscopy (NIRS) principle, could greatly assist edible oil manufacturers in quality control.

The technology was jointly evolved by the Chennai Centre of Central Electronics Engineering Research Institute (CEERI), a national laboratory under the Council of Scientific and Industrial Research, and the Mysore-based Central Food Technological Research Institute. The project was sponsored by the Department of Science and Technology (DST) with edible oil manufacturer Kaleesuwari Refinery as industrial partner.

The team scientists at CEERI combined NIRS technology, with the technique of chemo-metrics to develop the online quality testing protocol. Exploiting the advances in Diode Array Spectrometer and speed computing, scientists adopted the NIRS methodology to monitor Free Fatty Acids (FFA) and Peroxide Value (PV) which constitute the two vital parameters in the edible oil industry.

Launching the product, E.S. Rajagopal, Emeritus Professor, Indian Institute of Science and chairman, expert advisory group, DST, said the onus was on industry to come forward and adopt the innovative technology.

G.J. Samathanam, Head-Technology Development and Transfer, DST, Nagesh Iyer, Director, CSIR-SERC, Chennai, and Chandra Shekhar, Director, CSIR-CEERI, Pilani, were among those who participated.

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Fertilizer dealers allegedly fleecing farmers

Staff Reporter

TIRUNELVELI: Even before the 'kar' paddy season started this year, a couple of dealers here are selling the fertilizers usually in great demand for a premium, the farmers here complain.

When the government revised the price of the fertilizers, it was decided to sell Di-Ammonium Phosphate (50 kg bag) for Rs. 656 though it was sold earlier only for Rs. 486. However, the farmers here have been forced to buy it for Rs. 750 a bag now as a Tirunelveli Town-based dealer, who has stocked huge quantity of this fertilizer, has fixed this inflated price.

Similarly, the FACT 20:20 (50 kg bag) is being sold for Rs. 580 though the price fixed by the government is only Rs. 480. "This is atrocious. After facing two successive 'kar' paddy crop failures, the farmers in the district have started their preliminary operations for the ensuing season following some rainfall in the catchment areas of the dams. Sensing the demand that may arise in the next couple of weeks, the fertilizer dealers have started selling the chemical nutrients at inflated price, which should be immediately checked by the officials concerned," said K. Ganesan, a farmer from Kurichi here. Officials attached to Department of Agriculture assured that surprise checks would be conducted in the next couple of days and action taken "If any authorised dealer dares to defy the government order pertaining to the selling price, stern action, including cancellation of licence, will be taken against them," assured a senior official.

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Turmeric farmers told about need for integrated nutrient management

Special Correspondent

VELLORE: About 50 farmers attended a training programme conducted by the Horticulture Department on cultivation of turmeric at Ananthalai in the Walajapet block on Wednesday.

The programme enlightened the farmers on the necessity of integrated nutrient management needed in turmeric farms to overcome depletion of soil fertility.

Eapan Vettath Eapan, Assistant Director of Horticulture, Walajapet, presided over the programme. He explained in detail the strategies of varietal selection and use of borax to mitigate the problem of drought, which adversely affected the turmeric crop in Vellore district.

He said that micronutrients should be used along with macronutrients to increase yield in all crops. Micronutrients are required in smaller quantities, while macronutrients such as nitrogen, phosphorus, potash and sulphur are needed in larger quantities. Vellore soil responds better to single super phosphate with the soil being neutral to slightly alkaline, and it supplies both phosphorus and sulphur. Nitrogen deficiency has been noticed in Vellore soil despite application of urea.

The assistant director said that unlike other crops, high micronutrient dosages are needed for turmeric. Thirty kilogram of ferrous sulphate, 20 kg of zinc sulphate and 10kg of Borax should be applied to each hectare of turmeric as basal. Besides, 35 kg of carbofuran per hectare of turmeric is needed to tackle nematode pest attack.

Last year, Vellore farmers used only 1.5 kg per hectare of this chemical, and that was a major cause for crop loss due to pest attack in Vellore, he said.

G.A. Voorappan and P.L. Vinayagam, Assistant Agricultural Officers of Walajapet block, detailed the various schemes of the Horticulture and Agriculture Departments such as the National Horticulture Mission, Integrated Horticulture Development Scheme, National Agricultural Development Programme, Tamil Nadu Irrigated Agriculture Modernization and Water Bodies Restoration and Management (TNIAMWARM).

'Cotton seed supply will be regulated'

Staff Reporter

As the yield was good last year, more farmers are expected to go in for cotton this year

WARANGAL: The promise to ensure adequate supply of seed by the district administration notwithstanding, farmers are in for yet another shock – this time for seed and fertilizer.

District Collector Rahul Bojja said in view of shortage of Bt 2 variety of Cotton seed availability, it was decided to regulate the seed supply only to see that all the farmers got at least some seed. "As promised by the Mahyco and Nuziveedu companies, they are unable to supply in expected quantities of cotton seed.

Last year, the Mahyco sold 2.94 lakh packets of cotton seed while the Nuziveedu Seeds sold 1.70 lakh packets. As the yield was good with the produce commanding the highest price of Rs. 6,700 per quintal, more farmers are expected to go in for cotton this year.

Last year, the cotton was sown in 2.21 lakh hectares and it is expected to grow by 10 per cent. The extent of area is likely to be 2.40 lakh hectares. Going by the expected demand, the farmers require 10.47 lakh packets of cotton seed.

The district administration has asked the Mahyco to send five lakh sachets of seed and Nuziveed Seeds to send four lakh sachets of Bt 2 variety of cotton seed.

"Since the supplies are short, we wish to regulate and distribute proportionately the available stocks. We will get Mahyco seeds of 1.52 lakh packets and Nuziveedu two lakh seeds. The farmers will have to get to the MRO office to get permits. Those having below two acres will get one packet and above two acres will get two packets of Bt 2 variety of cotton seed. There is no

restriction to other varieties of cotton which are available abundantly in the market,” the Collector said.

Referring to fertilizer supply, the Collector said there was no need to panic as the supply schedule was prepared by the district administration and as and when the demand arose, sufficient stocks would be made available at mandal headquarters, he said.

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Paddy growers stage protest seeking higher support price

Staff Reporter

Bangalore: A large number of farmers on Thursday staged a demonstration at the Freedom Park here demanding that the Government announce a higher support price for paddy and set up procurement centres.

The farmers representing Davangere Zilla Raitha Horata Samithi, the Karnataka Rajya Raitha Sangha and the Hasiru Sene have been agitating against the steep fall in prices of paddy for the last one month. On Thursday, they met Chief Minister B.S. Yeddyurappa and threatened to launch a “jail bhara” if the support price was not announced by June 15.

Avaragere Rudramuni, one of the farmers leading the protest, said the farmers wanted the Government to announce a support price of Rs. 1,530 for a quintal of paddy as recommended by the Agriculture Department. The Union Government has fixed a support price of Rs. 1,030 for a quintal of rice.

Mr. Rudramuni said that the cost of paddy cultivation had increased enormously. If farmers were to sell the produce at the prevailing market price of Rs. 1,030 fixed by the Union Government, they would be losing Rs. 500 a quintal. Most of the farmers could not sustain this loss, he said.

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Food crisis? We've enough on our plates

Tim Lang

Yes, food prices are rising but more competition is not the answer — it's time to stop over-consumption.

Slowly, surely, a new mixture of consensus and fault lines is emerging about world food. On the one hand, there is agreement we are entering a new era in which basic agricultural commodity prices are rising after decades of falling. This will hit the poorest hardest, as an Oxfam report this week on food justice rightly points out. But there is not yet sufficient agreement or political leverage to begin the big, necessary changes. And there's disagreement on what the problem really is.

Is another round of technical intensification needed to raise productivity? That's what the U.K. government's Foresight report argued this January, calling for the oxymoronic “sustainable intensification.” Or is it best addressed by a more equitable distribution of wealth? This is what Oxfam and others argue, saying there is enough food to go round if properly shared. Much hangs on which perspective is used to frame food policy.

To the west, the great success of the food story in the second half of the 20th century was lower prices. This allowed spending to diversify and fuelled the consumer boom. Proportionately less outlay on food meant more for clothes, homes, holidays and fun. This rebalancing came at a cost to the developing countries dependent on food exports. Their purchasing power declined while ours went up. It also came with dire environmental costs: biodiversity loss, pollution, soil damage and water stress. These indicators suggested that the environment too was being squeezed.

Under to over-consumption

From the 1960s, with growing evidence and conviction, environmentalists have warned that human reliance on the eco-sphere might be threatened. Public health analysts spotted the transition from problems of under-consumption to those of over- and mal-consumption. Mass hunger sits alongside mass obesity. This distortion is no longer one where the rich world is fat, and the developing world is thin; even sub-Saharan Africa now has an obesity problem.

The evidence of this mismatch between policy and reality has been growing for decades. It ought to be centre-stage on every government's food policy agenda. The tragedy is this isn't the

case. For a moment, when in 2006-08 world food prices rose, even rich countries looked worried. Fresh from the banking crisis, no one wanted food destabilisation too. An emergency world conference was scheduled. But even before it was held, prices began to drop. Sighs of relief in the west.

Three years on, prices are way above 2008 levels, and food inflation is endemic. Oxfam predicts food prices will double by 2030. That would take the average British shopping basket to about 20 per cent of disposable income. But to the poorest of the world, it would mean almost all income going on food. Even the World Bank and Organisation for Economic Co-operation and Development (OECD) are troubled.

In South Africa

What can be done? In 2008, many governments acted unilaterally; chaos ensued. Today, the South African government has emulated Tony Blair's action in 1999 when concerned about food prices: turn to Walmart. Aware of the vice-like grip Britain's dwindling number of supermarket giants had over 60 million British mouths, Blair signalled that the U.K. would welcome the world's biggest food retailer to introduce price competition. Competition and U.S. capital were the recipe to reduce food prices. Walmart purchased Asda.

But this model is part of the problem. The last thing South Africa needs is a retail giant that threatens the existence of thousands of small shopkeepers. Allowing it into Africa may signal modernity, but it is ecological and social irresponsibility.

The prospect of food prices doubling ought to be a political wake-up call. But politicians don't seem to be listening yet. They will, though.

To be fair, the challenge they face cuts across conventional political boundaries. An entire 20th-century approach to food modernity is under threat. Consumer expectations, not least that we can eat whatever we like whenever we like, are at stake. The 20th century created the fiction that ever more food can be produced by tapping oil, throwing fertiliser at seeds, spraying endless water and treating the soil as blotting paper, a neutral medium. We now know how fragile that mix is, and how fragile the Earth's crust and biology are too.

In the west, we are over-consuming and wasting food. A whole change of direction is required, not just in the food chain but in food culture. (Tim Lang is professor of food policy at City University London.) — © Guardian Newspapers Limited, 2011

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Monsoon envelopes State

P. Venugopal

THIRUVANANTHAPURAM: The southwest monsoon continued its vigorous phase over Kerala on Thursday, bringing very heavy rainfall in several places across the State.

The northern limit of the monsoon that had reached Kozhikode at the onset stage of the monsoon on Sunday shifted further north covering the whole of Kerala and parts of Karnataka on Thursday, according to India Meteorology Department (IMD).

The IMD's charts showed an offshore trough in position from south Konkan to Kerala. An upper air cyclonic circulation too lay over south and adjoining east-central Arabian Sea off Kerala-Karnataka coast. This system extended up to mid-troposphere, spinning the rainclouds flowing into the subcontinent from the Indian Ocean.

The Meteorology Centre here warned of the possibility of very heavy rainfall (exceeding 13 cm on the gauge) occurring in 25 per cent of the rain reporting stations in the State in the next two days. Up to 50 per cent of the stations could record heavy rainfall (exceeding 7 cm on gauge). The centre also said wind speed could touch 50-60 kilometres per hour along and off the State's coast in a warning to seagoing fishermen.

During the 24 hours ending at 8.30 a.m. on Thursday, very heavy rainfall was recorded at Kanjirappally (19 cm); Peerumedu (18 cm); Ottappalam, Parambikkulam, Piravam and Kozha (17 cm each); Manjeri and Thodupuzha (16 cm each); Pattambi, Cherthala and Kumarakam (15 cm each); Vadakara, Perinthalmanna, Vadakkancherri, Kottayam and Munnar (14 cm each) and Mannarkkad, Thrithala, Enamackel, Aluva, and Perumbavoor (13 cm each).

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'Stocks of seeds, fertilizer adequate'

Staff Correspondent

Shimoga: Sufficient stock of fertilizers and seeds has been maintained in the district, according to a senior official of the Department of Agriculture.

The district has received 110.5 mm rainfall this year so far. The district has 1.85 lakh hectares of cultivable land among which paddy is grown on 1.06 lakh hectares of land, maize on 71,000 hectares of land while pulses and oil seeds are grown on 8,000 hectares of land.

The district needs 36,067 quintal seeds, but a stock of 41,615 quintal seeds has been maintained. A stock of 29,150 quintals of paddy, 12,000 quintals of maize, 200 quintals of pulses, 100 quintals of oil seeds, 65 quintals of jowar, 50 quintals each of ragi and cotton seeds has been maintained.

Arrangements have been made to distribute the seeds at subsidised rate through 10 Raitha Samparka Kendras. An additional 16 centres will be opened during the sowing season.

A stock of 20,627 tones of fertilisers is also available in the district.

Joint Director of Agriculture Shivamurthappa has asked farmers to buy the fertilizer by paying the rate printed on the packet. He warned of stern action against fertilizer dealers, who collected excess money from farmers.

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HT Correspondent, Hindustan Times

Email Author

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CCI lens on hoarding of vegetables

Key sectors such as agriculture, steel and paper have come under the scanner of the Competition Commission of India (CCI)—the anti trust body, which has decided to monitor and commission studies on these areas to see if the players have indulged in unfair practices.

A member of the commission said that prima facie evidences have shown that “there could have been some use of unfair play which may have impacted the market.”

“The CCI has decided to undertake detailed studies on these sectors to ensure that there are no distortions in pricing and the end consumer is not impacted in any way,” said Dhanendra Kumar, outgoing CCI chairman on Thursday.

Kumar said that other sectors could also come under the CCI scanner. Cement is one sector which is already being monitored by the anti trust body. “In the long term, we may look into other sectors as well to ensure fair play and protect consumer interest,” he said.

The spurt in food prices in the recent months has brought back the focus into critical issues of price volatility in agricultural commodities, market structures and other dynamics. Onion prices had touched a high of R80 per kilo in December, 2010.

The anti-trust body noted that the recent price spikes in some instances could not be fully explained by the fundamentals of demand and supply and “that underscored the need to study the agriculture market structures in the country and pin down the real causes of price volatility in agri commodities.”

“The purpose of the proposed study is to capture the supply side dynamics for select agricultural commodities including onion, the structure, degree and nature of market competition at each stage of the supply chain of these commodities,

functioning of mandis, process of price discovery therein based on direct field investigations and identification of competition and efficiency bottlenecks,” the Competition Commission of India said in a statement.

<http://www.hindustantimes.com/StoryPage/Print/704937.aspx>

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...As PM's panel says power, farm critical for growth

The government is concerned about controlling the fiscal deficit and is committed to the fiscal deficit target of 4.6% of GDP this year, said C Rangarajan, chairman, Prime Minister's Economic Advisory Council (PMEAC). He hinted at a need for deregulation of diesel prices to meet the target.

“Some action is called for (on the fuel price) to control subsidy at budget level,” said Rangarajan.

“In the medium term, farm economy and the power sector will pose a major challenge,” said Rangarajan. “Necessary steps must be taken to revitalise traditional crop culture. A more aggressive path of capacity creation (power) must start immediately.”

The 8.5% GDP (gross domestic product) growth rate is achievable in the current fiscal year but certain constraints need to be removed to sustain the 9% growth rate, he said.

The economy should be able to grow at 9-9.5% during the 12 Plan Period on the back of the investment rate touching 38% of the GDP, Rangarajan said.

<http://www.hindustantimes.com/StoryPage/Print/704930.aspx>

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Food inflation dips to 8.06%, but still in danger zone...

India's food inflation fell to 8.06% for the week ended May 21, from 8.55% in the previous week, but experts cautioned it wasn't time to open the bubbly yet as prices of non-food items were still at worrisome high levels.

Inflation of non-food primary articles dropped to 21.31% during the week under review, as against 23.22% in the previous week. Food prices are also set to rise next month following a possible hike in prices of diesel and LPG that will pinch household budgets more, already pummelled by a bout of relentless rise in prices of most goods.

The average inflation in 2010-11 was 9.43% — the highest in 16 years.

The government expects the average annual inflation for 2011-12 to be between 7.5% and 8% amid spiralling prices in a slew of vital commodities such as oil.

The government expects inflation to moderate in the coming weeks.

"The important figure is the non-food WPI. There is practically a two percentage point decrease from 23.22% to 21.31% (in it). My comment is that there will be a moderation on inflation," finance minister Pranab Mukherjee said.

"It would be possible to have a moderate rate of inflation," if the declining trend of non-food items continue.

High food and commodity prices are fanning prices of most manufactured goods.

Inflation of non-food articles has been in the range of 20-25% over the past many weeks.

Both the government and Reserve Bank of India (RBI) have acknowledged that underlying inflationary pressures have accentuated, even as risks to growth are emerging.



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

A higher repo raises banks' borrowing costs and prompting them to increase interest rate on final home, auto and corporate loans.






<http://www.hindustantimes.com/StoryPage/Print/704732.aspx>

Weather

Chennai - INDIA

Today's Weather		Tomorrow's Forecast	
	Friday, Jun 3		Saturday, Jun 4
Cloudy	Max 36.1° Min 25°	Rainy	Max 37° Min 26°
Rain: 2.0 mm in 24hrs	Sunrise: 5:41		
Humidity: 63%	Sunset: 18:32		
Wind: Normal	Barometer: 1004.0		

Extended Forecast for a week

Sunday Jun 5	Monday Jun 6	Tuesday Jun 7	Wednesday Jun 8	Thursday Jun 9
				
34° 28° Rainy	35° 28° Rainy	35° 28° Rainy	35° 28° Rainy	35° 29° Rainy

By PTI

02 Jun 2011 12:52:34 PM IST

Food inflation at 8.06% for week ended May 21



NEW DELHI: Food inflation fell to 8.06 per cent for the week ended May 21 on the back of cheaper pulses, wheat and some vegetables, with the latest numbers likely to be seen by the government as a silver lining after the slowdown in economic growth during the first quarter. Food inflation, as measured by the Wholesale Price Index (WPI), stood at 8.55 per cent during the previous week. The rate of price rise of food items was as high as 21.15 per cent in the third week of May, 2010.

As per data released by government today, prices of pulses were down by 9.22 per cent year-on-year, while wheat became cheaper by 0.77 per cent.

This seems to be a reflection of the record production of wheat and pulses during the 2010-11 crop year (July-June).

During the week under review, prices of vegetables overall were down by 1.06 per cent on an annual basis, while potatoes became cheaper by 2.15 per cent.

However, prices of other food items became more expensive. Fruits were up by 30.51 per cent and onions by 12.32 per cent year-on-year.

Protein-based item also continued on their recent upward trend, with milk prices becoming dearer by 7.04 per cent and eggs, meat and fish becoming 5.50 per cent costlier.

Cereals became dearer by 4.78 per cent, with prices of rice going up by 2.51 per cent.

Overall, primary articles prices registered 10.87 per cent inflation during the week under review, compared to 11.60 per cent in the previous week. .

Meanwhile, non-food primary articles inflation went down to 21.31 per cent for the week ended May 21 from 23.22 per cent in the previous week.

Fibres became dearer by 55.82 per cent and minerals by 11.78 per cent.

The recent hike in retail prices of petrol was also reflected in the data. Petrol was up 32.41 per cent year-on-year. Inflation in petrol had stood consistent at 21.81 per cent during the previous few weeks.

The government and Reserve Bank 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 fell to an 18-month low of 7.47 per cent in the first week of May, before rising again in the second week.

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 drop 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.

3 Jun, 2011, 05.54AM IST, PK Krishnakumar,ET Bureau

Good fortunes for organic cocoa farming in India

KOCHI: Demand for organic cocoa is rising in the world, particularly in the US and Europe. To cash in on the trend, major chocolate companies are jumping on to the organic bandwagon.

While South America and Africa are the main sourcing countries, a Swiss company has launched a chocolate based on organic cocoa from India recently.

"Eating habits are changing in the US and Europe. People aware of the environment and ecological issues prefer organic products even in chocolates," said Antony Panakal of Switzerland-based Chocolate Stella, which recently launched Indian brand of chocolate made of organic cocoa grown in Kerala. The company has introduced single origin organic chocolates in several developing countries.

According to Antony, nearly 15-20% of world cocoa production is of the organic variety. This could increase to 30% considering the rising demand. Chocolate Stella sources most of its organic cocoa from South America. In India, the company has tied up with Indian Organic Farmers Producer Company (IOFPCL).

Indian organic cocoa production is largely confined to Kerala. "It is done mostly in Idukki and Kottayam districts. Though we haven't done an exact calculation, it is estimated that about 10-20% of the total cocoa production of over 12,000 tonne in the country is organic," said Khokan Debnath, deputy director of Directorate of Cashewnut and Cocoa Development . The southern states are the major cocoa producers in the country.

IOFPCL managing director KJ Thomas said there are several enquiries from European companies for organic cocoa. "But the problem is that our production of organic cocoa is not big. But the premium price is an incentive for the farmers to increase their cultivation," he said.

3 Jun, 2011, 05.47AM IST, PK Krishnakumar & S Sanandakumar,ET Bureau

Steady rise in India's coffee, tea consumption

KOCHI: Despite the fast growth of bottled juices and aerated drinks, consumption of tea and coffee is going up in India. Coffee consumption is up by 6% in the last few years while tea consumption has been showing a 3% annual growth.

Product innovation and better marketing strategy have helped coffee demand to spread to north India. Tea continues to be the common man's drink throughout the country.

Widespread popularity of carbonated beverages supported by intense promotional campaigns has not made a dent in the consumption of tea and coffee. Mushrooming coffee bars and cafes have made coffee drinking fashionable in cities. Coffee consumption has been aided by increasing urbanization and greater disposable income. Admittedly, south India as a region has the largest number of coffee drinkers.

But a recent survey by Coffee Board shows that of late more than 50% growth has come from non-south regions. Coffee Board chairman Jawaid Akthar said the coffee consumption has shown an annual average growth of 6% since 2000. In the previous decades, the growth was just 2%. "Apart from the high-end outlets, the consumption of instant coffee is increasing in north India. Our attempt is to popularise filter coffee in the region by removing the notion that it is difficult to make," he said.

The proportion of occasional coffee drinkers has increased in the last few years in the non-south regions. The board is keen on exploiting this potential of non-south states. Tea consumption is

growing by 3% every year. "It is more of a common man's drink and used in 90% of the households in the country," said Sujit Patra, joint secretary of Indian Tea Association .

The higher consumption of coffee and tea is happening at a time when India is fast emerging as a major market for soft drink and fruit juices. "India is a focus market for the Coca-Cola company . The India business has now been growing for the last 19 quarters," said the official spokesmen of the company.

3 Jun, 2011, 05.41AM IST, Madhvi Sally,ET Bureau

Sesamum prices robust on increase in demand

AHMEDABAD: International and domestic demand for sesamum (til) has ensured that the prices will remain firm even as a bumper crop starts arriving across Gujarat. With over 90% of the crop being exported to Korea, China, Europe and Arab countries for crushing purpose, traders are expecting an increase in acreage during the summer sowing that will take place across Gujarat, Rajasthan and Madhya Pradesh.

"Arrivals of the summer crop has started from last week. Output is expected to be around 50,000 tonne -- an increase of 5% from the previous year. The quality is good and daily arrival in major mandis of Rajkot, Gondal , Jungadh , Jetpur and Keshod were at 1,000 tonne," said Suresh Chandarana of Dhaval Agri Export from Rajkot.

The sesamum seed is used to make oil which is used as a cooking-oil in south India. It is also used for manufacturing perfumed oils and for medicinal purpose. Traditionally, the sesame is also used to make Indian sweets and as toppings on sweets, breads and burgers.

With a mere 5% carry-over stock, crop prices of white til were ruling at Rs 50 to Rs 53 a kg whereas the black til used for medicinal purpose and hair oil was being sold at Rs 100 a kg. "There has been a production loss of black til and the demand has picked up from US, ensuring

its prices to be bullish," said Chandarana.

Sailesh Nendapara of Chandan Enterprise said that farmers were getting Rs 500 to Rs 1,030 for white til / tal for 20 kg and for black til Rs 700 to Rs 1,600 for 20 kg, depending on the quality.

"Rains in the coming days could ruin the crop which is still in fields and may increase prices further in the short run," he said.

Exporters were signing new contracts daily. India annually exports 1.5-2 lakh tonne sesamum.

"In the month of June itself, export from India will be over 30,000 tonne. The new contracts are being signed for Rs 55 a kg. Last year, we had exported in the same period for Rs 63 a kg.

Competition from Uganda and Ethopia is the major reason," added Chandarana, who annually export 35,000 tonne. He added that Adani and Cargill had also entered the market to make the procurement.

Sowing for the kharif crop will begin in August and harvesting will take place in October. "If it rains more, the acreage will decrease as the farmers will be tempted to grow cotton and groundnut. We expect the acreage to remain between 2-2.5 lakh hectares," said Nendapara. As per the official figures in 2005, area under sesamum was over 4 lakh hectares, which has gradually decreased.

Food inflation at 8%, Rangarajan says Govt needs to do more

June 03, 2011 10:53:46 AM

PNS | New Delhi

Even though food inflation dipped marginally to 8.06 per cent for the week ended May 21, even as Prime Minister's Economic Advisor C Rangarajan asked the Government to take all the steps to lower the overall inflation to the comfort zone of 4-5 per cent.

Food inflation, as measured by the WPI was recorded at 8.55 per cent in the previous week, while it was over 21 per cent in the third week of May 2010.

The slight decline in inflation in case of non-food items to 21.31 per cent, despite hike in petrol price last month, prompted Finance Minister Pranab Mukherjee to express confidence that the inflation would moderate further.

Chairman of Prime Minister's Economic Advisory Council C Rangarajan said: "We must use all policy instruments to bring down the current inflation and re-anchor inflation expectations to the 4 percent to 5 per cent comfort zone".

For Mukherjee, dip in non-food inflation to 21.31 per cent for the week ended May 21 from 23.22 per cent in the previous week is significant.

"...If the declining trend in food items and non-food primary articles continues, then perhaps it will be possible to have a moderate rate of inflation," he said.

Heavy rain damages crop in mountainous region

June 03, 2011 11:04:32 AM

Pioneer News Service | Dehradun

The heavy rain and hail being experienced in different parts of the State, since the past weeks have severely damaged the agriculture and fruit cultivation in the mountainous regions and in addition causing severe inconvenience to pilgrims undertaking Char Dham Yatra.

Fruit trees in the Badkot and Naugaon regions of Uttarkashi have been denuded even of leaves by heavy rains and hail stones causing damage amounting to crores of rupees to the cultivators. In the border district of Pithoragarh, the rains have caused major inconvenience to residents with many homes becoming water logged.

The apple growers were expecting a good harvest following good snowfall received in the winter but heavy rains and hail summer has severely damaged the crop. Cash crops, grains, potatoes and other vegetables being grown in scores of villages in the region have been severely damaged by the rough weather.

Dejected by the crop damage, local farmers in Uttarkashi have demanded compensation for the crop lost from the State Government.

In Pithoragarh too the heavy rains have disrupted normal civic life with farmers paying a heavy cost for the damage caused by the downpours. While farmers are unable to sow paddy due to the rain while many homes in the Munsyari area were water logged. The snowfall in the higher mountains has caused a substantial drop in the temperature.

Sugar output in Maharashtra to fall on low area

Bloomberg / June 03, 2011, 0:55 IST

Sugar output in Maharashtra, the nation's biggest producer, may drop next year as farmers reduce the area planted because of lower sweetener prices, a producers' group said.

Output in the year beginning October 1 may decline nine per cent to 8.3 million tonnes from a forecast of a record 9.15 million tonnes this year, Prakash Naiknavare, managing director of the Maharashtra State Cooperative Sugar Factories Federation Ltd., said in a phone interview on Thursday.

Lower production may prompt India to extend curbs on exports, likely helping sugar futures in New York rebound from a 37 per cent slump since reaching a 30-year high in February. India won't permit additional exports until it assesses the harvests next season, food minister K V Thomas said on May 25.

"Pressure on global prices will arise only once India opens up shipments," Vedika Narvekar, an analyst at Angel Commodities Broking Pvt, said by phone from Mumbai.

Raw sugar for July delivery climbed as much as 1.7 per cent to 22.83 cents a pound on ICE Futures US in New York on Thursday, while refined-sugar futures for August delivery advanced as much as 0.7 per cent to \$669 a ton on NYSE Liffe in London.

India suspended free exports of sugar last year after the worst monsoon in 36 years in 2009 damaged crops. The government has eased the restrictions to allow mills to ship about 1.7 million tonnes since the crop year began on October 1.

RISING OUTPUT

Immediate-delivery sugar prices have dropped 10 per cent this year in Vashi in Mumbai, the country's largest wholesale market for the commodity, extending a 17 per cent decline in 2010.

Raw sugar futures in New York have slumped 30 per cent this year after climbing 19 per cent last year on forecasts for higher output from Brazil and Thailand, the biggest shippers.

The area under sugarcane in Maharashtra is estimated at about 970,000 hectares (2.4 million acres) in the 2011-2012 season, down 4.9 per cent from 1.02 million hectares this year, Naiknavare said. Some farmers may divert cane area to crops such as soybeans, sunflower and maize due to higher prices, he said.

“Farmers are not sure of the price they will get for next year,” Naiknavare said. “This year, cane prices were far below expectations.” Mills in Maharashtra may crush 73 million tonnes of cane next crop year, compared with 81 million tonnes estimated for the current year, he said.

Sharp fall in price upsets cardamom growers

George Joseph / Kochi June 3, 2011, 0:43 IST

A sharp fall in cardamom prices during the peak harvesting season has badly hit growers. As the supply to the market increased heavily due to a good carryover stock and increased fresh harvest, the average price dropped to Rs 500-525 a kg, the lowest in the last 24 months.

Growers are now demanding a floor price for the spice to be fixed soon.

Due to better climatic conditions, production was higher this time and 30 tonnes was coming daily to the various auction centres in Kerala and Tamil Nadu. This, coupled with panic selling of old stock by growers, increased the supply heavily. Hence, the current fall in prices. During this period last year, the average price was Rs 1,020 a kg.

This season, harvesting had started early due to summer showers and is in full swing now. This supply situation is fully exploited by the middle men and traders at auction centres. Since the last three-four weeks traders are collecting cardamom at very low prices.

Growers are now demanding the announcement of a floor price for cardamom at Rs 1,500 a kg. Last week, the Cardamom Growers Sangh had staged a dharna in front of the Spices Park at Puttady in Idukki district.

They alleged that it was the wrong propaganda of the Spices Board to mislead farmers that cardamom would breach Rs 2,000 a kg, leading to large scale stocking.

Reji Njallani, a leader of the Sangh, said as the farmers do not have good storage facility they are forced to get rid off the stock. He also alleged that the warehousing facility at Spices Park was not working well and growers do not benefit out of it.

As more fresh stock is coming to the market and the season is in full swing, the market is poised for a further drop in prices.

The harvesting is on without a break in this year. This is due to the good summer showers which made possible early harvesting.

A drop in exports also caused an increase in the local supply. According to the Spices Board, export of small cardamom in 2010-11 fell to 1,175 tonnes from 1,975 tones in the previous year. Export of large cardamom also dropped to 775 tonnes from 1,000 tonnes in 2009-10.

First annual sugar consumption rise after three years

Dilip Kumar Jha / Mumbai June 03, 2011, 0:41 IST

After stagnating for three years, sugar consumption is likely to rise a marginal 2.2 per cent to hit a record 23.5 million tonnes in the coming year (the sugar year is October-September) on escalating demand, according to a report from Aditya Birla Money.

Around 65 per cent of sugar demand comes from industrial and bulk consumers. Individual consumers contribute the remaining 35 per cent. Industrial sector demand has been strong in recent years due to rising calls for end-products like sweets, cakes and pastries, as a result of changing food habits.

Rural consumers, however, are very price-elastic, interchanging with jaggery. Hence, sugar demand from the kitchen segment keeps changing.

“The increase in demand is natural. Since, disposable income of average middle class people encourages them for a change in food habits and they demand more of readymade sweet

dishes, consumption in the kitchen segment will certainly rise. It has nothing to do with the low prices ruling currently,” said Sunny Agrawal, an analyst with Aditya Birla Money.

The sweetener consumption is expected to continue rising to 23.9 mt in 2013. The research-cum-broking firm forecast sugar production at 26.5 mt in 2012, a rise of one mt from 2011.

At least 2.5 per cent annually is natural growth which the sweetener is likely to witness in coming years, said Sageraj Bariya, an analyst with Angel Broking, who forecasts total consumption at 24 mt in 2012.

Closing stocks are set to be only 3.3 mt in 2011, the lowest in the past 13 years. On higher output, however, the closing stocks is expected to be a little better at 4.3 mt in 2012, the report said.

The price of sugar is imbalanced in India, with a dramatic difference in input cost. Cane prices in the southern states are ruling at the Fair and Remunerative Price (FRP) set by the Union government. In Uttar Pradesh, the second biggest producer, there is a higher State Advised Price (SAP) announced by the government. Cane farmers in Maharashtra, the largest producer, get a premium on the FRP.

The central government had fixed Rs 139.12 per quintal as FRP, while the SAP of the UP government was announced at Rs 210 per quintal for cane for 2010-11. As a consequence, south Indian mills have started entering into the north Indian markets that are traditionally occupied by local mills.

Meanwhile, after hitting Rs 44 a kg early last year, sugar prices are Rs 29-33 a kg for the past several months which, industry officials say, is around breakeven. For survival, sugar mills need to make some profits, an official said.

Rice soaring 50% in Thailand as Thaksin seeks votes in world's top shipper

Bloomberg / June 03, 2011, 0:39 IST

Rice prices in Thailand, the biggest exporter, may jump 50 per cent by the end of the year under a plan by the party favoured to win the July 3 election to buy the grain directly from farmers, said millers and traders.

Yingluck Shinawatra's Pheu Thai party plans to reinstate a policy introduced by her brother, fugitive former leader Thaksin Shinawatra, to buy unmilled rice at 15,000 baht (\$496) a tonne, twice the current level. That would raise costs for exporters and boost the price of shipments to about \$750 a tonne from \$500, according to a survey of eight millers and traders.

Rice has lagged behind gains in foodstuffs such as corn and wheat over the past year and the grain may be "the commodity which is separating us from a food crisis," the United Nations Food and Agriculture Organization said in March. A jump in prices in Thailand may boost demand for cheaper grain from Vietnam, the second-biggest shipper, and India.

"If this measure is taken, world prices will definitely increase as Thailand represents one-third of world trade and cannot be ignored," said Mamadou Ciss, chief executive officer of Singapore-based broker Hermes Investments Pte, who correctly predicted in 2006 that prices would double.

Campaign to end aflatoxin contamination in spices

BS Reporter / Chennai/ Kochi June 03, 2011, 0:36 IST

Spices Board is set to launch a nationwide field publicity campaign aimed at farmers, traders and exporters in the major spice-growing areas to address the issue of aflatoxin that affects the quality of spices.

The board launched a campaign focused on nutmeg and mace today in Ponkunnam in Kottayam district, a major nutmeg growing area. It would create awareness on the need to control and avoid the incidence of aflatoxin.

The two spices find wide application in food industry and medicine and hence the paramount importance in monitoring quality. Kerala is a major producing centre of nutmeg and mace with the annual production between 4,000-5,000 tonnes. Countries in the European Union, West Asia, South Africa and Japan have been importing good quantities of these products in whole form besides in the form of oils and oleoresins.

A naturally occurring toxin, aflatoxin in nutmeg and mace has become a major issue especially in the European markets where many alerts have been issued on the quality aspects.

Exporters, farmers, scientists from Indian Institute of Spices Research, Kerala Agriculture University and experts from the Spices Board will address the campaign meetings.

The Board has released special literature on the subject besides an instructional video. Campaign meetings are scheduled to be held at Edakunnam and Pariyaram on June 4, at Vanavarayar College of Agriculture at Meenakshipuram on June 7, at Erattupettah on June 9, at Adimali on June 10 and at Kanjoor on June 11, a Spices Board press release said.

The campaign is also extended to nutmeg growing areas on the Konkan coast. Interactions with nutmeg farmers are also planned in Raigad district of Maharashtra where substantial nutmeg tree population exist.

The major cause of the presence of aflatoxin in nutmeg is the poor primary processing methods followed. As the crop is harvested during monsoon season, sun drying is not possible and most farmers adopt traditional methods to dry the harvested nutmeg. This results in inadequate drying and becomes susceptible to fungal attack during storage. Thus, it is important to ensure drying of the produce at the farmer's level to a safe moisture level at which growth of fungi and mould will be inhibited.

Aflatoxin contamination does not affect crop productivity but makes the produce unfit for consumption as toxins are injurious to health. The marketability of contaminated produce, particularly in the international market is considerably reduced due to stringent standards of permissible limits on aflatoxin contamination set by the importing countries.

European Spice Association (ESA) comprising of the members of the European Union has prescribed limits for aflatoxin as 5 ppb for B1 and 10 ppb for the group. Member countries and others have fixed individual limits ranging from 1 to 20 ppb.

Aflatoxins in spices are generally classified into four categories — B1, B2, G1, and G2. B1 and B2 are produced by *A. flavus*, whereas G1 and G2 are produced by *A. parasticus*. Of these B1 is the most virulent carcinogen and has received the most attention.

Kharif sowing choice between cotton, castor and guar seed

Sharleen D'Souza / Mumbai June 03, 2011, 0:35 IST

As the monsoon nears and farmers prepare to start sowing for the kharif season, there is a choice they must make between cotton, guar seed and castor seed.

Last year, guar seed gave 40 per cent returns, while castor gave 45 per cent. Cotton prices are now Rs 45,000 a candy (356 kg) but had surged to Rs 63,000 per candy on the spot markets in February, a big temptation when deciding what to sow.

In 2010, guar seed was sown on just under three million hectares in Rajasthan and production was 1.546 million tonnes. Guar seed is a seriously considered option in that state (70 per cent of the country's production comes from here), since it requires low rainfall, unlike cotton.

"Guar seed acreage in Rajasthan may go up by 20 to 25 per cent if rainfall is good, but if it is scarce, then acreage may go up by 50 per cent. Guar gum exports are very high this year and this will cause farmers to increase their acreage under the commodity," said Brij Mohan, a Jodhpur-based guar seed and guar gum trader.

While guar seed farmers mostly stay with the same crop, farmers in Ganganagar might opt for cotton, traders believe. Guar gum prices are tempting farmers because these have almost doubled in a year. The seed is now traded at Rs 3,221 per 100 kg on the spot markets; it was Rs 2,280 a kg last June.

Yet, says Biren Vakil, director, Paradigm Commodities, "Despite higher exports of guar gum and the price rise in guar seed, acreage under the commodity will fall, as cotton and castor seed have given better returns."

Castor seed went as high as Rs 6,145 per 100 kg in February on the spot markets but has now moderated to Rs 4,600 per 100 kg.

Jeera arrivals fall at Unjha market

BS Reporter / Mumbai/ Ahmedabad June 03, 2011, 0:18 IST

The new crop is expected to come by mid-June

Cumin seed or Jeera demand remained weak at Unjha market amid lower arrivals on Thursday.

The arrivals were reported lower at around 7000 bags (a bag = 60 kg) with prices hovering in the range of Rs 12,000 to Rs 12,250 per quintal in the spot market amid poor domestic demand.

The arrivals at the Unjha market are on a decline due to ending season, while the prices have turned bearish in absence of strong buying support from domestic and international buyers.

According to trader sources, the subdued sentiment may continue for some days as the demand from local buyers has stopped.

"The demand from domestic buyers is almost over, while international buyers are waiting for the fresh crop from Turkey and Syria. The new crop is expected to come by mid-June. This may create a bearish sentiment in the commodity for some time," said Arvindbhai Patel, former president, Unjha APMC.

In March this year, jeera prices had shot up to Rs 18,000 per quintal, while during the peak season, the arrivals had touched 28,000 bags.

However, with season coming to an end, the arrivals have dipped to around 7,000 bags per day and prices are hovering at Rs 12,000 per quintal in the spot markets.

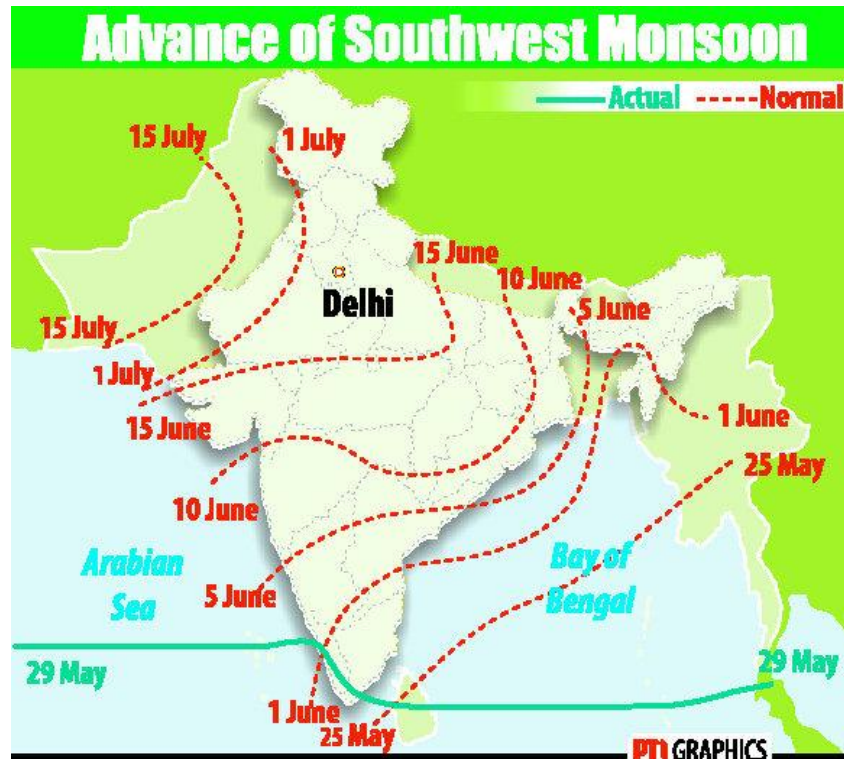
In the futures market, jeera for immediate delivery contract gained by Rs 281 per quintal and traded at Rs 14,317 per quintal on National Commodities and Derivatives Exchange (NCDEX) on Thursday.

"The production statistics from two major cumin seed producing countries, Syria and Turkey hold the key to future price trend in the spice commodity. The exporters are waiting for the arrival of fresh crop, hence no further buying activity is taking place. This may create a bearish sentiment in Jeera in the coming days," said a trader from Unjha.

The industry expects the domestic jeera production in the range of around 2.8 - 3 million bags or roughly around 150,000 tonnes for the current season.

THE HINDU Business Line

Monsoon enters Karnataka, Rayalaseema



Thiruvananthapuram, June 2:

The southwest monsoon made a decisive move forward on Thursday when it covered the entire south Arabian Sea, Kerala, Tamil Nadu, south Bay of Bengal and parts of central Arabian Sea, south Karnataka, Rayalaseema and parts of central Bay of Bengal.

An India Meteorological Department (IMD) update said that the northern limit passed through Udipi, Chitradurga, Arogyavaram and Chennai.

It assessed that conditions as favourable for its further advance into more parts of Arabian Sea, Karnataka, Andhra Pradesh, entire central Bay of Bengal and parts of south Maharashtra, the Northeastern States and north Bay of Bengal over the weekend.

A satellite picture showed convective (rain-bearing) clouds rising over parts of Assam, Chhattisgarh, Jharkhand, Orissa, south Maharashtra, south peninsular India, Lakshadweep, central and south Arabian Sea, central and south Bay of Bengal and the Andaman Sea. A weather warning valid until Sunday issued by the IMD said that heavy to very heavy rainfall would occur at a few places over coastal Karnataka and Kerala.

It will be isolated heavy over Lakshadweep, Andaman and Nicobar Islands, south Konkan and Goa during this period.

Meanwhile, the offshore trough representing the active status of monsoon lay extended from south Konkan to Kerala coast.

The upper air cyclonic circulation has slight shifted bearing to the west and was traced to over south and adjoining east-central Arabian Sea off Kerala and Karnataka.

Meanwhile, the European Centre for Medium-Range Weather Forecasting (ECWMF) has ramped up its forecast of evolving weather system in the sea to that of a full-scale tropical cyclone.

The system is forecast to take shape just off the Konkan coast by Monday, the ECMWF said, and would see gradual intensification with strengthening of flows.

It would act as the pivot around which the flows would rally, even helping open a window in the Bay of Bengal in the form of a likely low-pressure area. This would likely herald monsoon rains into the east coast and into central India. At the same time, the brewing cyclone would intensify and move a little away to the west-northwest and within striking distance of the southwest Gujarat coast.

GUJARAT TARGET?

In this manner, the monsoon would have been launched all along the west coast, including Konkan, Mumbai and even the Gujarat coast.

The cyclone system, meanwhile, would launch itself on a track further away from the Gujarat coast and head towards the Gulf of Eden.

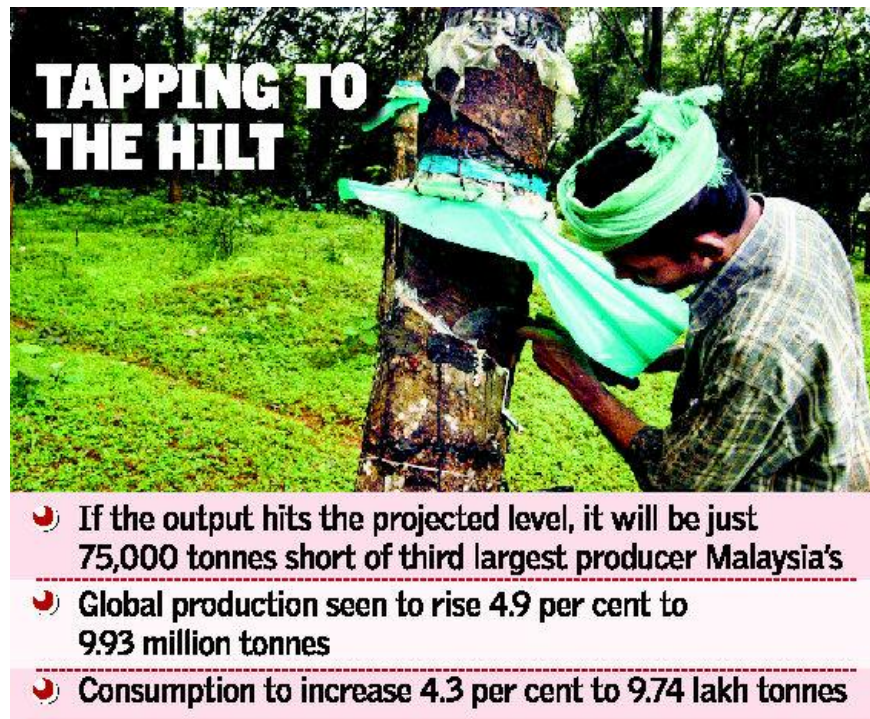
Eventually, by June 10 up to which ECMWF forecast was available, it is shown as weakening a bit and loitering in the seas close to Oman.

The 10-day outlook given out by the Australian Bureau of Meteorology sought to concur with ECMWF in terms of initiation of the storm and expected track of movement.

Interestingly, the Taiwanese Central Weather Bureau on Thursday re-adjusted the track to being west-northwest and aiming towards the Gulf of Eden.

But it would have taken a hard swipe at extreme southwest coast of Gujarat before re-curving and weakening. It would then meander towards the Gulf of Eden region, the forecast said.

Rubber output likely to touch record 9 lakh tonnes



Imports expected to fall 45 per cent to 1.02 lakh tonnes

Chennai, June 2:

The country's natural rubber production this year could be a record nine lakh tonnes with output likely to register a 5.8 per cent growth.

According to the Association of Natural Rubber Producing Countries (ANPRC), the production is estimated to have increased 5.6 per cent in the first quarter of the calendar year and in the second quarter the growth is projected at 7.2 per cent.

During January-April, production increased by 5.7 per cent to 2.67 lakh tonnes (lt) from 2.53 lt in the same period a year ago.

The projection is against 8.51 lt produced last year and 8.20 lt in 2009. Rubber production in 2008 hit a record 8.81 lt before factors such as dry weather and labour woes dragged the output.

If the production hits the projected level, it will be just 75,000 tonnes lower than the world's third largest producer Malaysia. The traditional plantation country is seen producing 9.75 lt this year with a 3.6 per cent growth. Last year, production growth was 9.6 per cent against India's 3.8 per cent.

The ANPRC, whose members makes up 92 per cent of the global rubber supply, has made the projection after computing the actual production figures for January and February. Overall, the global production is expected to increase 4.9 per cent to 9.93 million tonnes.

Going by the association, the growth in the first quarter comes after a drop of 2.5 per cent in the fourth quarter last year.

According to it, consumption this year is likely to increase 4.3 per cent to 9.74 lt. Last year, the consumption was 9.44 lt.

Offtake

The offtake is projected to have increased 2.1 per cent in the first quarter.

China consumption

Consumption in China is seen rising 8.6 per cent to 3.5 million tonnes with growth in the first quarter pegged at 5.2 per cent.

Imports of rubber this year could be lower at 1.02 lakh tonnes against 1.87 lakh tonnes last year. (According to the Rubber Board, imports during the last fiscal totalled 1.77 lakh tonnes).

On the other hand, China is expected to import 2.8 million tonnes, including compounds that have a high natural rubber content.

exports

On the other hand, rubber exports may more than double this year to 57,000 tonnes against 21,700 tonnes last year. The ANPRC has estimated a 40 per cent growth in exports during January-May.

According to the Rubber Board, exports increased 47 per cent during January-May to 24,665 tonnes against 16,724 tonnes during the same period a year ago.

Overall, exports from all countries are projected to increased 10.3 per cent this year to 7.7 million tonnes against 7.4 million tonnes a year ago.

Ridge Gourd



June 2, 2011:

Essential, green: A farmer picks ridge gourd on the banks of the Yamuna, in the Capital. The vegetable is sold at

around Rs 10 a kg. Prices at terminal markets are ruling at an average Rs 600 a quintal against Rs 500 a quintal at the same time last year.

India, 'The Country of the Year' at global organic trade fair

Mumbai, June 2:

Organic food exports are expected to grow five-fold over the next four years, according to the Agriculture and Processed Food Products Export Development Authority (APEDA).

The Government agency expects exports to touch Rs 6,400 crore by 2014-15 against Rs 1,265 crore in the last fiscal.

“India has around four billion hectares of land dedicated to organic farming. The demand for organic produce is growing in metros. About 40 per cent of the Indian produce is already being exported to the European Union,” said Mr S Dave, Director, APEDA.

In order to highlight the potential for organic agriculture and to encourage consumption in India, APEDA, an export promotion organisation under the Ministry of Commerce & Industries, has tied up with NürnbergMesse for organising BioFach, an annual World Organic Trade Fair. The trade fair will be held during February 15-18, in Nürnberg, Germany.

BioFach 2012 has declared India as “The Country of the Year.”

“India is going to be the centre of attention at the fair. Not only is it going to be a good business opportunity for suppliers, the trade fair will also showcase Indian culture, food and textiles,” said Mr Claus Rättich, Member of Management Board, NürnbergMesse.

BioFach 2011 saw around 50 participants from India, along with 134 trade visitors from the country.

Meanwhile, speaking on the issue of rising certification frauds in the domestic market, Mr Dave advised consumers and suppliers to check the ISO mark and certification seal before purchasing organic produce.

“There are a total of 2,084 organic projects in India which have been certified by our certification bodies.

191 out of these are exporters of organic produce,” said Mr Shailender Singh, Consultant, Organic Division, APEDA.

Spot rubber stretches gains as rain affects tapping

Kottayam, June 2:

Spot rubber prices increased further on Thursday. Heavy rain has already affected production and supplies to a great extent in almost all plantations. Most of the traders were expecting an increase in prices on supply concerns during the ongoing monsoon season.

According to sources, there were enquiries from major manufactures in the past couple of days, possibly reacting to the change in weather though they have not been visibly very active. The market might suffer from acute shortage of the raw material during the ongoing season, they predicted.

Sheet rubber increased to Rs. 226 (223.50) a kg, according to traders. The grade improved to Rs 225 (224) a kg both at Kottayam and Kochi, as quoted by the Rubber Board.

The June series recovered partially to Rs 228.40 (226.60), July to Rs 233.35 (231.44), August to Rs 234.44 (232.16), September to Rs 231.50 (230.02) and October to Rs 230.98 (225.90) a kg for RSS 4 on National Multi Commodity Exchange.

RSS 3 (spot) dropped to Rs. 234.63 (236.36) a kg at Bangkok. The June futures for the grade moved down to ₹ 415.0 (Rs. 230.49) from ₹ 420.05 a kg during the day session on Tokyo Commodity Exchange.

Physical rubber rates (Rs/kg) were: RSS-4: 226 (223.50); RSS-5: 221 (220); ungraded: 217 (216); ISNR 20: 214 (212); and Latex 60%: 132.50 (131)

Rain brightens Nilgiri tea prospects

Coonoor, June 2:

Good showers in the beginning of June have brightened the prospects for tea flush crop this month in the Nilgiris, the largest tea growing district in the South.

Although some areas of the district come under North East monsoon, following the onset of rain in Kerala, tea pockets in all parts of the district have been receiving showers since Wednesday evening. It had rained for most part of Thursday.

Parts of Udhagamandalam tea belts have received 80 mm rainfall for the 24 hours ending 8.30 am on Thursday. The Coonoor tea belt received 31 while Kotagiri, 24 mm.

“It has been moderate and well-spread rainfall which does not injure the tea crop or the soil. On the contrary, it is good to activate the bushes. More importantly, the rain helps to reduce the impact of the red spider mite which has been threatening our crop during the summer heat. Collectively, we anticipate good crop after June 15. However, we need follow-up showers and intermittent sunshine for healthy crop,” Mr Ramesh Bhojarajan, grower in Kil Kotagiri, told *Business Line*.

MMTC invites bids for import of 20,000 t of edible oil

New Delhi, June 2:

To boost domestic supply of edible oil, state-owned trading company MMTC has invited bids for the import of 20,000 tonnes of RBD palmolein and crude palm oil.

The last date for submission of bids against the tender is June 6 and a decision on awarding the contract will be taken on the same day, MMTC said on its Web site.

The company said that while 6,000 tonnes of refined, bleached and deodorised palmolein is for immediate shipment, latest by June 15, another consignment of the same tonnage is to be shipped by July 15.

According to MMTC, 3,000 tonnes of crude palm oil needs to be shipped by June 30 and another 5,000 tonnes by July 15.

The country of origin is Indonesia and/or Malaysia and the discharge port for all the consignments is Kandla in Gujarat, it added.

MMTC, PEC and STC import edible oils on behalf of the Government for distribution through ration shops.

India imported over 9 million tonnes of vegetable oil in the 2009-10 oil year (November-October), which is more than 50 per cent of its total domestic requirement.