

Food inflation eases to 7.7%

Special Correspondent

NEW DELHI: Although food inflation slid to its 18-month low at 7.7 per cent during the week ended April 30 from 8.53 per cent in the previous week owing to declining prices of pulses and vegetables, serious concerns remain on a likely price spiral in non-food items and its impact on core inflation.

Lauding the downward trend in food inflation based on the Wholesale Price Index, especially as it was way higher at over 21 per cent during the like week in 2010, Finance Minister Pranab Mukherjee said: "The current trend in food inflation is welcome and we hope to see further moderation in food inflation in the coming weeks... However, there are concerns on price momentum in non-food articles."

Even as prices of pulses eased by 9.05 per cent, vegetables by 3.64 per cent and potatoes by 3.58 per cent on a year-on-year basis, Mr. Mukherjee pointed to the prime cause for concern and said: "Sustained high non-food primary prices are creating cost-push inflationary conditions in the manufacturing sector. Thus, even though food inflation is declining, the concern on higher core inflation remains." The Finance Minister, however, hoped that the hike in key policy rates by the RBI would help in containing the inflationary spiral, which has been shifting food to non-food items.

Milk procurement rises but not sales

R. Sairam

Decision on halting diversion to Chennai will be taken next week



MADURAI: Despite milk procurement having increased by over 50,000 litres a day in the recent months, sales at Madurai Aavin have not increased.

Even though Madurai region is facing a shortage and decreased levels of sales compared to last year, the quantum of milk being diverted to Chennai has increased by 20,000 litres since April.

Official sources told The Hindu here on Thursday that the procurement had increased to 1.80 lakh litres a day during the second week of May from 1.30 lakh litres in January. However, the sales was stable at 1.25 lakh litres from January to second week of May. Last year during this period it was 1.90 lakh litres.

The Madurai Aavin Union, which also covers Theni District, has been sending 30,000 litres a day to Chennai for the past few months.

Surplus

All the 17 Aavin Unions in the State were ordered to send their surplus milk to Chennai during the strike by Tamil Nadu Milk Producers' Welfare Association from February 7 to 15.

However, even after the strike ended, the practice continued, despite Madurai region facing a shortage. Since April, when procurement went up here, quantum of milk being sent was raised to 50,000 litres.

Production of all Aavin milk products such as sweets, ghee and butter in Madurai had been suspended owing to the shortage.

The milk parlour near Aavin Junction in the city, constructed at a cost of Rs. 9 lakh to provide milk round the clock to serve the several hospitals in the vicinity, was also downing shutters frequently.

Senior officials said that a decision on halting the diversion to Chennai would be taken next week.

Date:13/05/2011 **URL:** <http://www.thehindu.com/2011/05/13/stories/2011051363220300.htm>

Artificial ripening of mangoes poses health risks in Erode

S. Ramesh

More than 25 tonnes of the fruit brought to the markets in the town every day

Artificially ripened fruit will present a yellow outer skin but the tissue inside will not be ripe

PHOTO: M.GOVARTHAN



Unsafe practice: Many traders in Erode town indulge in the artificial ripening of mangoes. -

ERODE: The shining, golden-yellow mangoes lined up in the fruit shops and on the roadsides in Erode may tempt you to buy them. But the mouth-watering fruit may not be all that tasty inside and may even pose health risks due to the rampant use of chemicals for artificial ripening of mangoes.

Mangoes have begun flooding the markets in the town and are being sold in large numbers now. More than 25 tonnes of the fruit are being brought to the markets in Erode every day.

But many vendors resort to the use of calcium carbide to induce artificial ripening of the fruit, posing serious threat to the health of their consumers.

As the traditional methods of ripening are time-consuming, traders resort to the use of harmful chemicals to ripen the mangoes, an easy way to make quick bucks.

Doctors here point out that eating artificially-ripened mangoes will put the consumer at the risk of developing mouth ulcers, gastric problems and rashes.

An artificially ripened fruit will present a yellow outer skin but the tissue inside will not be ripe.

“If you find extraordinary sheen and black spots, then the fruit may be ripened using artificial methods,” a horticulture official here point out.

The artificial ripening of mangoes has become very common among the traders in the district, as the health officials here are not paying any attention to check this harmful practice.

The health officials in the district administration and Erode Corporation have not even issued a warning for the traders so far.

“Officials conveniently forget their responsibility of conducting checks in frequent intervals to prevent traders from resorting to adulteration and harmful practices such as artificial ripening of fruits.

They expect us to give a complaint every time to initiate an action,” Prakash Thiagarajan, a resident in Teachers Colony, laments.

People had appealed to the administration to launch a drive against the practice of artificial ripening of mangoes across the district.

Date:13/05/2011 **URL:** <http://www.thehindu.com/2011/05/13/stories/2011051362230200.htm>

Farmer bags award for high yield

L. Srikrishna

MADURAI: His name is Maduraisami. He is aged about 60 years. He has not studied much, but the drive and inspiration to achieve in his life have made him bring laurels to his village Porusupatti near Agricultural College here. He has bagged the second prize of Rs.15,000 in the State for achieving a yield of 14,577 kilograms per hectare in paddy crop in the just-ended season. Mr. Maduraisami and his family members own agricultural lands in the village and have been carrying out the activity in the belt for several decades.

Speaking to The Hindu, he said, “Two years ago, when a handful of officials from the Agriculture Department visited our village and explained the use of mechanisation in raising paddy crops, not many showed interest. But, something hit upon my mind. I did not hesitate. I decided to make an attempt and ventured into the use of machines in my lands,” he recalled.

Just one or two other farmers joined me in taking up such a risk. Right from the day one – starting with sowing seeds to the D-day of harvest – only machines that dominated the activity. “I just could not believe the speed with which it performed. The uniform arrangement in which the crop was coming up too baffled me and a few of my well-wishers,” Mr. Maduraisamy

claimed he had saved huge sums, which he used to spend to trap the rats earlier. With water for irrigation flowing into his fields from Kallanthiri canal, the second biggest beneficiary next to Cumbum valley, he however, expressed concern over the dwindling cultivable area.

Date:13/05/2011 **URL:** <http://www.thehindu.com/2011/05/13/stories/2011051351830300.htm>

Millets to be cultivated in 660 acres

Staff Reporter

SANGAREDDY: The Deccan Development Society (DDS) proposes to cultivate millets in about 660 acres spread over 20 village in five mandals in Medak district. District Collector S. Suresh Kumar gave consent for this at a meeting held in Sangareddy on Wednesday.

This programme is being taken up under community managed sustainable agriculture (CMSA) with an intention to bring the fallow lands belonging to SCs into cultivation. As part of this measure, 128 acres in Zaheerbad mandal, 174 acres in Kohir mandal, 86 acres in Raikode mandal, 165 acres in Nyalakal mandal and 130 acres in Regod mandal is already identified by the DDS, which are assigned lands for dalits.

According to P.V. Satheesh, Director, DDS, it is expected to cost around Rs. 7,500 per acre to bring the identified fallow land into cultivation which includes ploughing, farm yard manure, vermicompost and weeding. However, seed would be supplied by the DDS at free of cost and the farmers have to return them back to farmers once they harvest the crop.

According to projection, the cost would come down to Rs. 3,000 in the second and third years comparing with the Rs. 7,500 of the first year. It was proposed that the farmers should construct their own compost units.

Mango output to be affected in U.P. due to rains

Lucknow: Recent unseasonal rains and windstorms are expected to further lower production of mango in Uttar Pradesh, the largest producer, by about 5 per cent in 2011.

Due to cyclic trend output of the fruit is expected to be nearly 20 per cent less this year in the State as compared to last year's production of 30 lakh tonnes, sources in the State Horticulture Department said.

Rana Pratap Singh, Joint Director in the State Horticulture Department, said that 'off and on' year of mango production in UP is not an unusual phenomenon.

During an off year, flowering takes place as late as March in the trees in the alternate year, he said.

Mr. Singh said 2011 is considered as off year for Mango production in Uttar Pradesh.

Due to seasonal factor, output of the tasty variety like Langda, Chausa and Dussehri is expected to be 20 per cent less this year, he added.

Mango belts in Uttar Pradesh include Lucknow, Saharanpur and Sambhal—Amroha—Muzaffarnagar districts.

The Lucknow belt, which produces world famous Dussehri mangoes besides Langda and Chausa, alone comprises 30—40 per cent of the State's annual mango output.

Delhi is the biggest market for Uttar Pradesh mangoes, followed by Punjab.

The official said that high quality Langda, Chausa and Dussehri mangoes would hit the markets only in June—July.- PTI



HT Correspondent, Hindustan Times

Email Author

Mumbai, May 12, 2011

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Low food prices fail to boost sensex, index down 249 pts

Easing food prices notwithstanding, the benchmark Sensex of the Bombay Stock Exchange on Thursday fell by 1.3%, or 249 points, to close at 18,336 in line with the fall in global markets.

The broader Nifty of the National Stock Exchange fell by 79 points to close at 5,486.

While China and Japan fell by 1.3% and 1.5% respectively, premier indices in the UK and Germany fell by 0.9% and 1.3% respectively.

The metal index led the fall with a loss of 3%. Sterlite Industries and Hindalco fell by 4.8% and 4.6% respectively following the losses in global metals as other commodity prices declined.

“There is a concern that China could tighten its monetary policy further and this led to a fall in global indices and also commodity prices as there is no support on lower price,” said Alex Mathew, head of research, Geojit BNP Paribas Financial Services. “The industrial production increased month-on-month but fell year-on-year.”

Growth in the index of industrial production (IIP) slowed to 7.3% in March, from 15.5% in the same month last year while food inflation eased to 7.7% for the week ended April 30 from 8.53% in the previous week.

<http://www.hindustantimes.com/StoryPage/Print/696757.aspx>

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Food inflation at 18-mth low

Food inflation fell to an 18-month low of 7.7% for the week-ended April 30, but analysts warned that it wasn't time to open the bubbly yet as high global commodity prices were likely to jack up prices of most manufactured items.

COMMODITY PRICES, RATE HIKE STILL WORRYING



"There are concerns on the price momentum in non-food articles. Sustained high non-food prices are creating inflationary conditions in manufacturing."
—Pranab Mukherjee
Finance minister



"The rise in interest rates will have a negative impact on both consumer demand as well as investment activities. GDP growth will be 8.0-8.5% in 2011-12."
—Chandrajit Banerjee
Director-General, CII



"Growth in the manufacturing sector is going to slow down in coming months because banks have raised rates further which will affect investments."
—Rajiv Kumar
Director-General, FICCI

Wholesale price index (WPI)-based food inflation stood at 8.53% in the previous week and 21.42 % in the year-ago period.

"We hope to see further moderation in food inflation in the coming weeks but there are concerns on the price momentum in non-food articles," finance minister Pranab Mukherjee said.

Core inflation or inflation of non-food manufactured goods has picked up in the last three months from an average 5.0-5.5% in June-October 2010 to more than 7% in March.

Weather

Chennai - INDIA

Today's Weather



Clear

Friday, May 13

Max Min
39.3° | 26.5°

Rain: 00 mm in 24hrs

Humidity: 84%

Wind: Normal

Sunrise: 5:44

Sunset: 18:26

Barometer: 1005.0

Tomorrow's Forecast



Cloudy

Saturday, May 14

Max Min
40° | 27°

Extended Forecast for a week

Sunday	Monday	Tuesday	Wednesday	Thursday
May 15	May 16	May 17	May 18	May 19
37° 27°	37° 27°	36° 27°	34° 25°	35° 25°
Sunny	Partly Cloudy	Partly Cloudy	Cloudy	Partly Cloudy

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Wheat Storage, Transport Woes Crop Up

May 13, 2011 10:53:18 AM

Being a farmer himself, Chief Minister Shivraj Singh Chouhan is restless in spite of Madhya Pradesh having a bumper production of wheat.

Chouhan's problem is Central Government's inability to transport the produce and ensure a best deal for the farming community. This time around, Madhya Pradesh Government is likely to have stocks over 45 lakh tonnes of which over 35 lakh tonnes have already been procured.

Last year, the wheat procurement in Madhya Pradesh was below 40 lakh tonnes. Minister of State for Food and Civil Supplies Paras Jain believes that this year the production is likely to cross 45 lakh tonnes. "We have the storage capacity of only 28 lakh tonnes wheat and in the present situation, the Government is certainly facing shortage of storage capacity," he accepts, saying that all the district Collectors have been asked to construct warehouses in their respective districts whenever necessary for storage of wheat.

Jain says he has had discussion with the Chief Minister and Chouhan is anxious to solve this problem as soon as possible, however, the Centre's indifferent attitude is posing a threat.

Since, the State Government is already paying Rs 100 additional bonus to the farmers besides purchasing their produce at minimum support price (MSP), the farmers are encouraged to bring more wheat at the mandis, Jain added.

Jain explained that the procured wheat is transported to Central Government and later the States receive their respective shares. In case of Madhya Pradesh, the share is just 23 lakh tonnes wheat that we receive for distribution under public distribution system (PDS) or control shops.

Jain claims that with this bumper crop of wheat from Madhya Pradesh and other parts of the country, the Central Government is also facing the storage capacity problems. However, he says that he and his Ministry have already written the Central Government several times in the current season requesting to lift the procured wheat as soon as possible, but to no avail. The State Government also sought permission for storing the wheat in warehouses, but no action

was taken on the demand.

“With the wishes of Chief Minister Shivraj Singh Chouhan that the farming has to be made a profitable business, we cannot stop farmers coming to the mandis and we have to buy their produce without hurdle.” Jain adds, saying that last year, the Centre had not lifted 7 lakh tonnes wheat that remained in possession with the State.

To streamline the PDS, the Minister has decided to introduce biometric ration cards to the people below poverty line (BPL), but with the ongoing process of food coupon scheme and the wheat procurement, the work has been halted for the time being.

Aiming to provide benefits to eligible consumers under public distribution system and to eliminate the practice of bogus ration card, the work of food coupon scheme has speed up in Madhya Pradesh.

If all goes well then the scheme will come into existence in entire State within two years. For the time being, the work of nomination is in war footing in five districts of Madhya Pradesh. At some places, the works are on last phases. After it, all the remaining districts will be covered in the next three phases. For the purpose, 94,000 citizens have been provided unique identity code number.

Nomination of 10 lakh Government employees of all grades has been made separately. The work is being executed at all the Government departments too. In this separate process, the work is in progress in Government offices in six districts — Bhopal, Jabalpur, Indore, Ujjain, Chhindwara and Ratlam.

This work will also be executed separately where nomination of general consumers are being done in five districts — Hoshangabad, Harda, Burhanpur, Shajapur and Dewas.

Fourth term Bharatiya Janata Party (BJP) legislator from Ujjain North, Jain was born in Ujjain and has been associated with the Rashtriya Swayamsevak Sangh (RSS) since childhood. Besides being a politician, Jain likes wrestling too.

Sixty-one-year-old has also been on different positions in the Akhil Bharatiya Vidyarthi Parishad (ABVP). He was first elected to the State Assembly in the year 1990 and then won a Assembly seat in 1993 and 2003. In the year 2003, he had portfolios of Forest, Higher Education and School Education.

MP among top three procuring States

Madhya Pradesh emerged among top three States in Government wheat procurement and also became the first State in giving bonus to farmers by depositing `3,500 directly in farmers' bank accounts.

The State is among the top three States in the country in the Government procurement of wheat. Only Punjab and Haryana are ahead in this respect. So far, 24 lakh metric tonnes of wheat has been procured in the State. Madhya Pradesh is the only State, where `150 per quintal bonus is being given to farmers on wheat procurement. The State also has the sole credit of depositing procurement amount directly to farmers' bank accounts. So far, `3,500 has been deposited in farmers' bank accounts.

Middlemen rule the roost: Cong

Alleging irregularities in the wheat procurement process, State Congress president and Union Minister Kantilal Bhuria has alleged that the Madhya Pradesh Government could not stop the middleman system at the mandis.

Bhuria said that at the mandis and Government procurement centres the farmers are being

fooled around as middlemen are exploiting the situation. He alleged that the so-called middlemen are taking advantage of the delay in payments to the farmers as the Government made the process complicated for the farmer. Inevitably, the farmer is left with no option but to approach the middlemen who make a killing in the process thus resulting in huge profiteering and corruption, he added.

Bhuria asked the Chief Minister to check the uncontrolled profiteering at the expense of the farmers. Bhuria said there has been a record production of wheat in the State whereas the necessary procurement facilities are not in place.

Notice given to sugar mills to clear farmers dues by May 15

May 13, 2011 10:57:27 AM

Rajendra S Markuna | Haldwani

The State Government has issued notices to the sugar mills to clear the dues of the cane farmers by May 15.

The matter of concern is that as per the laid down norms, the sugar mills are supposed to make full payment to the farmers of their produce within a fortnight of the end of the cane crushing season.

Normally, the cane crushing season remains till March only. But now nearly one-and-half a month has passed and the sugar mills are yet to make full payment to the farmers.

It is to be noted that out of 10 sugar mills including three private sugar mills only two Government-run sugar mills have been able to make the full payment. These two mills are —the Kichha Sugar Mill and the Lakshar Sugar Mill. As on till first week of this month, the rest of the

eight sugar mills including the private ones had to pay about `111.58 crore to the farmers across the State.

Among the sugar mills which owe maximum dues to the farmers include the Liberhedi Sugar Mill, a private firm. It has to pay `25.31 crore to the cane farmers.

The other sugar mills which are yet to make full payment to the farmers are the Iqbalpur Sugar Mill, a private sugar mill. It has to pay `22.72 crore followed by the Nadehi Sugar Mill with `14.49 crore, the Gadapur Sugar Mill with `11.63 crore, the Baazpur sugar mill with `10.74 crore.

Similarly, The Sitarganj sugar mill has still to pay `10.18 crore, while the Doiwala sugar mill has to pay `10.30 crore followed by the Kashipur sugar mill, a private sugar mill, with `6.29 crore.

Keeping in view all these concerns that are being faced by the cane farmers, the Government has issued an ultimatum directing the sugar mills to make full payment to the respective farmers till May 15, said SP Singh, joint cane commissioner, while talking to The Pioneer.

It is expected that, the joint cane commissioner further said, the Government-run sugar mills may clear cane farmers dues even by mobilising their other resources. But the main concern is how to ensure clearance of farmers dues from the private sugar mills, he stated. So we are hopeful that private sugar mills would also clear the dues by the given period of time, Singh expressed hope.

Business Standard

Friday, May 13, 2011

Spices Board concerned over sharp fall in cardamom prices

BS Reporter / Chennai/ Kochi May 13, 2011, 0:36 IST

The Spices Board has warned the various stakeholders including farmers about the recent sharp fall in the prices of cardamom which is not consistent the prevailing market conditions in India and abroad.

In a statement, the board clarified that the auction prices of cardamom had shown a decline in the last few days without sufficient reasons. The prevalent market conditions do not warrant any such decline, it said.

The auction arrivals in the current crop season, from July 2010 to the first week of May 2011, is 9,461 tonnes against 8,975 tonnes in the same period of the last crop season. The increase in arrivals is only five percent.

For the last two years, import of cardamom from Guatemala is not significant. In 2010-11, the import is around 75 tonnes and it was 95 tonnes in 2009-10. The production of cardamom in Guatemala is also reported to be around 20,000 tonnes against their normal production figure of 27,000 to 30,000 tonnes.

Mentha oil prices to fall 3-4% on fresh arrivals

Sharleen D'Souza / Mumbai May 13, 2011, 0:28 IST

Mentha oil prices are expected to fall by the end of this month when fresh arrivals hit the spot markets. Arrival season for mentha oil reaches its peak during July-August, but, some arrivals will start by May-end in major spot markets of Uttar Pradesh.

Also, this year the acreage under mentha increased as production was poor last year which caused commodity's price to reach all-time high last year.

Mentha prices have been falling since the last two months on expectations of better production. In futures also, prices dipped 30 per cent and closed at Rs 932 on Thursday after hitting an all-time high of Rs 1,311.30 on March 21. While mentha oil, in the spot market was at Rs 1,248.1 a kg, which has now come down to Rs 1,089 a kg. Mentha oil on the spot market went to all-time high of Rs 1,407.7 a kg in November last year.

“Current arrivals in the spot market is 200 drums (1 drum = 360 litres) and arrivals are expected to reach 600-700 drums by May-end,” said Ajay Kedia of Kedia Commodities.

The total sowing acreage of mentha crop in the state was about 175,000 hectares, which is about 45,000 hectares more than the previous year.

In the current year, the total production of mentha oil is likely to be augmented by 15 per cent to 42,000 tonnes on the account of steady sowing progress of mentha oil in Uttar Pradesh. Sowing of mentha starts in March. On May 11, total stock of mentha oil at MCX-monitored warehouses at Chandausi was 69,445 kg of which 43,896 kg is physical stock and 65,549 is demat stock. At Barabanki, the total stock was 161,957 kg of which, physical stock accounted for 4,008 and demat stock was 157,948 kg.

After a continuous fall in prices in the last two-three days, some short covering and increased demand at lower rates kept the sentiments bullish. However, better production estimates are pressurising the sentiments as well as prices, said Ajay Kedia.

Sowing area across UP is likely to touch 248,000 ha. Production is expected to be 7.7 million tonnes, according to the UP Horticultural Department. From 1 ha, 100 litres of mentha oil can be extracted. Total arrivals in all the major mandies were reported steady at around 200 drums on Thursday. Also, the export demand for mentha oil is diminishing which is causing a fall in the price of mentha oil. “There are no major export orders which is causing prices of the commodity to fall. By May end, mentha oil on MCX may fall by 3.5-4 per cent and reach Rs 900 a kg,” said Vibhu Ratandhara, associate vice-president of Bonanza Commodities.

“Activity on the spot market will improve in the next 15 to 20 days as fresh arrivals will start to trickle into the market,” said Dharmendra Kumar, a trader at Chandausi spot market.

Cotton growers protest price fall

BS Reporter / Chennai/ Hubli May 13, 2011, 0:16 IST

The cotton growers and merchants, who met here to discuss the fall in the prices of cotton, have decided to stay away from cotton trading until the Centre amends the export policy and allows free exports.

Farmers and traders expressed their concern over the falling cotton prices here, saying the trend has left them in deep trouble. They have also decided to protest rallies across the states on Friday, from the respective APMCs before submitting memoranda to tahsildars.

The meeting also condemned the state government for increasing tax from 4 per cent to 5 per cent. A protest rally in this regard will be held in Dharwad on May 16.

THE HINDU Business Line

No change in foodgrain prices

Chennai, May 13:

Prices of all major commodities remained unaltered in the wholesale foodgrain market here on Friday.

The following are the wholesale rates of various agri-commodities today (in rupees a quintal, except where stated otherwise): Tur dal Rs 6,000, urad dal Rs 6,400, moong dal Rs 6,900, gram dal Rs 2,800, sugar Rs 2,700, wheat Rs 1,800, maida (90 kg) Rs 1,650 and sooji (90 kg) Rs 1,800.

ICAR to grow rice varieties on saline land stretches in Goa



ICAR will have a pilot project in Khazan land before going for mass production. The institute has already ordered for the rice seeds, which has a high yield.

Panaji, May 12:

Scientists at Indian Council for Agriculture Research (ICAR) are now exploring the possibility of using saline 'Khazan' lands in coastal Goa to grow high yield rice varieties, a senior official said here on Thursday.

ICAR researchers are drawing lessons from neighbouring Maharashtra where Khazan land research station is doing yeoman's job in this field.

The 'Khazans' are saline floodplains along Goa's tidal estuaries, which have been reclaimed over centuries by constructing intricate system of dykes and sluice gates.

ICAR Goa Director, Dr N.P. Singh, said that rice varieties such as Amalmana SR-26-B and CST 7-1 (Kolkata varieties), three varieties of Panvel rice, Vattila and Lunishree (Cuttack varieties) and the Jarwa of Port Blair, will be experimented in these saline land stretches.

Inundation, a big worry

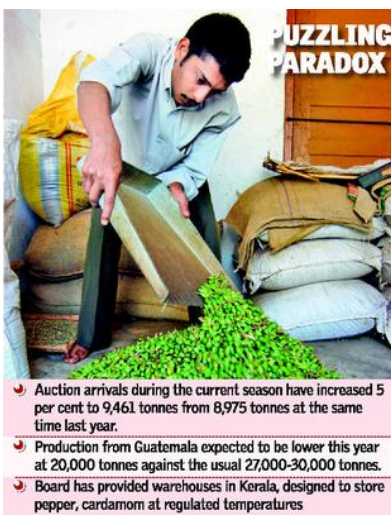
The researchers feel the inundation of these lands have been a major constraint for production of rice varieties.

These land masses lying adjacent to the estuaries get inundated with sea water during high tide or in monsoon season, reducing their fertility.

“Major portion of Khazan land where rice is grown is submerged in water for almost two months making it difficult to cultivate other types of rice. Therefore, only local varieties are grown as its height of one metre survives in the submerged field unlike other varieties,” Dr Singh explained. According to statistics, of the total 96,000 hectares under coastal saline soils in the Konkan region, 18,000 hectare falls in Goa region of which only 10,000 hectare is fertile for rice cultivation, whereas remaining 8,000 hectare is unproductive for any type of cultivation. Mr Singh said the ICAR will have a pilot project in Khazan land before going for mass production. The institute has already ordered for the rice seeds, which has a high yield.

ICAR is also working on damming Khazan lands from the sea or creek waters by constructing embankments. The proposal has been apparently discussed with the Goa government that could protect the salt affected soil from being submerged any further.

Plunging cardamom prices worry Spices Board



Kochi, May 12:

A contradiction has emerged in cardamom markets with Indian prices plunging in the local auctions even as a shortage looms large in the international market.

Though a spurt in arrivals is attributed as the prime reason for the price fall, sources said, the small increase does not warrant such a major fall in prices.

“The auction price of cardamom has shown a decline in the last few days without sufficient reasons,” the Spices Board observed.

Pointing out that auction arrivals during the current crop season increased by 5 per cent to 9,461 tonnes against 8,975 tonnes during the corresponding period a year ago, the Spices Board said that the market conditions does not warrant such a sharp decline.

Cardamom prices, which were reigning around Rs 1,000 a kg levels, jumped to Rs 1,500 a kg last season before stabilising at Rs 1,000 a kg during the early part of this season. Trade sources said that the recent decline to Rs 700 a kg levels was unwarranted given the possible shortage that is likely to grip the global market.

The latest plunge in prices could be on account of speculative build up to the Ramzan season beginning towards the end of August when demand for cardamom increases in the Gulf market and prices peak. The demand is invariably met with supplies from Guatemala and India. But this year, production from Guatemala is expected to be lower than normal and India could be the major supplier in a market where prices could remain firm, trade sources said.

For the last two years, import of cardamom from Guatemala has not been significant — at less than 100 tonnes. But the Spices Board said that cardamom production from Guatemala is reported to be around 20,000 tonnes this year against their usual production of 27,000-30,000 tonnes. For the country as a whole, cardamom exports from Guatemala declined from 27,961 tonnes in 2007 to 23,693 tonnes in 2009 and further to 22,167 tonnes in 2010.

The reduced export figures reconfirm the production decline in Guatemala as they have no domestic consumption and most of their produce is exported. Sources said that there seems to be no perceivable reason for the current price plunge given that the next Guatemalan produce is expected to be harvested only in October-November season and should hit the markets only in November-December.

Reacting to the fall in price of cardamom the Spices Board has said that good warehousing facilities have been provided at the Spices Park at Puttady in Idukki district of Kerala.

These warehouses were designed specifically for storing cardamom and pepper at regulated temperature and would ensure that the colour and quality of cardamom are maintained for long periods of time. The Spices Board requested cardamom and pepper farmers to avail of these facilities and avoid distress sale of their produce when the prices fall.

Coonoor tea auction volume down 5.23%



Coonoor, May 12:

The turnover in the auctions of Coonoor Tea Trade Association has fallen 5.23 per cent in the first four months of the current calendar over the same period last year, reveals an analysis of the market reports.

This has happened despite fetching higher prices because less volume was sold. The demand was inadequate to absorb the teas at higher prices. When the asking price was more, only lower volume could be sold.

In all, 17 auctions had been conducted between January and April. The average price increased to Rs 70.64 a kg from Rs 67.23 last year. But this pulled down the volume sold to 1.38 crore kg

from 1.53 crore kg in 2010. Consequently, the turnover dropped to Rs 97.48 crore from Rs 102.86 crore.

This decline of Rs 5.38 crore marked a fall of 5.23 per cent. This is causing concern to producers because the decline in earnings had been increasing month after month. In January end, turnover was 2.33 per cent less than January 2010. By February-end, the shortfall had increased to 3.92 per cent and to 4.68 per cent by March-end compared to the corresponding period of last year. Now, the shortfall has further risen to 5.23 per cent.

Producers contend that if this trend continues the turnover will be around Rs 12 crore less than in 2010. But already, in 2010, the turnover was Rs 23 crore less than 2009. Hence, this will result in a large cumulative loss.

Nabard aid for horticulture projects in AP

Hyderabad, May 12:

The National Bank for Agriculture and Rural Development (Nabard) has sanctioned 12 new Maa Thota (Our Orchard) projects worth Rs 28.50 crore for the financial year 2011-12 from the Tribal Development Fund. This included a grant of Rs 26.10 crore and a loan of Rs 2.40 crore.

These projects would benefit about 6,000 tribal families in Medak, Mahboobnagar, Khammam, Karimnagar, Anantapur and Vizianagaram districts. These projects are predominantly horticulture-based initiatives implemented over a period of seven years, Mr P. Mohanaiah, Chief General Manager of Nabard (Andhra Pradesh) said here on Thursday.

'Agri Intex-2011' expo from July 28

Coimbatore, May 12:

The 11th edition of the four-day 'Agri Intex—2011', with focus on machinery and implement for small and medium scale farmers, will be held here from July 28. Nearly 300 participants would display their products at the agricultural exhibition, a press release from the Coimbatore District Small Industries Association (Codissia), the organisers, said here today.

'Agri Intex' expo to be held in Coimbatore

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Leading manufacturers from Punjab, Gujarat, Maharashtra, Delhi, Uttar Pradesh, Karnataka and Kerala, besides Tamil Nadu, would participate in the exhibition, it said, adding that the profile of exhibitors would be from horticulture, irrigation and water management, floriculture, seeds and fertilisers, poultry and dairy and food processing sectors.

The exhibition, jointly organised by the Tamil Nadu Agricultural University, would be a platform for farmers, dealers and distributors, buyers and agricultural institutions, the release said.

Natural rubber output up 6% in April

New Delhi, May 12:

Natural rubber production in April increased by more than six per cent to 56,800 tonnes while consumption also rose by more than five per cent to 82,500 tonnes, according to the latest Rubber Board data.

The country's natural rubber production and consumption in the year-ago period stood at 53,500 tonnes and 78,250 tonnes, respectively, the data said. Demand for natural rubber on a month-on-month basis rose 1.22 per cent in April to 82,500 tonnes compared with 81,500 tonnes. However, the exports projected a dismal picture. Outbound shipments of the commodity declined by 53.16 per cent to 1,043 tonnes compared with 2,227 tonnes in the corresponding period of the previous year, the Rubber Data said. Similarly, import of natural rubber during the period under review declined by more than 92 per cent to 843 tonnes from 10,876 tonnes in the year-ago period, it added. Natural rubber stocks also rose by almost 28 per cent to 2,50,250 tonnes from 1,96,015 tonnes.