

THE HINDU

Online edition of India's National Newspaper

Friday, March 04, 2011

Date:04/03/2011 URL: <http://www.thehindu.com/2011/03/04/stories/2011030461150200.htm>

Training at TNAU in bee keeping

Staff Reporter

COIMBATORE: The Department of Agricultural Entomology of Tamil Nadu Agricultural University will organise a training in bee keeping on March 7 on the university premises.

According to a university release, hands-on training will be imparted in identification of bee colonies and their rearing, artificial group rearing of bees, queen bee rearing and production techniques, and identification of natural enemies of bees and their management.

Interested candidates have to reach the Department of Entomology before 9 a.m. The fee of Rs. 150 has to be remitted. A certificate will be given at the end of training. Candidates can call 0422-6611214, or e-mail to entomology@tnau.ac.in. for details.

Date:04/03/2011 URL: <http://www.thehindu.com/2011/03/04/stories/2011030464991700.htm>

Food inflation eases to 10.39 %

Special Correspondent

NEW DELHI: Even as food inflation eased by over one percentage point to 10.39 per cent for the week ended February 19 from 11.49 per cent in the previous week, the decline is much less than desired and a top Finance Ministry official on Thursday pitched for steps to prevent cartelisation by traders to tackle the situation.

The WPI (wholesale price index) data on primary articles revealed that although the prices of pulses, onions and potatoes were on a declining trend, fruits, milk and vegetables as a group continued to remain dearer.

On an annual basis, while prices of potatoes fell by 12.66 per cent, pulses by 5.02 per cent, onions by 3.64 per cent and wheat by 2.06 per cent during the week, the food items that continued to rule at higher levels were fruits (up 16.34 per cent), egg, meat and fish (14.5 per cent), vegetables (14.29 per cent) and milk (11.07 per cent).

Commenting on the prices issue at a post-budget interaction with the Confederation of Indian Industry (CII) here, Chief Economic Advisor Kaushik Basu cautioned against any hasty measures as that would lead to higher interest rates and affect industry at large.

“The current inflation in food is unacceptably high. We have to work towards bringing this down. But we can't just do that in 2-3 weeks because that would result in interest rates going sky high or lead to closure of factories. It has to be through measures and steps,” Dr. Basu said.

To tackle the price spiral, Dr. Basu suggested invoking provisions of the competition law to prevent cartelisation by traders. For the Competition Commission of India (CCI), that would mean extending investigations to other food items as the competition watchdog is already probing the role of trade cartel which led to a sudden spurt in onion prices in December 2010.

Date:04/03/2011 URL: <http://www.thehindu.com/2011/03/04/stories/2011030465301800.htm>

Sensex gains on easing food inflation

MUMBAI: In a volatile trade, the Bombay Stock Exchange sensitive index, Sensex, ended 43 points higher at 18489.76 on Thursday against 18446.50 on Tuesday on buying in capital goods and auto stocks as global oil prices eased a bit in early trade and food inflation declined, raising hopes that interest rates may not go up sharply in near future.

The NSE 50-share Nifty also moved up by 13.90 points to end at 5536.20 against 5522.30.

Earlier in the day, crude oil witnessed a sharp slide from over \$102.50 a barrel in the U.S. on rumours of a plan to end turmoil in Libya.

However, volatility resurfaced as indices reversed direction in the mid-afternoon trade as oil prices again approached \$102 a barrel level.

Crude oil prices have seen big gains globally, as political turmoil gripped the Middle East and North African regions, spreading from Tunisia to Libya threatening supplies.

Meanwhile, food inflation saw a fall of over one percentage point to 10.39 per cent for the week ended February 19, after decline in prices of onions, potatoes and pulses. Capital goods and Auto sectors were the major gainers.

Asian stocks edged higher with upbeat U.S. economic data helping to offset worries about oil. European shares rose in the early trade buoyed by positive U.S. economic news, with staffing firm Adecco among the top gainers.

Rupee declines

Snapping its three-day long gaining spree, the rupee declined by 9 paise against the dollar on Thursday and closed at 45.04/05 against 44.95/96 on Wednesday.

The rupee opened slightly lower at 44.97/98 a dollar and later moved in a narrow range of 44.94 and 45.10 before concluding the day at 45.04/05.

Date:04/03/2011 URL: <http://www.thehindu.com/2011/03/04/stories/2011030465201800.htm>

Fertilizer subsidy inadequate: Vellayan

Corporate Reporter

CHENNAI: Though the agricultural sector has received a big fillip in the Union Budget 2011-12 there appears to be a gross underestimation of fertilizer subsidy required for 2011-12. While hailing the long-term initiatives such as increased allocation for rural infrastructure towards easing production and distribution bottlenecks and inclusion of capital investment in fertilizer production as an infrastructure sub-sector, A. Vellayan, Executive Chairman, Murugappa Group,

said that the overall fertilizer subsidy allocation needed to be around Rs. 80,000 crore. This is Rs. 30,000 crore more than what has been earmarked.

Date:04/03/2011 URL: <http://www.thehindu.com/2011/03/04/stories/2011030452220500.htm>

Farmers association demand uninterrupted power supply

Staff Reporter

ERODE: The Kalingarayan Pasana Sabha has appealed to the State Government to ensure uninterrupted power supply to the farming community.

In a resolution adopted at a meeting of the association held here recently, its members said that the Government had earlier promised that it would provide uninterrupted three-phase power supply to the farmers for six hours during the day and four hours during the night. This schedule was rarely followed in the district. Farmers in many parts of the district were experiencing frequent disruptions in power supply. If the situation remained the same, it would severely affect the crop productivity, members feared.

They urged the Government to ensure uninterrupted power supply to the farming community. They also wanted the public works department to speed up the maintenance works being carried out in the Kalingarayan canal. The department should ensure adequate supply of water to the farmers in the tail end areas of the canal, they said.

In another resolution, the association expressed disappointment over the State Government's decision on increasing the milk procurement prices. The Government did not consider the sharp rise in the prices of fodder while increasing the procurement prices. The association wanted the Government to review its decision and provide remunerative prices to the milk producers. Association President V.M. Velayudham presided over the meeting.

Watermelons arrive in Erode

Staff Reporter

'This year, the watermelons will cost more'

PHOTO: M. GOVARTHAN



Seasonal:Erode town is witnessing huge arrival of watermelons as mercury continues to rise.

ERODE: Watermelons have started arriving at the fruit markets here as the mercury continued to rise for the past few weeks.

Fruit shops selling watermelons have sprung up in almost all parts of the town, much to the delight of summer-weary residents.

Seasonal vendors have begun to procure the sweet watery fruit from farmers in Tiruvannamalai and Viluppuram districts.

Some others have started procuring from Karnataka.

Traders in the markets here said they were already flooded with orders from retailers and roadside vendors in the district.

They expected the demand to go up during the third week of this month.

"This year, the watermelons will cost more. Till a few weeks ago, we sold a slice of watermelon for Rs. 4 or 5. But now it would cost Rs. 5 to 7 a piece," said a vendor.

Date:04/03/2011 URL: <http://www.thehindu.com/2011/03/04/stories/2011030452210500.htm>

Mango growers expecting bumper crop this year

Correspondent



Channaveera Giriappa Hirur at his mango nursery in Kalakoppa village of Mundgod taluk.

Karwar: Mango growers of Uttara Kannada, who have been facing losses for the past few years, are expecting a bumper crop this year.

Mango is grown mainly in Haliyal and Mundgod taluks of the district.

In other taluks, it is grown on a small scale.

Varieties such as Alphanso, Ratnagiri and Apoos are in great demand not only in the country but also abroad. Apart from these varieties, "Black Shadow", "White Shadow", Neelam and Mallika are also grown in the district.

Climate

Sources in the Horticulture Department said mango was being grown on 2,000 hectares of the land in Uttara Kannada. The climate in the ghat areas of Mundgod and Haliyal taluks was ideal for mango cultivation.

H.R. Naik, Assistant Director of Horticulture, said after 2007, 1,500 hectares of land in the district had been brought under mango cultivation under the National Horticulture Mission.

He said 70 per cent of people in villages such as Pala, Malgi, Kalakoppa, Kappasikoppa, Gotgudikoppa, Katur, and Onikeri cultivated mango. Some of them cultivated mango as inter-crop.

Though the agricultural university and the Horticulture Department were conducting research to develop new mango varieties and to improve their yield, growers too carried out experiments on their own.

Saplings

Many growers were raising saplings through grafting in Teragoan and Pala villages. These saplings were in great demand not only in the district but also in neighbouring States, he said.

Channaveera Giriyappa Hirur of Kalakoppa village in Mundgod taluk has been growing mango for the past 15 years.

Last year, he harvested five tonnes of mangoes and he got Rs. 24,000 for each tonne. This year, he is expecting a bumper crop.

Apart from this, he sells about 5,000 grafted mango saplings every year.

He said that the Horticulture Department should recognise the efforts of mango growers and help them in getting various government benefits. Farmers, who had suffered losses in other crops, were now switching over to mango cultivation, he added.

Date:04/03/2011 URL: <http://www.thehindu.com/2011/03/04/stories/2011030452240500.htm>

'Stop unscientific method of fishing'

Correspondent

Karwar: Scientists of the Central Marine and Fisheries Research Institute (CMFRI) have written to the Deputy Commissioner of Uttara Kannada to stop unscientific fishing by fishermen from other States in Karwar.

Letter

In their letter, the scientists have drawn the attention of the Deputy Commissioner to the method being used by fishermen from Tamil Nadu to catch fish in the sea off Karwar.

Threat

The method used by them is a threat to the very existence of fish in the region. These fishermen tie the stalks of casuarina trees to sand bags and put them in the sea. The stalks decompose in the water and attract fish, including fingerlings, which are caught easily by the fishermen.

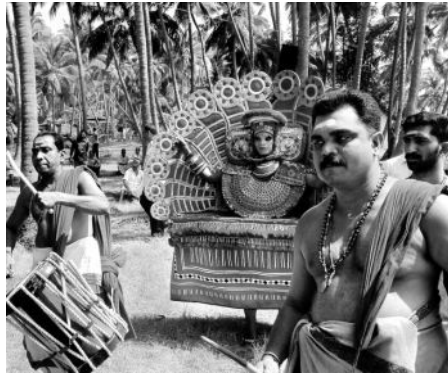
Apart from them, fish, which are ready to lay eggs, also get attracted to the decomposed stalks, the scientists said.

The scientists have urged the Deputy Commissioner to take immediate steps to stop this unscientific method of catching fish in Karwar.

Feting a farm culture

Staff Reporter

Photo: Aabha Anoop



Village fete: A Theyyam performance held as part of the Nattukoottam organised by the Agriculture Department at Cheriyaathuruthu on Thursday.

Kozhikode: Cheriyaathuruthu is a small island south-east of the Kadalundi railway station, on the estuary of the Kadalundi river. The island, which has only four families, a 100 or so coconut trees and as many mangroves, was in a festive mood on Thursday, hosting more than 3,000 people from all over the district who had come to interact with the veteran farmers of the district.

The key feature of 'Nattukoottam,' a village forum organised by the Agriculture Department, was the union of the old and the new generations. Students from all over the region had come to the island in large numbers and interacted with the aged farmers and farm labourers who shared with the younger generation the farming practices of their younger days. The students were inquisitive and interested in learning about the agricultural scene half a century ago.

The 'Nattukoottam' kicked off with a procession from the Kadalundi railway gate, accompanied by 'Shinkari Melam.'

A veteran farmer of Kadalundi panchayat, Thupran Palankavil, lighted the lamp set up on banana pith and a yam to inaugurate the programme. Deputy Director of Agriculture B.M. Mohammed hoisted the flag. Indran Kadalundi administered an oath to the gathering, which

vowed, in the name of the Kadalundi river, to take care of earth, water, soil and other natural resources. Cultural programmes, such as folk songs and 'Theyyam,' followed.

Nearly 20 veteran farmers of the district who were honoured shared their experiences with the audience, which consisted of people belonging to all age groups.

The people who visited the island were given free food prepared in the traditional style. Cooked home-grown tapioca, vegetable curries and medicinal coffee were on the plate. Stalls featured agricultural tools of yesteryear from the collection of Jithinam Radhakrishnan. Age-old toys and utensils were part of the show.

A photo exhibition titled 'Winged visitors of Kadalundi' by Vijesh Vallikkunnu was held. Medicinal plants and a rare species of mollusc were on display.

Such 'Nattukoottams' are being organised by the department on river banks all over the State, emphasising the importance of agriculture in the society. It has a special significance in the wake of increasing use of pesticides and the disappearance of the traditional cultivating methods. The event at Kadalundi was the first in the district.

Date:04/03/2011 **URL:** <http://www.thehindu.com/2011/03/04/stories/2011030459040500.htm>

Session on fishing sector

Staff Reporter

Kozhikode: The Theeradesa Vanitha Vedi, Kozhikode is organising a number of programmes on March 8 and 9 as part of International Women's Day.

A seminar on the 'Development in fishing sector and human rights' will be held at the Town Hall on March 8 at 10 a.m. People's Union for Civil Liberties president P.A. Pouran will be the resource person. It will focus on the various developmental issues affecting coastal areas and the fisheries sector. Cultural programmes will be organised at the Tagore Centenary Hall on March 9 to raise funds. The programmes include folk art forms by 'Thudi' from Wayand; Margam Kali by students of Devagiri College; Thiruvathira by AWH Kallayi; and Duff Mutt, Kolkali and

Oppana by the cultural forum of the Vedi. The ticket rates are Rs.100, Rs.250, Rs.500, Rs.1,000 and Rs.2,000.

Date:04/03/2011 URL: <http://www.thehindu.com/2011/03/04/stories/2011030454000300.htm>

Farmers asked to diversify crops

Special Correspondent

Scientists warn farmers to watch price trends cautiously

KURNOOL: Agriculture scientists have warned farmers to be cautious in selecting the crops next season, especially cotton. Cotton surprised everybody this year by taking the price to new peak at Rs 6,000 per quintal, the highest so far in any year.

The prices shot up this year due to failure of the crop in China, the largest producer of cotton in the world due to floods and in Pakistan. However, there was no guarantee that the same trend would continue next year too. Farmers were advised to diversify their crop basket by not going for a single crop.

Scientists predicted bright future for pulses like greengram, blackgram and redgram as well. Bengalgram prices remained static due to excessive production in the State, especially in Kurnool where the crop was cultivated in more than 2 lakh hectare this season.

The problems involved on storage front and tax front distanced traders from stocking the commodity. Castor was considered another promising crop which fetched the highest price. The crop has scope for expansion of area in the district. Chillli farmers enjoyed the highest price of Rs. 8,000 per quintal this year. However, low yields and damage by untimely rains caused some inconvenience to growers. Paddy farmers were a disappointed lot due to poor prices and yields. The prices did not cross Rs. 800 per bag of 75 kg. The yields also declined due to untimely rains in August, September and during the harvesting period in December triggering diseases and bringing down yields. However, paddy variety (BPT 5204) grown in Kurnool district has steady market and would support farmers in any season irrespective of the demand.

Maize and jowar also lifted the spirits of the farmers this season with steady and rising prices. The trend would continue next season too because the demand was driven by domestic consumption.

Date:04/03/2011 URL: <http://www.thehindu.com/2011/03/04/stories/2011030455260500.htm>

Welcome trend in red sanders cultivation

V.N. Harinath



Ch. Vidyasagar Reddy

NALGONDA: Normally any issue connected with red sanders hits the headlines for wrong reasons like either smuggling by goons with support of politicians for making easy money or seizure by the Forest department following a raid. As a welcome trend, a progressive farmer of Nalgonda district, Ch. Vidyasagar Reddy (47) is raising a red sanders plantation in his eight-acre farm at Timmanagudem, about 14 km from here, as an alternative long-term strategy.

Along with the 800 trees, he is growing a variety of fruits and vegetables, which come in handy for the family use, besides yielding a good price in the market.

A visit to Mr. Reddy's farm reveals that he started raising red sander plants in 2008 on a small scale, instead of limiting himself to only regular horticultural crops like 'mosambi'('bathai').

"Unremunerative prices forced me to go in for red sanders. Besides, the 'mosambi' plantations withered due to various reasons like weather, unseasonal rains. Motivated by the success of several persons, including a businessman, I have taken up this," says the bespectacled ryot, who seems to be doing well. He is also into real estate trade.

He is confident of sizable earnings as red sanders have good demand in foreign countries like China, Japan, Myanmar, where they are used for medicinal purposes. In the State they are being raised on five acres in Kadapa, Chittoor, Nellore and Kurnool districts.

Mr. Reddy favours more educated persons, like himself, to take up agriculture as avocation. He says it needs to be encouraged with proper incentives. Otherwise, there can be a scarcity hitting the sector like in the case of vegetables in and around Hyderabad and Ranga Reddy districts, considering the boost being given to real estate there.

He suggests that farmers could initially start with vegetables and spread to other commercial crops, after forming 25-30 villages as units. Many ryots, Mr. Reddy points out, were suffering silently as they lacked proper knowledge and supervision/guidance from the Agriculture department. Besides, curbs on drip irrigation subsidy of Rs.50,000 should be lifted as an incentive.

Date:04/03/2011 URL: <http://www.thehindu.com/2011/03/04/stories/2011030452010500.htm>

Tissue culture banana cultivation gets a push

G.Srinivasan

Photo: M.Srinath



soil and toil: Farm women planting the plantain seedlings near Papanasam in Thanjavur on Thursday.

THANJAVUR: Officials of Horticulture Department are promoting the tissue culture banana cultivation in the district under National Horticulture Mission. Farmers are provided tissue culture banana seedlings and inputs such as fertilisers free of cost. Subsidy is being given to them for starting drip irrigation to raise the seedlings.

"The seedlings have come from Hassan and we are now planting them. We are going to raise tissue culture teak plantation, tissue culture thornless bamboo, tissue culture mango, amla and jack fruits in five acres of land," said Parthasarathy, a farmer of Malapuram village near Papanasam who has taken up the tissue culture banana cultivation in 15 acres at Natham village.

According to department officials, grand nine variety of tissue culture banana is raised at Natham village. The objective is to popularise horticulture crop cultivation in place of paddy at Papanasam block."

Our department is promoting cocoa and pepper cultivation as an inter crop in coconut groves," the officials said.

Advantages of the tissue culture banana are uniform growth and maturity at the same time. They start bearing bunches in 15 months. A farmer can produce 40 to 50 tonnes of banana per

hectare in tissue culture banana plants. Other high-yield horticulture crops are thornless bamboo, brinjal, hybrid chilli and ladies finger.

Date:04/03/2011 URL:

<http://www.thehindu.com/2011/03/04/stories/2011030455160300.htm>

Arecanut price: farmers take out procession

Staff Correspondent

Court has banned sale of gutka in plastic pouches Price of 100 kg arecanut falls to Rs. 11,000

Tumkur: A large number of farmers took out a procession from the Town Hall Circle to the Deputy Commissioner's office here on Thursday to express concern over the fall in the price of arecanuts following the ban order on the sale of gutka in plastic pouches by the Supreme Court.

The price of 100 kg of arecanut, which was Rs. 15,000 till recently, has come down to Rs. 11,000 because of the ban on the sale of gutka in plastic pouches, according to the farmers. Rationalist Kadidaal Shamanna said that the farmers are facing problems because of the fall in arecanut price. He alleged that there is a "cigarette lobby" behind the gutka ban.

He urged the Union Government to constitute a committee of experts to safeguard the interests of arecanut growers.

He also said that the Government was filling the treasury by selling liquor but was trying to ban gutka. The harmful ingredients in gutka must be removed to protect the people, he said.

Karnataka Rajya Raitha Sangha leader Kodihalli Chandrashekar said that the Union Government should ensure a "scientific price" of Rs. 15,000 a quintal of arecanuts. If the

Union Government failed to ensure this, farmers will gherao Parliament House in New Delhi.

He said that that the Government should intervene and buy arecanuts at Rs. 15,000 a quintal.

A memorandum was submitted to Deputy Commissioner C. Somashekar.

District convenor of Karnataka Prantha Raitha Sangha B. Umesh, district secretary of CPI(M) Syed Mujeeb, district president of the Janata Dal(S) Ningappa, MP Basavaraju and MLA Srinivas were present.

© Copyright 2000 - 2009 The Hindu



Mumbai, March 03, 2011

First Published: 10:23 IST(3/3/2011)

Last Updated: 16:53 IST(3/3/2011)

Sensex gains 43 pts on easing oil prices, food inflation

In a volatile trade, the BSE benchmark Sensex on Thursday ended 43 points up at 18,489.76 as funds bought fundamentally strong stocks amid easing crude oil prices as well as food inflation, and firm global trends.

The Bombay Stock Exchange index Sensex tumbled to a low of 18,253.62 at early stage before ending higher by 43.26 points to 18,489.76 on alternate bouts of trading.

The gauge touched a high of 18,603.57 midway.

The trading sentiment was mixed, with investors booking profits after Sensex's steepest gain in 21-month in the previous session. At the same time, they picked up capital goods and auto sector stock available at lower levels, absorbing the selling pressure.

Similarly, the broad-based National Stock Exchange index Nifty gained 13.90 points at 5,536.20, after moving between 5,570.75 and 5,468.25 points.

Food inflation fell to 10.39 per cent for week ended February 19, from 11.49 per cent in the previous week, raising hopes that interest rates may not rise steeply in near future.

Crude oil fell 1.4 per cent to 100.78 dollar a barrel in US after rising to 103.94 dollar.

Investors said that falling crude oil prices reduced fears of further rise in overall inflation, amid hopes of international efforts to reduce tensions in Libya.

A firm trend in the Asian region and higher opening in Europe added to the support.

Strengthening stocks of HDFC Bank, HDFC Ltd, Larsen and Toubro, BHEL, Maruti Suzuki, Tata Motors, Bajaj Auto, Tata Consultancy Services checked the market from any major fall.

However, the two most-heaviest - Reliance Industries and Infosys Technologies with their 23 per cent weightage on the index, contained a big upsurge.

The capital goods sector index was major gainer, adding 2.35 per cent to 13,222.99 as Larsen and Toubro, the largest engineering company rose to a one-week high. BHEL stocks recorded handsome gains on interested buying.

The auto sector index was second-runner by rising 1.86 per cent to 8,880.28, followed by consumer durables index that was up 0.45 per cent to 5,753.50.

With selective buying, spread over a wide front, midcap index rose by 0.33 per cent to 6,598.95 and smallcap index by 0.21 per cent to 8,019.88.

On the other hand, stocks in IT, metal, refinery, teck and healthcare sectors remained weak on profit booking.

<http://www.hindustantimes.com/StoryPage/Print/668852.aspx>

Mumbai, March 03, 2011

First Published: 21:55 IST(3/3/2011)

Last Updated: 21:57 IST(3/3/2011)

Sensex yo-yos on libya crisis, food inflation

After big gains following budget announcements on Monday, Indian stocks saw many ups and downs on Thursday as uncertain reports poured in on the political crisis in Libya and what it could do to oil.

The benchmark Sensex see-sawed between an intra-day high of 18,603 and 18,253 amidst positive news about softening food inflation and reports of Muammar Gaddafi accepting Venezuela's President Hugo Chavez's peace plan.

The Sensex closed the day with a gain of 43 points, or 0.2%, at 18,490, while the Nifty closed with a gain of 13.9 points at 5,536.

"Markets will watch out for the US jobs data on Friday and whether Libya is heading for peace," said Amar Ambani, research head, India Infoline.

<http://www.hindustantimes.com/StoryPage/Print/669116.aspx>

New Delhi, March 03, 2011

First Published: 17:24 IST(3/3/2011)

Last Updated: 17:25 IST(3/3/2011)

Food inflation declines, govt concerned over cartelisation

Decline in vegetable and cereals prices pulled down food inflation by more than one percentage point to 10.39 per cent for week ended February 19 over the previous week, as a top government functionary called for steps to prevent cartelisation by traders.

Food inflation stood at 11.49 per cent in the previous reporting week and 21.62 per cent in the corresponding period a year ago.

While a government data released today showed decline in prices of onions, potatoes and pulses, rates of fruit, milk and vegetables as a group continued to remain high.

Prices of potatoes declined by 12.66 per cent year-on-year, while pulses fell by 5.02 per cent during the period. Onions and wheat fell by 3.64 per cent and 2.06 per cent respectively.

The items that became dearer during the week ended February 19 vis-a-vis the corresponding year-ago period were fruits (16.34 per cent), egg, meat and fish (14.5 per cent), vegetables (14.29 per cent) and milk (11.07 per cent).

"The current inflation in food is unacceptably high. We have to work towards bringing this down," Chief Economic Advisor Kaushik Basu said.

Basu stressed on using the provisions of the competition law to prevent cartelisation by traders to jack up prices of essential food items.

"There is a need to invoke anti-competition law," he said while calling for measures against cartelisation to bring down the prices.

The competition watchdog CCI is already probing the role of traders' cartel in the sudden spike in onion prices in December last year.

Experts said though declining prices of certain food items will have a favourable impact on headline inflation in February, yet fuel prices will be something that needs to be watched.

"Inflation, not just food inflation, is an immediate challenge the country is facing... We have to see how fuel prices become volatile and how it impacts our import bill," ICICI Bank Managing Director Chanda Kochchar said.

Inflation declined marginally to 8.23 per cent in January from 8.43 per cent in the previous month, as prices of certain commodities like wheat, pulses and sugar eased.

Commenting on the food inflation figures released today, Crisil's chief economist D K Joshi, said "that was expected. This is an indication of a downward slide in inflation. We could soon see it in single digits."

Experts also said that since inflation is still high, the Reserve Bank may not change its policy stance and continue with monetary tightening.

"There has been a steep offset in food inflation from the rise in December and January, but overall headline inflation is a cause of concern and so is prices of fuel...

"RBI policy of tightening will continue and it may raise rates by up to 25 basis points in the mid-quarter policy review on March 17," Yes Bank chief economist Shubhada Rao said.

In its last policy review unveiled in January, the RBI raised the short-term lending (repo) rate to 6.5 per cent while the borrowing (reverse repo) rate was upped to 5.5 per cent.

It also extended the additional liquidity support facility to banks till April 8, 2011, while retaining the Cash Reserve Ratio (CRR)-- a portion of deposits that banks are required to maintain in cash with the RBI-- at 6 per cent.

The initiatives (hike in rates) were aimed at checking price rise while retaining the growth momentum, RBI said while raising the year-end inflation projection to 7 per cent.

The central bank in 2010 raised the key policy rates six times to contain inflation which shot up to 8.43 per cent in December on high prices of food items, from 7.48 per cent in November.

<http://www.hindustantimes.com/StoryPage/Print/669043.aspx>

Rome, March 03, 2011

First Published: 16:34 IST(3/3/2011)

Last Updated: 17:34 IST(3/3/2011)

World food prices hit record highs as oil rises

World food prices have hit new records and oil price spikes could push them even higher, the UN food agency warned on Thursday, as unrest in the Middle East and North Africa hits markets.

The Food Price Index, which monitors average monthly price changes for a variety of key staples, rose to 236 points in February from 231 points in January, the UN's Food and Agriculture Organisation (FAO) said.

It was the highest level since FAO began monitoring prices in 1990.

"Unexpected oil price spikes could further exacerbate an already precarious situation in food markets," David Hallam, director of the Rome-based FAO's trade and market division, was quoted as saying in a statement.

"This adds even more uncertainty concerning the price outlook just as plantings for crops in some of the major growing regions are about to start."

Crude prices pushed higher on Thursday amid fighting in oil-rich Libya between Moamer Kadhafi loyalists and rebel forces.

New York's main contract, light sweet crude oil for April delivery, rose to \$102.56 and Brent North Sea crude for April was up at \$116.65 dollars.

"Persistent uncertainty in the region continues to support fears of contagion," British bank Barclays Capital said in a report.

"Lost output from countries like Libya and the increasing likelihood of a pushback in foreign investment is set to support longer-term prices," it said.

The International Energy Agency said oil exports from Libya had been cut by between 850,000 and one million barrels per day, out of a total of 1.6 million barrels sent mostly to European buyers before the uprising.

Loyalist attacks on the strategic Libyan oil port of Brega, home to major petroleum operations, added to concern, while popular unrest also affects the Arabian Peninsula with protests in Bahrain, Oman and Yemen.

The FAO has warned that rising food prices are driving unrest around the world, including recent uprisings in the Middle East and North Africa.

Aid agencies have called on the international community to take urgent action to put an end to the recent food price volatility.

The G20 group of leading world economies has vowed to take action.

The FAO said the February increase in its Food Price Index was the eighth consecutive monthly rise, with dairy prices up 4.0 percent from January and cereal prices up 3.7 percent due to increased maize demand and lower supply.

The UN food agency said that this was due to "larger use of maize for ethanol production in the United States" and "statistical adjustments to China's historical supply and demand balance for maize."

Meat prices meanwhile rose 2.0 percent from January, while the price of oils and fats rose only marginally and prices for sugar fell slightly.

A breakdown of Thursday's FAO data showed that in China prices for rice and wheat flour stabilised after government assurances on reserves but they remained 23 percent and 16 percent above their levels for February 2010.

The data also showed that coarse grain prices have started to increase in Africa, while in South America prices of wheat and maize are on the increase.

In the former Soviet Union, wheat prices stabilised or decreased.

<http://www.hindustantimes.com/StoryPage/Print/668998.aspx>

Weather

Chennai - INDIA

Today's Weather



Clear

Friday, Mar 4

Max Min

31° | 20.9°

Rain: 00 mm in 24hrs

Humidity: 79%

Wind: Normal

Sunrise: 6:24

Sunset: 18:18

Barometer: 1011.0

Tomorrow's Forecast



Cloudy

Saturday, Mar 5

Max Min

32° | 22°

Extended Forecast for a week

Sunday

Mar 6



30° | 22°

Cloudy

Monday

Mar 7



30° | 21°

Cloudy

Tuesday

Mar 8



31° | 21°

Partly Cloudy

Wednesday

Mar 9



32° | 21°

Sunny

Thursday

Mar 10



33° | 21°

Sunny

Food inflation eases to 10.4%

Mar 04 2011

March. 3: Food inflation eased in mid February following a drop in prices of vegetables and milk, but high headline inflation would keep the pressure on the Reserve Bank of India (RBI) to raise interest rates this month.

The UN Food and Agriculture Organisation (FAO), meanwhile, claimed that world food prices hit record highs in February, after rising for an eighth consecutive month. Food inflation in India is among the highest in Asia and the finance minister, Mr Pranab Mukherjee's annual Budget had spelt out steps to help boost output.

The embattled government, already battling a slew of corruption scandals, has said fighting high food prices was a top priority for the nation of more than one billion people.

The food index declined by one percentage point to 10.39 per cent in the week ended February 19 from 11.49 per cent a week ago. Food inflation stood at 21.62 per cent in the corresponding period a year ago. The data showed onion prices fell by 16.3 per cent, vegetable prices declined 6.03 per cent and milk prices dropped 4.1 per cent, compared with a week earlier. "The food price data does seem to suggest that we are likely seeing a softening trend now but as oil prices have been on the move, we need to watch the fuel price index, to gauge the overall impact on the headline number," said Mr Anubhuti Sahay, an economist with Standard Chartered Bank.

Headline inflation in January was at 8.23 per cent and the finance ministry's chief economic adviser, Mr Kaushik Basu, has said that the February number would be in line with January.

The RBI has raised rates seven times in the past 12 months but headline inflation has remained high partly due to high food prices caused by a sudden shortage of fruits and vegetables.

The RBI is expected to raise rates by 25 basis points at its policy review on March 17. The budget for 2011-12 allocated additional funds to raise output of lentils, vegetables, milk and edible oil, and analysts have said India needs to raise output to cool prices.

Source URL:

<http://www.deccanchronicle.com/business/food-inflation-eases-104-423>

express™
buzz

By PTI

04 Mar 2011 09:57:42 AM IST

Sensex gains 247 point on easing inflation

MUMBAI: The Sensex rose by over 247 points in opening trade on the Bombay Stock Exchange today on continued buying by funds, driven by a firming global market trend and easing food inflation.

The Sensex, which gained over 865 points in the past four sessions, shot up by 247.21 points, or 1.33 per cent, to 18,736.97 today. Banking, auto, metal, capital goods and oil and gas stocks led the rally.

Similarly, the broad-based National Stock Exchange Nifty index gained 72 points, or 1.13 per cent, to 5,608.20 points.

Brokers said a firming trend on other Asian bourses following overnight gains in the US market and easing food inflation mainly buoyed the trading sentiment at home.

In addition, corporate-friendly Budget proposals also supporting the ongoing rally on the bourses, they said.

In the Asian region, Hong Kong's Hang Seng index was up by 1.41 per cent, while Japan's Nikkei index rose 1.56 per cent in early trade today.

The US Dow Jones Industrial Average ended 1.59 per cent higher in yesterday's trade.



'Extreme weather conditions due to global warming'

March 04, 2011 11:32:03 AM

Jamal Ayub | Bhopal

Extreme weather events are on the increase and climate change can possibly be attributed to global warming said Director, Regional Meteorological Department DP Dubey.

He observed the increase in temperature by 0.2 to 0.3 degree Celsius when compared with an average of last 60-70 years is an indicator of climate change. However, meteorologists do not draw a linear conclusion that the extreme weather events are due to global warming.

The year 2009 was the warmest year in India in 100 years. According to NASA, 2010 was the hottest year on record and the last decade was the hottest since worldwide record keeping began.

Dubey said regionally extreme weather events are on the increase. "The rainfall of 29 cm in just 24 hours in Bhopal on August 16, 2006 was an example of an extreme weather incidence," he said, adding the State capital had recorded a high of 37 degree in February of 2009, which was 5 to 6 degree above the normal temperature recorded for that time of the year.

Dubey pointed out that this year's winter was an extreme weather event. In winter season, Bhopal recorded the lowest temperature ever since records have been kept when the mercury dipped to 2.3 degree and Rewa froze at (-) 1.2 degree Celsius.

Taking into account the reasons, Dubey said the weather systems are being affected due to upper airflow pattern, irregular movements and weak systems.

Formations of these weak systems are resulting in an uneven and below normal rainfall in the State.

One of India's representatives at the Copenhagen Climate Summit in 2009, Rajya Sabha MP Anil Dave insists that the country should give priority to research and investment to ascertain the best options for India's development in the context of global warming.

Dave said extreme weather conditions are a result of 'misbehaviour' with the environment and warns it is only the beginning. The frequency of freak weather events is on the increase he said, adding, "The phenomenon of climate change has to be understood in a global perspective and all of us would reap what we sow."

Dave said the onus lies on all nations and the divisions seen in the UN-backed Climate Change conferences will be resolved later if not sooner, when populations across the world will be impacted to a greater extent.

Meteorologist Dubey said extreme weather conditions and changing weather patterns are on the increase and one of the reasons could be continued deforestation. This is a resultant of the extreme rain in some areas and drought in others. The weatherman said that it was harder to predict the movement of upper air circulation, which was resulting in increased localised activity.

Dubey said, "There are projections that weather variability and frequency of some of the extreme weather events will increase with the global warming and climate change. Adding variability of the weather is natural. However, there is no clear answer as to why erratic weather changes are happening."

Minister for crop compensation rule amendment

March 04, 2011 11:32:19 AM

Staff Reporter | Bhopal

Madhya Pradesh Forest Minister Sartaj Singh admitted in the Assembly on Thursday that he felt the need for amendment in the provisions for compensation provided to farmers on damage to crops by 'neelgai'.

As the matter led to a commotion during the Question Hour, Speaker Ishwardas Rohani assured that he would allow a discussion on the matter if a proposal in this regard was brought by the members.

Singh was replying to supplementaries raised by Rekha Yadav (Bharatiya Jan Shakti) on the provisions for providing compensation to farmers on damage to crops by 'neelgai'. She sought details of amount distributed to peasants in Chhatarpur district in this regard. Besides, she wanted to know the number of 'neelgai' in Chhatarpur.

The Forest Minister pointed out that the number of 'neelgai' was 2,705 according to assessment in 2004. He admitted that their number would have increased in the past six years. Singh said there was a provision to provide compensation to farmers on damage to crops by 'neelgai' within five km limit of forests. Crop damage was assessed by the Revenue Department and compensation amount distributed by them.

A compensation of about Rs 9 lakh had been distributed to peasants in 2009-10 and nearly Rs 16 lakh in 2010-11 to farmers. However, the matter about how much compensation was distributed to whom could be answered by the Revenue Department.

Dissatisfied over the reply, Yadav said the Minister was providing false information in the

Assembly. She said only one farmer had got compensation in the past two years. She alleged that over 22,000 cases were pending with the tehsildar and the collector related to compensation.

Members from both the Opposition and the ruling party started speaking at this point who claimed that the matter was a Statewide problem. At this, the Speaker directed to frame a proposal and present in the Assembly.

Printed from

THE TIMES OF INDIA

Food inflation eases, but rate rise seen

REUTERS, Mar 3, 2011, 01.24pm IST

DELHI: Food inflation eased in mid February following a drop in prices of vegetables and milk, but high headline inflation would keep the pressure on the central bank to raise interest rates this month.

Food inflation in the country is among the highest in Asia and finance minister Pranab Mukherjee's annual budget on Monday had spelt out steps to help boost output.

The embattled government, already battling a slew of corruption scandals, has said fighting high food prices was a top priority for the nation of more than one billion people.

The food index rose an annual 10.39 percent in the week ended Feb. 19 from 11.49 percent a week ago, while the fuel price index climbed 12.56 percent from 12.14 percent.

The data showed onion prices fell by 16.3 percent, vegetable prices declined 6.03 percent and milk prices dropped 4.1 percent, compared with a week earlier.

"The food price data does seem to suggest that we are likely seeing a softening trend now but as oil prices have been on the move, we need to watch the fuel price index, to gauge the overall

impact on the headline number," said Anubhuti Sahay, an economist with Standard Chartered Bank in Mumbai.

Headline inflation in January was at 8.23 percent and the finance ministry's chief economic adviser, Kaushik Basu, has said that the February number would be in line with January.

The central bank has raised rates seven times in the past 12 months but headline inflation has remained high partly due to high food prices caused by a sudden shortage of fruits and vegetables.

The Reserve Bank of India is expected to raise rates by 25 basis points at its policy review on March 17.

The budget for 2011/12 allocated additional funds to raise output of lentil, vegetables, milk and edible oil, and analysts have said India needs to raise output to cool prices.

The yield on most-traded 8.08 percent 2022 bond yield eased by 2 basis points to 8.07 percent after the food and fuel data was released.

The benchmark five-year overnight indexed swap rate also edged down 2 basis points to 8.04 percent.

Subir Gokarn, a deputy governor of the RBI said on Wednesday that steps in the budget to bolster the output of protein sources including lentils and milk would help to manage supply side inflation in food.

He also said high energy prices would put pressure on the central bank's inflation management strategy.

4 Mar, 2011, 03.07AM IST, Sutanuka Ghosal,ET Bureau

Rising cotton prices hit apparel exports hard

KOLKATA: Soaring cotton prices are affecting apparel exports as there has been a drop in export orders from the US and Europe by at least 20% for the Fall season.

The orders for the Fall season will be executed in the months of July, August and September. The exporters are now looking at new markets like Japan, South Africa and Latin America to beef up the volume of apparel exports.

“Cotton prices have gone up by 20% in last one month from Rs 48,000 per candy to Rs 56,000 per candy. This spurt is affecting apparel exports. The importers from the developed economies are yet to come out of recession completely and, therefore they are treading a cautious path,” said R Gopalakrishnan, chairman of Tirupur-based Royal Classic Mills.

Buyers are increasingly deferring orders or cutting volume in the hope of some respite in prices, said Premal Udani, chairman of Apparel Exports Promotions Council (AEPC). “Overall, raw material is getting expensive and it is going to impact the consumption pattern,” Udani said. The AEPC chief feels that there will be a likely drop of 15% in the garment exports in volume terms.

While high prices could mean that apparel exports actually rise in value terms, apparel makers in India are struggling to retain export orders as global cotton prices have reached unprecedented levels over the last six to seven months. US cotton futures in early February rallied to a record high of \$2.0402/lb.

There seems to be no respite in prices for 2011-12 according to International Cotton Advisory

Committee (ICAC). World cotton area is projected to rise by 7% in 2011-12 to 36 million hectares, the largest in 17 years. Farmers are expected to expand cotton area in all producing countries. World cotton production is projected to increase 9% to a record, exceeding 27 million tonne. Rising cotton supplies will feed rising demand in 2011-12.

However, ICAC indicates that although the prices are expected to decline from current record levels, it may stay substantially higher than the average of 60 cents per pound that prevailed during the past decade. Udani further added that the apparel industry is pressing the government to be judicious while exporting cotton yarn to the global market. "If cotton prices increase further, then it will have a serious impact on the domestic apparel industry," he said.

4 Mar, 2011, 02.08AM IST, Madhvi Sally & Jayashree Bhosale,ET Bureau

Milk prices to remain stable for some time

AHMEDABAD/PUNE: With the advent of summer, dairy owners and cooperatives are not planning an immediate increase of milk prices and products, owing to availability of sufficient milk powder.

However traders and ice cream manufacturers are expecting an increase in prices in the coming months.

Milk prices have seen an increase of 15 % to 20% in the past one year. Apex milk marketing body of the state-based district unions, Rs 8,000-crore Gujarat Cooperative Milk Marketing Federation (GCMMF), has seen an increase of 1.5 to 2 lakh litre per day milk procurement, touching 108 lakh litre per day.

"There is no milk shortage with farmers getting a 20% increase in milk procurement price to touch Rs 392 to Rs 400 per kg fat. We do not foresee any immediate increase in milk prices," said Amul managing director RS Sodhi. He added that the 1% excise duty on flavoured milk,

which is one of the tax proposals in 2011-12 budget, will also not immediately be passed on to the consumer.

With day temperatures ruling at 35 degree celcius to 37 degree celcius in western and southern India, consumption of milk-based products — from butter milk to curd to ice cream — has exponentially increased. The increase in milk prices has, however, not made a dent on the consumption pattern. In Maharashtra, where current milk procurement is touching 90 lakh litre per day despite an increase of Rs 3 per litre of buffalo milk and Rs 2 per litre for cow milk, the demand has picked up, say dairy owners. “Contrary to our fear, milk sales have increased post price hike,” said deputy MD of Warna Dairy, Mohan Yedurkar.

The dairy owners claim that the supply of liquid milk has improved after the ban on export of milk powder. Vinayak Patil, chairman of the state-run Mahanand Dairy, one of the leading milk suppliers in Mumbai, too confirmed the increase in sales. “It’s been just four days since the summer has started. But our sale has gone up by 5%.”

However, with milk powder prices gaining 15% to \$4.958 per tonne from the past two weeks due to drought and earth quake in New Zealand, traders feel the delay in putting export ban would not benefit Indian dairy co-operatives and companies.

“The export ban should have come in December and not in February-end. Milk powder prices in the domestic market are ruling at Rs 160 to Rs 170 a kg. Even the National Dairy Development Board (NDDB), which has a target of procuring 25,000 to 30,000 tonne milk powder, was able to procure only 2,000 tonne. We should expect a further increase in prices during June-July,” said Kuldeep Saluja, MD of Sterling Agro, which sells milk powder under the Nova brand.

Also, ice cream manufacturers who have as recent as February made a price correction by 7% to 10% are looking to hike prices.

3 Mar, 2011, 02.11PM IST,PTI

Potato futures down 1 pc on reduce offtake

NEW DELHI: Potato prices fell by Rs 7.50 to Rs 742.70 per quintal in futures trade today as speculators offloaded their positions, driven by less offtake in the spot market.

At the Multi Commodity Exchange , potato for delivery in May fell by Rs 7.50, or one per cent, to Rs 742.70 per quintal, with a business volume of 156 lots.

The potato futures prices for delivery in April eased by Rs 6.80, or 0.95 per cent, to Rs 706.50 per quintal, with a business volume of 294 lots.

Similarly, potato for delivery in March also traded lower by Rs 5.80, or 0.79 per cent, to Rs 724 per quintal, with an open interest of 617 lots.

Traders attributed the fall in potato prices to offloading of positions by speculators, driven by subdued demand in the spot market.

Business Standard

Friday, Mar 04, 2011

US anti-dumping duty on Indian shrimp cut to 1.7%

George Joseph / Kochi March 04, 2011, 0:24 IST

The US Department of Commerce (DoC) has announced the preliminary results of the fifth administrative review of the anti-dumping duty on shrimp exported from India. The average duty for India has been reduced to 1.69 per cent from 2.67 per cent.

Falcon Marine Exports Limited and Apex Exports, the two mandatory respondents of the review, will attract a duty of 1.36 per cent and 2.31 per cent respectively. These rates are effective for a period of one year, commencing from February 1, 2009.

The DoC had issued a notice for the 5th AR in last April on petitions filed by Southern Shrimp Alliance [SSA] and Louisiana Shrimpers Association [LSA], two US organisations of shrimp producers. They had requested a review of exports by 202 Indian companies, DoC selected two Indian companies for a detailed examination.

The anti-dumping duty on frozen shrimp imports from India into the US was imposed provisionally with effect from August 4, 2004 and the levy was confirmed through the Anti Dumping Duty Order dated February 1, 2005. Since then, frozen shrimp from India entering the US is subjected to anti-dumping duty. As per the order in 2005, the average duty imposed on Indian companies was 10.17 per cent and in the first AR this was reduced to 7.22 per cent. This was further reduced to 1.69 per cent in the second AR and to 0.79 per cent in the third review. But, to the dismay of Indian exporters, the duty was hiked to 2.67 per cent in the next round. The Indian seafood export sector was actually hoping for nil duty as the duty was being reduced in each round of the AR. [Duty below 0.50 per cent is considered as nil duty.]

The US is the second largest importer of Indian seafood, with a share of 17.43 per cent of the total Indian seafood exports of 547,249 tonnes valued at Rs 9187.18 crore in the April-December period of the current financial year.

The US market registered a remarkable growth of 110.68 per cent in US\$ realization and 49.13 per cent in terms of quantity during the period. The US contribution was 10.09 per cent of the total export earnings in 2009-10. The US is a major market for Indian shrimp as more than 50 per cent of their total import is from India. Therefore, the result of the 5th AR is crucial to the Indian seafood sector.

DoC and the US International Trade Commission (ITC) initiated a sunset review of the anti-dumping duty in January, 2010. DOC will examine the possibility of recurring dumping if the anti-dumping duties are revoked and ITC will examine whether the injury to local shrimp production would continue or recur if the duties are revoked. They will conduct proceedings separately but it would be significant if either of them agrees to the revocation.

Sugar industry appeals again for exports under OGL

Sanjay Jog & Sanjeeb Mukherjee / Mumbai/delhi March 04, 2011, 0:13 IST

Sugar industry has made a fresh plea for allowing exports under open general licence (OGL), especially when the international prices have surged from \$690 a tonne to \$760 a tonne in one week.

Representatives of Indian Sugar Mills Association and National Federation of Cooperative Sugar Factories, who did not want to be identified, told Business Standard "The government does not want to take any risk and thus currently is in the midst of collection of state wide sugar production figures. There are reports that India may not achieve sugar output target of 25 million tonnes but will be able to reach between 22.5 million tonnes and 24.5 million tonnes. The next meeting of empowered group of ministers is yet to be fixed."

They said the industry wants the Centre to take the decision of exporting 500,000 tonnes at the earliest. Subsequently, the Centre needs to allow exports of 1 million tonnes in the next two months.

Sources said the Centre would soon hold a meeting with the state sugar commissioners to ascertain sugar production during the ongoing sugar season. "A final call on sugar exports will come only after that. About 13.5 million tonnes have been crushed till February 15," sources noted.

Industry sources said sugar production in Uttar Pradesh is expected to be 7 million tonnes. "However, if UP mills stop crushing season in the first week of April then the sugar production will be quite less compared to the target of 7 million tonnes," sources said.

As far as Maharashtra is concerned, it was estimated to be 9.5 million tonnes but it was later revised to 9.1 million tonnes after the unseasonal rains hit the sugarcane growing areas in November last year.

World food prices may gain further: UN

Bloomberg / Paris March 04, 2011, 0:03 IST

World food prices rose to a record in February and grain costs may continue to rise in the next several months, with only rice keeping the world from a repeat of the crisis three years ago, the United Nations said.

An index of 55 food commodities rose 2.2 per cent to 236 points from 230.7 in January, the eighth consecutive gain, the UN's Food and Agriculture Organization said on Thursday. Wheat rose as much as 58 per cent on the Chicago Board of Trade in the past 12 months, corn gained 87 per cent and rice added 6.5 per cent.

"I've never loved rice more than now," said Abdolreza Abbassian, a senior economist at the FAO in Rome. "Probably rice is the commodity which is separating us from a food crisis."

Rising food costs contributed to riots across North Africa and the Middle East in the last several months that toppled leaders in Egypt and Tunisia. Prices surged as bad weather ruined crops from Canada to Australia and Russia banned grain exports after its worst drought in a half century.

Global food prices probably will rise in the first half of this century because of an expanding population and higher incomes, slower crop-yield growth and the effect of climate change, Ross Garnaut, the Australian government's climate-change adviser, said yesterday.

More people

Food production will have to climb by 70 per cent between 2010 and 2050 as the world population expands to 9 billion and rising incomes boost meat and dairy consumption, the FAO forecasts. Producing 1 kilogram (2.2 pounds) of pig meat can take 3.5 kilograms of feed, US Department of Agriculture data shows.

The UN's food-price index rose from 176 points from a year earlier, with all five food groups advancing. The dairy index climbed to 230 points in February from 221.3 in January.

Milk futures traded in Chicago jumped 15 per cent last month following a 26 per cent surge in January, the biggest monthly gain since March 2004. Whole-milk powder prices rose to a record

in its biweekly auction, Fonterra Cooperative Group Ltd, the world's biggest dairy exporter, said March 1.

The FAO's sugar-price index slipped to 418 points from a record 420.2 points in the previous month. The UN agency's index is trade-weighted, with the sweetener accounting for 7 per cent. Raw-sugar prices climbed 37 per cent in New York in the past year.

Meat prices

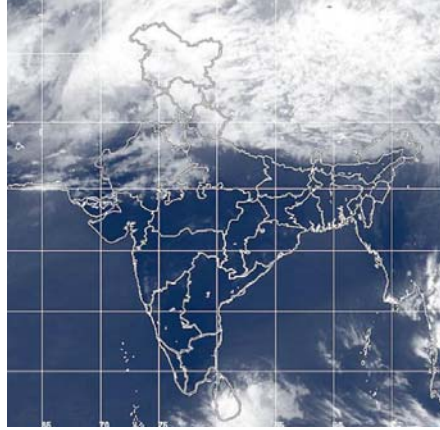
The gauge for meat, which makes up 35 per cent of the overall index, rose to 169 points from 165.9 points. Meat is a "significant" part of the diet in developed countries, which may see more inflation from food than in 2007-08, according to Ken Ash, trade and agriculture director at the OECD.

A gauge of cooking oils and fats gained to 279 points from 277.7, the FAO said. Its cereal-price index climbed to 254 points from 244.8 in January, below the peak level of 274.3 in April 2008, the report showed.

Countries probably spent at least \$1 trillion on food imports in 2010, with the poorest paying as much as 20 per cent more than in 2009, the UN has said. Surging food and energy costs are stoking emerging-market inflation and have the power to topple governments, Nouriel Roubini, the New York University economist who predicted the financial crisis, said January 26.

Food prices' effect on poor consumers is less severe than three years ago, when costs also surged, because rice rose less than other grains, according to the Organization for Economic Cooperation and Development. Rice is the staple food of more than half of the world population, according to the International Rice Research Institute.

Hailstorm warning for plains of North-West



India meteorological dept satellite picture at 16-00 hrs

Intense western disturbance activity over northwest India.

Thiruvananthapuram, March 3:

True to forecasts, the disturbed weather over the hills and plains of northwest India is expected to continue through the weekend.

India Meteorological Department (IMD) said in an evening bulletin on Thursday that isolated heavy rain or snow would occur over Jammu and Kashmir, Himachal Pradesh and Uttarakhand on Friday and Saturday.

Over the plains, the weather would pan out in the form of isolated hailstorms or thunder squalls over Punjab, Haryana, north Rajasthan and Uttar Pradesh during this period.

The week starting from March 11 would see a let-up in intense western disturbance activity over northwest India, according to the US National Centres for Environmental Prediction.

But this would also be the time around when the Bay of Bengal would get back into fresh churn and set up a rain wave right from the east to cause some precipitation over south peninsular India.

Meanwhile on Thursday, an IMD update said that the weather-setting western disturbance over Jammu and Kashmir would continue to affect the western Himalayan region and adjoining plains of northwest India on Friday and Saturday.

The westerly system has also thrown up an upper air cyclonic circulation over north Rajasthan and neighbourhood, which persisted overnight.

Towards the south, the upper air cyclonic circulation over southwest Bay of Bengal and adjoining south Sri Lanka has been persisting, too.

There will be some purchase for Kerala and Tamil Nadu from accentuation of the clouding associated with the system as it takes a round trip of Sri Lanka.

Satellite pictures on Thursday evening showed cloudiness starting to fill western parts of Sri Lanka and adjoining Gulf of Mannar. The clouding whipped up by the system had begun ducking below the peninsular Indian latitudes from Wednesday after being steered by the north-easterlies blowing across the Bay of Bengal.

Uncertainty prevails over chana production

Chennai, March 3:



Within a span of three weeks, prices of chana or Bengal gram have dropped nearly Rs 150 a quintal. On Thursday, chana was quoted at Rs 2,408 in Indore.

In fact, chana prices had run up between the start of the year and mid-February on fears that the chana crop could have been affected by frost that wreaked damage on crops in various parts of the country.

Even now, there is no clear-cut idea about the crop, though the quality of the arrivals is good.

“The quality of chana arriving in the market now is very good. But with regard to quantity, we will get to know only after 15 days,” said Mr Rahul Vora, a trader in Indore.

“It all depends on the yield that farmers will be able to get on harvest,” he said.

Though damage of frost to the crop has been reported from some areas, Mr Vora said that at the most, it has only delayed the arrivals.

“The harvest has been delayed by a month,” he said.

Farmers disheartened

However, there are signs of disillusionment among farmers with regard to the chana crop.

“You could have heard complains from farmers in the Malwa region of Madhya Pradesh. That is because they grow kabuli chana or chickpea,” said Mr Rajkumar Jher, a trader at Ujjain.

“Chickpea has been unable to withstand frost, whereas the desi chana (Bengal gram) has been able to overcome the extreme cold condition that was prevalent in December,” Mr Jher said.

“Today (Thursday), we received 7,000 bags (100 kg each) of chickpea at the Indore mandi. The quality of the arrivals was good,” said Mr Vora.

Traders say that during the same period a year ago, arrivals were 14,000-16,000 bags but they should not be compared because of the delay in harvest.

Mr Daud Patel of Dhonk Khurd village in Madhya Pradesh's Dewas district said that he had sown chana on 25 acres and the entire crop has been damaged by frost.

“Even our crop has been affected by frost,” said Mr Sunil Mukhati of Dewas.

Madhya Pradesh holds the key to a good chana crop in the country as it makes up 36 per cent of the total area under the crop and 40 per cent of the total production in the country. The second advance estimate for 2010-11 agriculture season ending June has projected the crop at 7.37 million tonnes (mt) against a record 7.48 mt last season.

“Area under the crop has been lower this year in Madhya Pradesh, Rajasthan Andhra Pradesh, Maharashtra and Karnataka,” said Mr Vora.

In Gujarat, farmers switched over to chana from jeera this year.

Chana prices are seen firm in the short-term on festival demand. But Kabuli chana could come under pressure due to lack of export orders and unrest in the Gulf.

“There were no buyers for Kabuli chana at the Gulf Food fair that ended on Wednesday. Besides political problems in the Gulf, prices are also higher at \$1,200 a tonne,” said Mr Vora.

Egg boils on rising demand



Chennai, March 3:

After a short respite in January during the Pongal holidays, egg and chicken prices are again on the rise as demand builds up.

The National Egg Coordination Committee's Namakkal zone has increased the prices of eggs to Rs 2.40 a piece from last week's Rs 2.25. ?Prices will move up by 5-10 paise in the coming days,? according to Mr P. Selvaraj, Chairman of NECC's Namakkal zone.

After hitting a record Rs 3.02 in January, egg prices plummeted 40 per cent owing to accumulation of stock, buyer resistance and seasonal uncertainties affecting the margins of small poultry farmers. The Namakkal region produces 3 crore eggs a day. Overall consumption in Tamil Nadu and neighbouring Kerala has risen by 15-20 per cent.

NECC has raised the prices of layer birds to Rs 27/kg (Rs 25) while the Palladam-based Broiler Coordination Committee has increased the prices of cull birds to Rs 62/kg (Rs 60). ?Prices are likely to rise gradually during end-March when demand for animal protein is on the rise during summer and it outpaces supply in a lean season,? he said.

Rising Feed prices

Escalating feed prices also are pushing up the egg prices. ?A year ago, feed cost was Rs 400/bag and now it has increased to Rs 1,100. To cope up with this huge jump, we are forced to pass on part of the price rise to consumers,? said a poultry owner. Feed costs account for 40 per cent of the total cost of production. On the export front, the trade is now focusing more on neighbouring Sri Lanka as the country has decided to import eggs from India until the shortage is met there and domestic prices stabilise. India, since mid-December, has exported around 18 lakh eggs to Sri Lanka.

Wheat fall as traders await new crop



Karnal, March 3:

Dara wheat prices dropped by Rs 5-10 and ruled at Rs 1,225-1,230 a quintal against levels of Rs 1,240 quoted at the beginning of this week. For the finer quality, it was around Rs 1,240 a quintal on Thursday.

Wheat prices have dropped by Rs 20-25 a quintal this week and this fall may continue, said Mr Sewa Ram, a wheat trader.

Just about 120 quintals of desi wheat arrived and were quoted at Rs 2,400 a quintal. Traders are not booking big orders as bulk buyers are out of the market at present, said Mr Ram. Prices of desi wheat is on higher side and traders are waiting for the new crop to come to the market as the prices will soften then, he added.

Around 1,000 quintals of dara variety were procured from the Food Corporation of India by flour millers on Thursday.

Flour Prices

Flour prices continued to witness the downtrend and dropped by Rs 15 at Rs 1,235 for a 90 kg bag. On the other hand, chokar prices maintain their previous levels at Rs 530 for a 49 kg bag.

What to expect?

According to reports, wheat prices are projected to be bearish in the short to medium term. The quality of the arrivals is also expected to be good as the showers at the till stages yield good output. The increase in the production by 1.5 million tonnes might also exert pressure on the prices till April and May or till the procurement from the FCI comes to an end. The millers in the spot markets would wait for prices to fall close to the minimum support price level to buy in bulk. Millers might show preference towards buying wheat in the open market sale scheme of the FCI according to their requirement

Himalya's Gujarat food processing plant starts humming



Business Line Mushrooms - Photo: P V Sivakumar
Gandhinagar, March 3:

The BSE-listed agri export-oriented company Himalya International on Thursday announced commencement of production at its first unit of food processing plant at Vadnagar in Mehsana district of Gujarat and said all the other units are slated to follow suit in the next four months.

This is India's largest food processing project, the company said.

A delegation of the company led by its Chairman, Mr Manmohan Malik, presented the first pick of 100 per cent vegetarian mushrooms grown at Vadnagar to the Gujarat Chief Minister, Mr Narendra Modi, here, according to a company release.

Mr Malik said that Himalya International's plant has been set up in 18 months with an investment of Rs 130 crore. The plant is spread over 60 acres and provides direct employment to around 2,000 skilled and other workers.

The company will sign an MoU with around 5,000 farmers to grow agricultural produce for the company under contract farming. The project will have two streams of products, viz, fresh-chilled and fresh-frozen products for exports and domestic markets.

The plant will grow and process 10,000 tonnes of mushrooms, 40,000 tons of appetisers and French fries, 50,000 kilolitres of yogurts and cheese and 100 million cans of soups a year.

“We expect to generate revenues of Rs 500 crore by 2014 from the new facility,” Mr Malik said. The new cold chain at the Ahmadabad International Airport will enable the company to export its fresh-chilled products. The availability of fresh mushrooms in Gujarat will be a boon to fight diseases such as diabetes.

Spot rubber improves on short covering



Business Line Rubber latex being converted into sheets. (File photo): R. Eswarraj
Kottayam, Mar. 3:

Physical rubber prices continued to strengthen on Thursday. The market moved in tandem with the domestic futures on the National Multi Commodity Exchange (NMCE). Meanwhile, latex 60 per cent fell further amidst low demand.

According to traders, sheet rubber improved to Rs 229.50 (227) a kg on fresh buying and short covering. The grade firmed up to Rs 230 (226) a kg both at Kottayam and Kochi, as reported by the Rubber Board.

FUTURES RISE

In futures, the March series concluded at Rs 229.35 (225.22), April at Rs 238 (235.01), May at Rs 243 (239.15), June at Rs 245.30 (241.57) and July at Rs 245.50 (241.20) a kg for RSS 4 on the NMCE.

The volumes totalled 19558 lots and open interest 10967 lots. The turnover was Rs 462.60 crore.

RSS 3 (spot) slipped to Rs 274.34 (274.71) a kg at Bangkok. The March futures for the grade increased to ¥512 (Rs 282.05) from ¥506 during the day session but then declined to ¥502 (Rs 276.54) a kg in the night session on the Tokyo Commodity Exchange (TOCOM).

Spot rates were (Rs/kg): RSS-4: 229.50 (227); RSS-5: 228 (224); ungraded: 225 (221); ISNR 20: 227 (224) and latex 60 per cent: 138 (140).

Sugar gains as mills abstain from selling



Mumbai, March 3:

Sugar prices at mill level have shot up by Rs 15-20 on Thursday as mills abstained from selling at lower prices on expectation of higher demand. Up country and local stockists buying kept sentiment positive at the producing level, but in the local market, spot prices were steady with range-bound price movement because of need-based thin buying by retailers.

At the Vashi wholesale terminal market, spot prices for good quality sugar increased by Rs 5 a quintal. Naka rates under lifting pressure, ruled weak. Arrivals and dispatches were higher as the market was closed on Wednesday for *Shivratri*. **Fresh demand**

Mr Jagdish Rawal of B. Bhogilal and Co said mills were not keen to sell at lower prices. Fresh demands from neighbouring States and local retailers created a positive sentiment. Local demand was not according to expectations and most of the trade took place at the resale level. In March, with rising temperature and Holi festival, retail demand for sugar is expected to increase in the coming days.

On Wednesday, about 12-14 mills came forward with open tender offer and sold total quantity of about 75,000-80,000 bags, including 2 rail rakes (about 54,000 bags) in the range of Rs 2,690/2,730 for S-grade and Rs 2,740/2,780 for M-grade.

On Thursday, arrivals in the Vashi markets was about 58-60 truckloads (100 bags) and local dispatches were at 50-52 truckloads.

Bombay Sugar Merchants Association sugar rates were: Spot: S-grade Rs 2,811-2,861 (Rs 2,800-2,861) and M-grade Rs 2,853-2,921 (Rs 2,841-2,921).

Naka delivery: S-grade Rs 2,760-2,790 (Rs 2,760-2,800) and M-grade was Rs 2,810-2,865 (Rs 2,820-2,865).

FAO concerned over surging food prices

New Delhi, March 3:

Unexpected rise in oil cost could further exacerbate global food prices that touched a record high in February this year, UN body FAO said on Thursday even as it forecast the global wheat output to rise by around three per cent in 2011.

Global food prices soared for the eighth consecutive month in February this year on back of rising prices of almost all the commodities except sugar, Food and Agriculture Organisation (FAO) said.

Food price index, a measure of the monthly change in international prices of a basket of food commodities, averaged 236 points in February, up 2.2 per cent from January. This is the highest record in real and nominal terms since FAO started monitoring prices in 1990, FAO said on its Web site.

“Unexpected oil price spikes could further exacerbate an already precarious situation in food markets,” FAO Trade and Market division Director David Hallam said. “This adds even more uncertainty concerning the price outlook just as planting for crops in some major growing regions are about to start,” he added.

Amongst the items, Cereals and Dairy products registered major surges, it added.

FAO expects tightening of global demand-supply balance in 2010-11.

“...global cereal stocks this year are expected to fall sharply because of a decline in inventories of wheat and coarse grains. International cereal prices have increased sharply with export prices of major grains up at least 70 per cent from February last year,” it added.

The increase in cereal prices in February mostly reflect gains in international maize prices, driven by strong demand amid tightening supplies, the world's apex agriculture body, said.

In case of dairy products, firm world demand continues to underpin prices. However, the recent earthquake in New Zealand, a major supplier, does not seem to have affected global availability of dairy products, it added.

FAO expects winter crops in the Northern Hemisphere to be generally favourable and forecast the global wheat production to increase by around three per cent in 2011.

GM tech part of solution to food security: Syngenta

New Delhi, March 3:

Identifying Genetically Modified (GM) technology as crucial to achieve food security, seeds and pesticide manufacturer Syngenta on Thursday said it is working closely with Indian research organisations to develop GM corn, rice and vegetables seeds.

"GM technology in seeds is a part of the solutions to attain food security and we are working with Indian research institutions on corn, rice and vegetables," Syngenta Asia Pacific Corporate Affairs Head Andrew McConville told reporters here.

Stating that for the company India is important along with other emerging economies such as Brazil, Russia and China (BRIC countries), Mr McConville said "We are working in collaboration with ICAR and Punjab Agricultural University (PAU), especially in the field of rice."

Syngenta has a global turnover of around \$11.6 billion. It has major presence in 14 countries, particularly in Europe.

Asked about widespread protests over BT Brinjal and other GM crops in India on medical grounds, Mr McConville said "farmers should be given a choice to go for an agricultural practice best suited to them".

Laying emphasis on the latest bio—tech practices, he said, "More than 25 countries are using GM crop technology. GM corn is very successful in Phillipines...India should not shut its eyes to the technology," McConville said.

'Continuation of drizzle may delay wheat harvesting'

New Delhi, March 3:

The Government has said any continuation of the current drizzle beyond a few days may delay wheat harvesting which is expected to commence in the third week of this month.

"The current drizzling rains are good for wheat crop. If it continues in the coming weeks, then harvesting may delay," the Minister of State for Agriculture, Mr Arun Yadav, told reporters today on the sidelines of Krishi Vigyan Mela.

Wheat harvesting normally begins after the festival of Holi on March 20, he said.

Echoing similar views, the Indian Agricultural Research Institute (IARI) Director, Mr H.S. Gupta, said: "This year, cold temperature and intermittent drizzling has continued till now and it is proving beneficial to the wheat crop."

"But now, the rains should stop for good harvest to take place by the end of this month," he noted.

On wheat output, Mr Gupta said: "So far, the weather indicates that production will not be less than 82 million tonnes and is expected to touch 84-85 million tonnes." The Government has pegged a record wheat production of 81.47 mt for this year against 80.8 mt last year. Inaugurating a three-day farmers' fair organised by the Government's research body IARI, Mr Yadav said farmers should take advantage of the new schemes announced in the Budget and improve farm production. Noting that the mela provides a window of opportunities for all stakeholders including farmers to know about the new technologies developed for improving farm output, he said similar melas should be organised at the state levels. The Minister of State for Food Processing, Mr Harish Rawat, said such melas help address the challenges faced by the farm sector. Over one lakh farmers from across the country are expected to participate in the fair. The special feature of the mela is the facility of one-to-one interaction with farmers to sensitise them about the latest technologies.