

THE HINDU

Online edition of India's National Newspaper

Tuesday, May 31, 2011

Date:31/05/2011 URL: <http://www.thehindu.com/2011/05/31/stories/2011053162980600.htm>

"Insist on receipts from fertilizer dealers"

Special Correspondent

MADURAI: Farmers' should insist on receipts from fertiliser dealers for the consignments purchased by them, officials said here at the grievances redressal day meeting.

According to a press release from Joint Director (Agriculture) P. Sankaralingam and Assistant Director (Quality Control) K. Suruli Bommu, all the fertilizer dealers' have been directed to sell the goods accompanied with receipts.

In the event of non-issuance of receipts, the farmers' can complain with the block/district-level officers, whose mobile numbers are published in newspapers at regular intervals.

Similarly, the farmers' have been sensitised to purchase seeds, fertilizers, bio-fertilizers, biocides, and pesticides after getting technical guidance from the officers.

From extension

centres

They are further requested to purchase mainly from block agricultural extension centres and primary agricultural cooperative societies.

The fertilizer manufacturing companies can now fix retail prices under the nutrient-based subsidy (NBS) policy and price decontrol for non-urea fertilisers.

Hence, the prices are not uniform as in the past.

For example, one bag (50 kgs) of IFFCO DAP costs Rs 624, whereas IPL – DAP costs Rs 608 and the SPIC – DAP Rs 656, the officials clarified and that the prices of fertilizers are printed on the bags and they cannot be hidden from purchasers.

Mr. Sankaralingam said that the procurement policy for paddy and other seeds is governed by government orders and the differential rate adopted by the officials at Melur region was found correct judicially, he added.

Date:31/05/2011 URL: <http://www.thehindu.com/2011/05/31/stories/2011053154330200.htm>

Cattle farmers seek hike in milk procurement price

Special Correspondent

Huge rally taken out in Chittoor under the banner of CPI (M)

Protestors lay siege to Collectorate protesting government's indifferent attitude

'Low procurement price due to nexus between vested interests in government and dairy owners'

TIRUPATI: Cattle farmers of Chittoor district took out a massive rally under the banner of the CPI (M) in Chittoor and laid siege to the Collectorate for over two hours protesting against the continued callous attitude of the government towards their plight in the drought-prone district.

With the CPI (M) State secretary B.V. Raghavulu, film actor Madala Ranga Rao and other State and district party leaders heading the rally, the cattle farmers who converged at Chittoor from different parts of the district marched towards the Collectorate braving the scorching sun and hot winds.

Wielding banners and placards, the irate farmers and the party cadres raised full-throated slogans denouncing the government for its indifferent attitude towards the perennial problems of

the cattle farmers of the rain-shadow Chittoor district, whose fate hinged heavily on the dairy industry with agriculture becoming a big gamble due to vagaries of monsoon. Leaders addressing the rally regretted that rather strangely, a litre of mineral water and a litre of milk produced with a lot of labour and cost going into it was being sold for almost the same price from Rs.15 to Rs. 20 a litre each.

B.V. Raghavulu, addressing the demonstrators, attributed the problem of low procurement price to the alleged nexus between the vested interests in the government and those who owned the dairy units. What he cited as another reason for the low procurement price of milk was the fact that bulk of the dairy units were being owned by the political bigwigs and as such, the only way to secure a reasonable price for the milk producers was agitation to sensitise those in power to the problems of the dairy farmers.

As the district Collector was reportedly away at Tirupati in connection with Chief Minister N. Kiran Kumar Reddy's visit, the CPI (M) team, along with leaders of the cattle farmers, presented a memorandum to the District Revenue Officer. Their demands included a procurement price of Rs. 26 per litre for cow milk and Rs.36 for buffalo milk, supply of fodder at subsidised rates and veterinary medicines through government agencies, free insurance to bovines, distribution of cows at subsidised rates to folk artistes under 'Pasu Kranti' and finally the revival of the Government Dairy at Chittoor, which was remaining locked up for over a decade now.

Among the senior CPI (M) leaders who spoke were Ramakrishna K. Murali, K . Kumar Reddy, Chaithanya.

Date:31/05/2011 URL: <http://www.thehindu.com/2011/05/31/stories/2011053154720300.htm>

Bandh for paddy support price total in Harihar

DAVANGERE: Bandh in Harihar on Monday, demanding the Government announce a support price of Rs. 1,530 for a quintal of paddy, was total.

The bandh call was given by the Davangere District Paddy Growers' Welfare Association and the Karnataka Rajya Raitha Sangha.

All shops and business establishments, including hotels, cinema houses, banks and other financial institutions, and schools and colleges, remained closed.

Buses, including those run by the Karnataka State Road Transport Corporation, and autorickshaws were off the road. The long-distance buses passing through Harihar junction had also been diverted.

The bandh caused a lot of inconvenience to the people.

The farmers assembled in front of the police station and raised slogans against the Government.

Date:31/05/2011 URL:

<http://www.thehindu.com/2011/05/31/stories/2011053155700300.htm>

1.5 lakh farmers across Rajasthan participate in kharif campaign

Scientists visit remote villages as part of the drive Explain to farmers new methods of irrigation, harvest

JAIPUR: Over 1.5 lakh farmers across Rajasthan have taken part in the ongoing kharif campaign so far during which 7,305 packets of bio-fertilisers, 42,446 crop and vegetable seed mini-kits, and 723 tonnes of fertilisers have been distributed and special camps organised at village panchayats.

According to State Agriculture Director Bhawani Singh Detha, an important feature of the drive is agricultural scientists visiting remote villages to explain to the farmers the advanced techniques of irrigation and harvesting. In addition to the issue of farmers' credit cards, the camps are being utilised for publicising the Union Government's new schemes such as rain-based regional development programme, accelerated fodder development, nutrition security and accelerated pulses production programme.

40,800 applications

Mr. Detha said the officials visiting the camps had collected over 40,800 applications for departmental subsidies, while 7,555 soil health cards were distributed to farmers to test the quality of soil in their fields. A large number of booklets in local dialects with useful information were distributed to farmers and over 2.03 lakh cattle immunised.

© Copyright 2000 - 2009 The Hindu



Weather

Chennai - INDIA

Today's Weather



Cloudy

Tuesday, May 31

Max Min
39.8° | 28.4°

Rain: 00 mm in 24hrs

Humidity: 63%

Wind: Normal

Sunrise: 5:41

Sunset: 18:31

Barometer: 1004.0

Tomorrow's Forecast



Rainy

Wednesday, Jun 1

Max Min
39° | 28°

Extended Forecast for a week

Thursday

Jun 2



37° | 29°

Friday

Jun 3



36° | 28°

Saturday

Jun 4



37° | 29°

Sunday

Jun 5



38° | 29°

Monday

Jun 6



37° | 30°

Partly Cloudy

Rainy

Rainy

Partly Cloudy

Rainy

THE ECONOMIC TIMES

Tue, May 31, 2011 | Updated 09.36AM IST

30 May, 2011, 02.07PM IST, Reuters

Oilseeds, soyoil drop on early arrival of monsoon

MUMBAI: India's oilseeds and soyoil futures fell on Monday afternoon after monsoon rains hit the country's mainland ahead of schedule, raising hopes of better summer-sown oilseed crop, analysts said.

* India's annual monsoon rains have hit the southern state of Kerala two days earlier than expected, weather officials said on Sunday, boosting prospects for a harvest that could spur Asia's third-largest economy.

* The most-traded soybean for June delivery on India's National Commodity and Derivatives Exchange (NCDEX) was 0.88 percent lower at 2,369 rupees per 100 kg at 1:49 p.m.

* The most-active June soyoil was 0.58 percent down at 655.6 rupees per 10 kg, while June rapeseed fell 0.62 percent to 2,868 rupees per 100 kg.

* At 1:51 p.m., Malaysian palm oil futures were up 0.03 percent at 3,439 ringgit per tonne.

* In the Indore spot market, soyoil eased 0.7 rupee to 651 rupees per 10 kg, while soybean fell 21 rupees to 2,341 rupees per 100 kg. At Sri Ganganagar in Rajasthan, rapeseed dropped 73 rupees to 2,743 rupees per 100 kg.

* "Early arrival of monsoon rains may allow farmers to sow soybean ahead of normal schedule. It may also affect on yields positively," said Chowda Reddy, analyst with JRG Wealth Management.

* "In case of soyoil market witnessed correction. The price had risen significantly last week...This week prices will remain under pressure due to the monsoon arrival," Reddy said.

31 May, 2011, 02.36AM IST, S Sanandakumar,ET Bureau

Rubber likely to rebound soon

KOCHI: Natural rubber prices have seen a steep decline in the past few weeks due to better production and rising imports. However, prices are expected to recover in the coming days as production is about to enter a lean phase with the onset of monsoon.

Spot prices of rubber saw a 11% decline in May as tyre companies decided to postpone their purchase. The tyre companies' purchases, which accounts for 62% of the total rubber consumption, registered a 25% decline in May, market sources said.

The domestic production of rubber was higher by almost 6% in April. Rubber growers and dealers are of the view that a similar trend would hold good for May also. Production was higher by almost 4% in 2010-11. "Widespread rain guarding of trees and change in import duty structure from 20% to Rs 20 or 20%, whichever is lower, has also contributed to the price fall," said George Valy, president of Indian Rubber Dealers' Federation. The import of rubber by the industry stood at 16,668 tonne between April and May 27. However, it is around 35% lower than the imports during the same period of the previous year. The industry is likely to bring in more rubber in the coming days, sources said.

Market analysts are of the view that the prices will bounce back once production enters a lean period during the monsoon. The earlier-than-expected arrival of monsoon showers over the

Kerala coast might revive prices as production is expected to see a decline. The prices have already seen a slight increase from Rs 215 per kg on May 28 to Rs 218 on Monday.

In the international market, the prices have been witnessing a fall in the first half of the current month from Rs 245.80 per kg to Rs 230.63. However, by Monday, it recovered slightly to Rs 233.50. Market analysts project further recovery of prices in the international market due to a slowdown in field operations on account of rains. Market sources cite one more reason for the recovery in prices -- the tyre companies, which stayed away from the market in May, have to come back for purchases.

30 May, 2011, 10.59PM IST, IANS

Tea major McLeod Russel India to invest \$6 mn in Africa

KOLKATA: World's largest tea producer, McLeod Russel India Limited will be investing \$2 million this fiscal in Uganda to upgrade its factories and \$4 million in Rwanda to enhance capacity in the next two years, a top executive of the company said Monday.

"In Africa we have already invested to upgrade our factories and we will be investing \$2 million in Uganda. We will be investing another \$4 million in Rwanda in the next two years," McLeod Russel managing director Aditya Khaitan told reporters here.

"Our investment in Uganda last year has paid significantly this year. Uganda has been one of the strong contributors as profit from it was \$6.4 million last fiscal. We invested about \$5 million to upgrade two factories which did not have the capacity to cater to the extra crop," he said, adding the upgradation will be completed by early June.

Once these two factories' upgradation was over, then the third factory will be upgraded, Khaitan said.

"It will take another six two eight months. Once these three factories are upgraded, we will be

able to enhance the quality of leaves and quality of tea," he added.

Borelli Tea Holdings Limited , a wholly owned subsidiary of the company, has provisionally taken over management control of Gisovu Tea Company in Rwanda after the central African country's government decided to sell 60 percent shares of Gisovu to Borelli.

"In Gisovu, the investment has been \$4.2 million. We have decided to invest about another \$4 million in the next two years to enhance the capacity. This year we will be looking at investing at least \$2 million," Khaitan said.

At present Gisovu was producing 1.7 million kg, he said, adding they intended to enhance it to 2 million kg. In 2005, McLeod Russel acquired Williamson Tea Assam from the London-based Magor family, which founded a partnership firm, Williamson Magor in India in 1869. Two years later, it acquired Doomdooma Tea Co from Hindustan Unilever and Britain's Moran Holdings of Britain in 2007. The company has also acquired a Vietnamese tea company, Phu Ben, through its wholly-owned unit in Britain, Borelli Tea Holdings.

Business Standard

Tuesday, May 31, 2011

Spices exports at all-time high

George Joseph / Kochi May 31, 2011, 0:44 IST

Spices exports were at an all-time high in volume and value during 2010-11, with export earnings crossing \$1.5 billion. The latest data from the Spices Board shows total exports increased 28 per cent in dollar terms, 23 per cent in rupee terms and five per cent in volume.

A total of 525,750 tonnes of spices and spice-based value-added products valued at Rs 6,840.7 crore (\$1,502.85 million) were shipped as against 502,750 tonnes valued at Rs 5,560.50 crore (\$1,173.75 million) in 2009-10.

The export has also exceeded the target set by the board in terms of quantity and value. Compared to the spices export target of 465,000 tonnes valued at Rs 5,100 crore (\$1,125 million), the achievement is 113 per cent in terms of quantity, 134 per cent in value, both rupee and dollar terms.

The star performance was in the case of ginger as 15,750 tonnes valued at Rs 121.31 crore were shipped as against 5,500 tonnes valued at Rs 46.75 crore, registering a growth of 186 per cent in volume and 159 per cent in value. A 61 per cent increase was registered in garlic exports as 17,300 tonnes valued at Rs 69.77 crore were exported. In value terms increase was 129 per cent

In 2010-11, export of chilli, fennel and other spices like asafoetida, tamarind, etc, have shown an increase, both in volume and value. Export of value added products, spice oils, oleoresins, curry powders and pastes also increased. In all, 15,250 tonnes of curry powder and pastes and 7,600 tonnes of spice oils and oleoresins were shipped during 2010-11.

However, in the case of pepper, cardamom (large), turmeric, nutmeg and mace and mint products, the increase was in terms of value only. Spices like cardamom (small), coriander, cumin, celery, fenugreek and other seeds have decreased both in terms of value and volume.

India bets on early rain to cool prices

Bloomberg / May 31, 2011, 0:40 IST



India's monsoon, which brings more than 70 per cent of the country's rainfall, landed two days early, potentially boosting production of rice and sugar and helping cool the highest inflation among Asia's major economies.

The rain reached southern Kerala and Tamil Nadu and is likely to advance to the rest of Kerala and Karnataka in the next two to three days, said the India Meteorological Department in a statement on Monday. The bureau predicted May 13 that showers would reach Kerala tomorrow.

Abundant rain may boost rice, corn, sugar, cotton and oilseed harvests, helping growth and curbing inflation in a country where farming represents a fifth of the economy. Bumper crops may prompt the government to ease export curbs, capping global food costs the United Nations says reached a record in February. Some 235 million farmers depend on the rains to boost incomes and fund purchases of tractors, cars and televisions.

“This year’s monsoon is even more important because there are worries about the economy slowing down as a result of policy tightening,” said Sonal Varma, a Mumbai-based economist at Nomura Holdings Inc. “Given the risks of inflation, the last thing we need is a bad monsoon and food prices spurting.”

Food ministry steps up measures to clear stock

Sanjeeb Mukherjee / New Delhi May 31, 2011, 0:38 IST



As food stocks reach record levels, the food ministry has decided to move grains faster from producing to non-producing states, make additional allocation under various social welfare schemes and create more storage space.

Total stocks of grains (wheat and rice) in the central pool as on May 1 was estimated to be 59.13 million tonnes, of which wheat comprised 31.37 million tonnes and rice 27.76 million tonnes, FCI data showed.

The stocks are far in excess of the buffer and strategic reserve requirement of 21.2 million tonnes of wheat and rice as on April 1. In mandis (wholesale markets) alone, 5.71 million tonnes of grain purchased by the Food Corporation of India (FCI) and its affiliated organisations are lying for want of adequate storage space and movement to warehouses and non-consuming states.

To tide over the excess supplies, the central government has decided to ensure faster movement of grains from the producing states to the consuming states.

FCI has already been moving wheat directly from mandis to railway stations to prevent markets from getting choked due to heavy arrivals. It has also written to the state governments of Jharkhand and Bihar to speed up grain offtake, besides requesting the railways for additional rakes.

The Centre also plans to allocate an additional 10 million tonnes of grains through the targeted public distribution system (TPDS) over and above the normal annual allocation this year in the next six months to absorb the excess stocks.

The normal monthly allocation for TPDS in 2011-2012 has been pegged at 3.64 million tonnes, of which around 2.06 million tonnes is rice and the remaining is wheat.

“In addition to this normal allocation under TPDS, we will allocate another 10 million tonnes of grains this year to create space and also to bring down prices. A group of ministers has already approved 5 million tonnes of extra allocation in 2011-2012,” food secretary B C Gupta told Business Standard.

He said that more quantities could be allocated if states demand the same.

In India, the government distributes cheap grains to around 180 million families below poverty line, above the poverty line families and those which are included as beneficiaries under the Antodaya Anna Yojana. About 68 per cent of the total population is covered through these schemes.

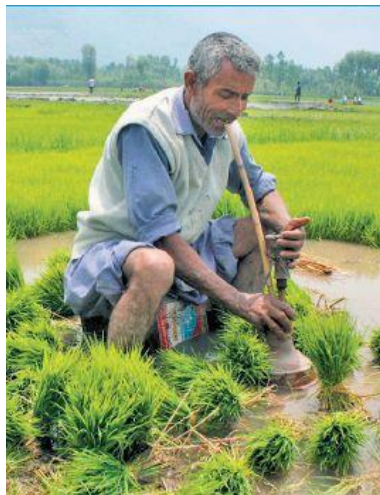
The grains are distributed through a network of almost 500,000 ration or fair price shops. FCI also plans to add additional storage capacity of around 5.7 million tonnes by the end of March 2012.

“In the next two years, our total additional storage capacity will be close to 15 million tonnes, which along with the current capacity of around 32 million tonnes should be adequate to meet requirement of storage,” Gupta added.

The measures to quickly clear space for grains is showing results. As on April 30, FCI’s total storage capacity which includes covered area plinth(sacks of grains kept in elevated platform and covered with plastic sheets) stood at 32 million tonnes, while the stock in hand was 24.64 million tonnes.

THE HINDU Business Line

Minimum support price of most kharif crops may go up 15-17%



New Delhi, May 30:

The Centre is set to announce significant hikes, ranging from 15 to 17 per cent, in the minimum support prices (MSP) of most crops to be planted during the ensuing kharif season.

The higher MSPs, while expected to further fuel inflationary pressures, are meant to compensate farmers for the surge in cultivation costs experienced by them in the last couple of years.

The Agriculture Ministry has proposed raising the MSP of common paddy from Rs 1,000 to Rs 1,160 a quintal for the crop to be marketed in the 2011-12 season from October, while mooted a similar Rs 160 jump for Grade 'A' varieties grown in Punjab and Haryana.

These rates — based on the recommendations of the Commission for Agricultural Costs and Prices — are inclusive of a bonus of Rs 80 a quintal.

“An increase of Rs 160 works out to roughly 16 per cent, which seems high. But, then, the effective procurement price was frozen last year. Moreover, growers have been facing cost escalations on account of farm labour and fertilisers, with the expected upward revision in diesel prices only going to add to their problems. We are, therefore, left with few options,” Krishi Bhawan sources told *Business Line*.

Wage rate spike

According to data from the Labour Bureau in Shimla, Andhra Pradesh alone has seen farm wage rates — the average for ploughing, sowing, weeding, transplanting and harvesting operations — go up by 40.3 per cent in 2009 and 27.8 per cent in 2010. Similar increases have been reported in other States too.

The same is the case with fertilisers — where a kg of di-ammonium phosphate is now retailing at Rs 12 against Rs 9.35 prior to April 2010.

Apart from paddy, the Ministry has also sought higher MSPs amounting to 17 per cent-plus in kharif oilseeds (soyabean and groundnut), 10-12 per cent in kapas (cotton-seed) and 11.4 per cent in coarse grains (maize jowar and bajra).

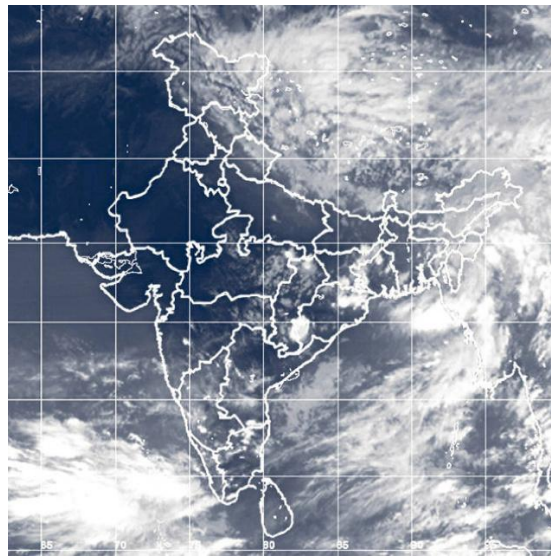
In pulses, the hikes recommended are somewhat lower, considering that the MSPs were raised substantially last year (see Table).

The Agriculture Ministry's MSP proposals are slated to be taken by the Cabinet Committee on Economic Affairs (CCEA) in the next few days, the sources added.

With the South-West monsoon setting in in Kerala, sowing activity is expected to gather pace in the weeks ahead.

The CACP while recommending prices takes into account all-important factors such cost of production, change in input prices, input/output price parity, trends in market prices, inter-crop price parity, demand and supply situation, cost of living and international market price. Of all the factors, the cost of production is the most tangible one and it takes into account all operational and fixed demands.

Robust flows promise orderly monsoon progress



Thiruvananthapuram, May 30:

The southwest monsoon flows are seen to be robust enough to sustain coverage over peninsular India and onward propagation to the north along the west coast.

An India Meteorological Department (IMD) update said on Monday that the monsoon has further advanced in more parts of south Bay of Bengal, whole of Andaman Sea and parts of east-central Bay of Bengal.

The leading edge on the west coast was more or less pinned to Amindivi, Kozhikode and Kodaikanal.

Conditions are favourable for further monsoon advance over more of Arabian Sea, Tamil Nadu, central and south Bay of Bengal, Karnataka and the rest of Kerala during the next three days.

But this is perhaps the first time in 25 years or more that a prominent Bay of Bengal arm has been missing during the onset phase, says Dr Akhilesh Gupta, leading operational forecaster and Adviser to the Department of Science and Technology.

The Bay thus presents a major anomaly that needs to be examined in detail, Dr Gupta told *Business Line* on Monday.

TWO 'ARMS'

The monsoon comprises the Arabian Sea and the Bay of Bengal 'arms,' indicating the two routes they take to run up the waters and precipitate respective onsets.

The Arabian Sea arm is the more critical of the two, and is representative of the strength of the flows generated mainly from land-sea differential in summer heating.

Traditionally, monsoon prospers in a pincer-like movement in which convection (the process of cloud-building), moisture and clouds cross the Equator first into southeast Bay of Bengal.

The Arabian Sea arm is generated from the cross-Equator migration much farther to the west off the Horn of Africa (Somalia coast) and normally takes around 10 days for the winds to shift southwesterly and hit the Kerala coast.

This has not been on view this time but, all the same, there is no doubting the onset either, Dr Gupta said. There was also no way the monsoon could have been declared without taking the Bay also into the scheme of things.

The Arabian Sea flows, however, promise nothing but the best for the crucial onset phase with periodical consolidation and orderly propagation.

This is significant given that the country has witnessed a number of occasions in the recent past when the onset phase has disintegrated with rogue weather systems (cyclones or other intense formations) diverting moisture and guiding rains away from mainland India.

Imported spices turn costlier on short supply



Kochi, May 27:

The cheapest spice, Cassia also known as Cinnamon, has become a costly material these days on short supply, like other such commodities.

In the past couple of months, Cassia prices have risen by nearly 30 per cent in the domestic market, according to the trade.

“Less crops in China and Vietnam coupled with high labour cost has pushed up its prices this year while the demand continues to grow,” a source told *Business Line*.

Sources said demand is high because of the high Ayurvedic values of cassia, which is claimed to be used to control high blood pressure, diabetes, and even cancer too. It is consumed worldwide and hence the demand is huge, they said. Vietnam cassia is the best in the world, they said.

Cassia prices at the origins have more than doubled to \$1,400-\$1,500 a tonne of late and if the current trend is any indication, prices might cross \$2,000 a tonne this year as the next crop would come only April 2012, the sources said. Similarly, short supply continued to make cloves dearer.

The annual requirement of cassia in India is at around 50,000 tonnes and it is met almost by imports. A slight increase in world markets flare up prices here, they said.

In fact, prices of several imported spices are on the rise in the international market on short supply and consequently their prices in the Indian market are increasing correspondingly. Cassia (cinnamon) prices have shot up to Rs 135 a kg now from Rs 105 a kg about three months ago, as the crop in the major growing countries, China and Vietnam, is small due to damage inflicted by floods. The price is expected to go up to Rs 150 a kg as no stocks are claimed to be held by traders, trade sources said.

Clove prices continues to surge with Colombo cloves selling ready at Rs 611-625, while August delivery is being traded forward at Rs 700, upcountry market sources told *Business Line*.

Zanzibar ready was transacted at Rs 650, forward at Rs 750. People are buying all deliveries as prices are supposed to have hit Rs 1,000 a kg, the sources said.

In the international markets, Colombo is offered at \$13,000 a tonne while that of Indonesia at \$16,000 a tonne. "There were aggressive buyers while many contracts backed out for want of material. Availability is tight and hence many of the deliveries are pending while no cargo is there to offer," a source claimed.

Indian cloves are being sold at Rs 750-Rs 800 in Delhi. There are no sellers in the primary markets. A major grower in Tamil Nadu's Nagercoil area told *Business Line* that the dealers and growers there who can afford to hold back were not selling. They anticipate the prices to touch Rs 1,000 a kg this year.

A mismatch between demand and supply has been attributed to the price rise in the domestic market. On the other hand, the per capita consumption of spices in India is said to be on the rise following a change in the food habits of the people as living standards have improved, a source said. "When the demand is on the rise, there has not been a corresponding increase in production."

The production of cassia, poppy seeds and cloves in the country is negligible when compared with demand.

Karnataka sees global agriculture meet fetching Rs 50,000-crore investments



Bangalore, May 30:

Karnataka is targeting Rs 50,000 crore worth of investment in the forthcoming “Global Agricultural and Horticulture Investors Meet 2011.”

The Chief Minister, Mr B.S. Yeddyurappa, while speaking at a press meet organised by the Press Club of Bangalore and Bangalore Reporters Guild to mark the completion of three years in office, said to keep the agricultural growth rate of the State at over 6 per cent and to create opportunities in rural areas and is looking at fresh investments.

“The State Government is looking for investments in developing cold chains, warehousing, godowns at village /taluk level and building transport infrastructure,” he added.

The organic mission in the State, what started as awareness creating exercise to get rid of chemical fertilisers has become a tool for farmers.

“This has started to give results for farmers; they are getting good rates for their produce at certain key markets. Here the State Government is making efforts to create market at district or taluk level,” he said.

At the Global Investors Meet, the State Government attracted investments to the tune of Rs 2.5 lakh crore; 217 projects are in various stages of implementation and has created jobs to the

tune of 8 lakh. “We could have achieved more. But the opposition parties especially JDS did not cooperate, instead it raised corruption issue which scared the possible investors,” said Mr Yeddyurappa.

Slamming them (Opposition parties), which have levelled allegations of corruption and nepotism against him, he said: “If they had not placed ‘hurdles,’ the Government would have achieved more. I hope at least now they will cooperate with the Government,” he added.

AP farmers declare crop holiday this kharif



Hyderabad, May 30:

Mr N. Subba Rao, 73, of Achanta in West Godavari district was among the few farmers in the South who received a kit of IR-8 paddy seeds in 1967 for one acre.

He grew 40 bags that kharif, becoming a poster boy for the proponents of Green Revolution that had just begun in the country. The acreage grew to 2,000 acres in the following season, repeating the kharif performance.

This made Achanta a tourist spot for Parliament members and agriculture scientists, including those from the International Rice Research Institute (IRRI).

The then Food and Agriculture Minister, Mr C. Subramaniam, who spearheaded Green Revolution from the Government side, too was proud of this village. Seventeen-years later, the

village was again in the forefront to get IR-64 that was released to mark the silver jubilee year of IRRI.

Rythu Sangham

This tiny village is hitting headlines again now, ahead of the 2011 kharif season, not for reporting high yields but for declaring a crop holiday.

The apolitical Rythu Sangham, which comprises about 3,500 farmers who sow on 4,500 acres, has taken the decision after failing to get returns on their investments.

“Kharifs have become a drag on us. We have been losing all the while. We are not even getting back our investments,” Mr Subba Rao told *Business Line* over phone.

“Cost of cultivation has doubled from Rs 10,000 in 2005 to Rs 20,000 an acre in 2010. With no better prospect in sight, we have decided not to grow paddy this year.”

Several other villages in East and West Godavari districts have taken a cue.

Some have passed similar resolutions, forcing the Government to look into the issue.

Reports suggest that Allavaram, Uppalaguptam, Munipalli, Gopavaram and Bheemanapally in East Godavari have passed resolutions in favour of crop holiday.

FCI stocks

With the godowns of Food Corporation India brimming with stocks, farmers in Andhra Pradesh are alleging that they are being forced to undersell their produce.

Mr P. Chengal Reddy, Secretary-General of Confederation of Indian Farmers' Associations (CIFA), said the idea had caught the attention of farmers in all parts of the State.

“We have just heard that several villages in East Godavari have taken a similar oath. This actually reflects acute distress situation,” he said.

The CPI(M)-affiliated All-India Kisan Sabha, however, has taken a different view on the declaration of the crop holiday.

“There is no use in declaring a crop holiday. The Government announced crop holiday for tobacco but it hardly helped. The best way is to fight for remunerative prices,” said Mr Rama Rao of the sabha's State unit.

Tea floor price drops to year's lowest at Coonoor sales



Coonoor, May 30:

The minimum price fell to the year's lowest at the auctions of Coonoor Tea Trade Association, reveals an analysis of the market reports.

This week, plain-leaf Broken Orange Pekoe's small and large varieties fetched the lowest average of Rs 40 a kg — the least average price so far in 2011.

They had fetched Rs 50 a kg in February, fetching Rs 10 or 20 per cent less in May.

When the year began, the lowest average price was Rs 42 a kg. But by February, teas were not available for less than Rs 50. In March, the minimum price ruled at Rs 48.

Because of huge volumes of teas remaining unsold at the asking price, producers discounted the base price to reduce withdrawal. While this has not improved the sale percentage significantly, the bottom level has fallen sharply.

This week, the lowest price for plain grades was Rs 40-43 a kg while the highest for brighter liquoring sorts was Rs 85-130.

Consequent to this price decline, the payment growers receive for the green leaves they supply as raw material to the factories has also fallen.

Continued buying support pushes up cashew kernel prices



Kochi, May 30:

The cashew market continued its run to north last week on good buying support.

The market witnessed a fair amount of buying interest, mainly for June/July and some for August/September as well, but trades/selling interest was limited, according to trade sources in Mumbai.

Business was done for W240 from \$4.50 to \$4.55, W320 from \$4.10 to \$4.20, SW320 at around \$4.00, SW360 at around \$3.85, Splits at around \$3.75, Pieces at around \$3.60 (f.o.b).

The domestic market became active in the past two weeks, mainly for broken. Splits and Pieces are trading around 8-10 per cent above international market. From July, “we expect off take for the Wholes as well in the domestic market”, they said.

Raw Cashew Nut (RCN) market is also firm. Afloat parcels of Ivory Coast (IVC)/Ghana are trading at around \$1,400 to \$1,450 a tonne (c&f) and May/June shipments of Guinea Bissau are trading at around \$1,600 a tonne (c&f).

Offers for lower quality IVC for May/June which had gone down to \$1,200 are now above \$1,300 a tonne (c&f). Shipments of IVC/Ghana are still very slow. In addition to the slow shipments, there is an additional problem of longer than normal transit time, which means that

the first large lots have still to arrive in India and Vietnam, said Mr Pankaj N. Sampat, a Mumbai-based dealer.

It seems that reasonable flow of RCN will start in couple of weeks and will continue till October/November instead of the normal April-July/August. This means lower processing for many months, less pressure on shellers, lower kernel yields (total and white/fancy grades), he said.

As expected, there continues to be regular buying from some market or the other every few weeks. Every buying spell is taking prices to a new higher level.

Although nobody – shellers or kernel buyers – is taking any large positions, the regular buying is supporting the market. And the higher RCN prices and tightness of supply is causing prices to move up a few cents every few weeks.

This trend will probably continue till the end of the year. It may change after October if Southern crops are good and/or contracting for end 2011/beginning 2012 is very much lower than normal. Otherwise, the trend will continue till Northern crops start in February/March.

“Hence, we cannot expect any significant decline in prices until the trend and pattern is broken,” Mr Pankaj told *Business Line*.

“In the last year or so, there have been some major changes in the fundamentals (1) significantly higher raw material prices, (2) higher processing and logistic costs, (3) stagnant/lower production and, (4) steady demand growth in many markets and steady/lower consumption in others.

“The change in consumption distribution over the last 3-4 years and tight supply over the last two years, has led to to change in operational strategies. Selling pressure is reduced and buying patterns have changed,” he said.

Overall, the last 9-12 months have been exceptionally difficult for everyone in the cashew business and it appears that it will continue to be like that for a few months more.

Till supply-demand balance is restored and a new trading range (whatever it be) is established, the uncertainty will continue to keep the market “on the boil”.

But markets are known to surprise everyone and can turn quickly on some unexpected trigger, the trade predicted.

Spot rubber gains on short covering



Kottayam, May 30:

Spot rubber strengthened on Monday. According to sources, the market improved on fresh buying and short covering following smart gains on the National Multi Commodity Exchange. Monsoon has set in and it might worsen the domestic production and arrivals. Sheet rubber firmed up to Rs 217.50 (215) a kg, according to dealers. The grade increased Rs 218 (215) a kg both at Kottayam and Kochi, as quoted by the Rubber Board.

RSS 4 recovered at the June series to Rs 222.79 (217.13), July to Rs 226.91 (221.45), August to Rs 227.70 (221.07), September to Rs 225.75 (219.30), October to Rs 224 (217.49) and November to Rs 223.50 (219.40) a kg on the NMCE. June futures improved to ¥420 (Rs 234.05) from ¥418 a kg during the day on the Tokyo Commodity Exchange. RSS 3 (spot) inched up to Rs 233.50 (233.27) a kg at Bangkok.

Spot rates were (Rs/kg): RSS-4: 217.50 (215); RSS-5: 216 (213); ungraded: 214 (210); ISNR 20: 208 (207) and latex 60 per cent: 128 .50 (128).

Call to tap \$120-b global herbal market



Different Types of medicinal herbal plants.

New Delhi, May 30:

The Centre on Monday released a training tool kit for creating awareness among farmers on cultivating herbal plants. This is to help them tap the booming global herbal market, estimated to be \$120 billion,

The training tool kit is based on GACP (Good Agricultural and Collection Practices) guidelines for medicinal plants developed by the World Health Organisation (WHO) in 2003 to ensure the quality, safety and efficiency of raw materials used in herbal medicines.

“This is a good initiative and it will help in income generation in the rural areas,” the Indian Council of Agricultural Research (ICAR) Director General, Dr S. Ayyappan, said releasing the kit.