

Today's Paper » NATIONAL » ANDHRA PRADESH

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Roundtable demands waiver of crop loans

Staff Reporter

State urged to declare all mandals in the district drought-hit



CPI district secretary B. Hemantha Rao addressing at a Rythu Sadasu meeting in Khammam on Sunday. — PHOTO: G.N. RAO

Speakers at a roundtable organised by the AP Rythu Sangham district committee here on Sunday demanded that the government should immediately waive all the crop loans of farmers considering the magnitude of the crop damage caused by the continuous dry spell and erratic power supply.

AP Rythu Sangham district president Kasani Ilaiah presided over the roundtable on 'Drought – fate of crops' at Shadhi Khana here.

The leaders of various political parties and the farmers' associations participated in the deliberations and aired their views during the conference.

CPI (M) district secretary P Sudarshan Rao alleged that the State government declared only 36 mandals as drought hit areas in the district in a bid to downplay the enormity of the crisis plaguing the farmers.

"Minister for Horticulture R Venkat Reddy should own up responsibility for the present miserable plight of the farmers in the district," he said charging the Minister with grossly neglecting the acute shortage of electricity transformers in his constituency.

"The government should declare the remaining mandals in the district as drought ravaged areas to enable the distressed farmers secure relief," he demanded.

CPI district secretary B. Hemantha Rao alleged that the persons at the helm of affairs were bothered about clinging to power and not interested in the well being of the farmers.

"The declaration of only 36 mandals as drought hit areas revealed the failure of the Minister and the official machinery to properly highlight the pathetic condition of the farmers in the district," he alleged.

Crop insurance

Lok Satta district leader Lingeshwar Rao demanded that the government should effectively implement crop insurance scheme and provide adequate compensation to all the misery-stricken farmers.

Telugu Rythu leader G. Venkateshwarlu, CPI (ML-New Democracy) district leader M. Nageshwara Rao, AP Rytu Sangam district secretary M. Ramesh, Rytu Coolie Sangham district secretary B. Veeranna, Vyavasaya Karmika Sangham leader K. Narsaiah, AIDWA district president M. Lakshmi, and Girijana Sangham State president Gaguloth Dharma Naik were among those who spoke at the roundtable.

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- *AP Rytu Sangham holds roundtable on 'Drought – fate of crops'*
 - *'Persons at the helm of affairs not interested in well being of farmers'*
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Published: October 31, 2011 00:00 IST | Updated: October 31, 2011 04:22 IST

Incessant rain hits paddy harvest in Kanyakumari

Staff Reporter

Release of water from Pechipparai dam has been stopped

Farmers in Kanyakumari district, particularly those in tail-end areas of Agastheeswaram taluk, Anjugramam, Boothapandi, Myladi and Thadikkaramkonam, are experiencing difficulty in harvesting their paddy crops following incessant heavy rains which have been lashing different parts of the district for the fifth consecutive day on Sunday.

However, the present rain has been a blessing for farmers in the head areas as they have already transplanted the paddy crops in the second season.

Poompuhar Shipping Corporation has suspended ferry service to Vivekananda Rock Memorial and Thiruvalluvar statue owing to the rain. Tapping of latex in Kulasekaram, Kaliyal, Thirunanthikarai, Pechipparai, Thirparappu, Marvoorkonam and Andoor has been affected owing to the incessant rain.

Brick kiln work and salt production have been affected in Aralvoimozhi and South Tamaraikulam respectively.

Fishermen from Thengapattinam, Enayam, Puthenthurai and Ramanthurai and coastal areas adjacent to them did not venture into the sea for fishing on Sunday.

The release of water from Pechipparai dam for irrigation has been stopped following heavy rains in the catchment areas.

Low-lying areas in Colachel, Kottaram, Boothapandi and Thiruvattar have been inundated. Heavy water flow was witnessed at Chettikulam junction, Women's Christian College Road, Kottar junction and Chemmankudi Road in Nagercoil.

Rainfall

The maximum rainfall of 56.4 mm was recorded at Colachel followed by 55.2 in Nagercoil, 53.8 in Kottaram, 42.6 in Eraniel, 38.4 in Mullankinavilai, 36.6 in Aralvoimozhi, 23 in Surulode, 22 in Chittar II, 17.8 in Perunchani, 17.1 in Boothapandi, 17.6 in Puthen dam, 17 in Anaikidangu, 16.6 in Kurunthancode, 15 in Nilapparai, 14 in Kozhiporvilai, 13 in Adayamadai, 7.3 in Kannimar and 7 Thiuvattar.

The water level in Pechipparai dam stood at 18.30 feet with the inflow of 530 cusecs of water. It was 43 feet in Perunchani with an inflow of 266 cusecs of water, 2.82 feet in Chittar I and 2.92 feet in Chittar II.

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- *Ferry service to Vivekananda Rock Memorial and Thiruvalluvar statue suspended*
 - *Fishermen from Thengapattinam, Enayam and Ramanthurai did not venture into sea for fishing*
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Published: October 31, 2011 00:00 IST | Updated: October 31, 2011 04:04 IST

Fertilizer dealer's licence cancelled

Special Correspondent

Agriculture Department officials ordered cancellation of the licence of a fertilizer dealer, 'Maheswari fertilizers' at Valikandapuram village on Saturday. The action followed a raid by a flying squad on fertilizer shops, based on a complaint by farmers of the area.

A release said on Sunday that the Agriculture Department received complaints on the sale of fertiliser at the shop above the prescribed price. Farmers have been asked to contact the joint director of agriculture by dialling 90470-72743; or assistant director of agriculture at 94439-54646. Dealers selling without issuing cash receipt or causing scarcity through hoarding would be severely dealt with and their licences be cancelled.

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DPCs to take paddy with 20% moisture

Special Correspondent

Farmers of Thanjavur and Tiruvarur districts have welcomed the decision of the Tamil Nadu Civil Supplies Corporation (TNCSC) to procure paddy with moisture content up to 20 per cent from farmers in the two districts.

Kuruvai paddy procurement has been going on from October 1. But continuous rain for the past three days has increased the moisture content of the paddy. As procurement is done as per the norms of Food Corporation of India, paddy with moisture content up to 17 per cent alone was taken in the Direct Purchase Centres of the TNCSC. As the moisture content was more than 17

per cent and in some cases the paddy started sprouting, farmers have been demanding relaxation in moisture content.

Following this TNCSC officials wrote to FCI and have been permitted procurement of paddy up to 20 per cent with grade cut.

Jeevakumar, a progressive farmer of Budalur, welcomed the decision. But he said this is not enough as incessant rain lashes the delta districts. "It should be increased to 22 per cent. Then only farmers can sell the paddy to DPCs," he said.

More than 300 DPCs are functioning each in Thanjavur and Tiruvarur district. Nearly a two lakh tonnes of paddy have been procured in the two districts in October .

Meanwhile, farmers are involved in raising samba crop. The long term crop, in which paddy with a duration of 155 to 160 days are raised, has been transplanted on 60,000 hectares each in the two districts. The plan is to raise samba on nearly two lakh hectares in both districts.

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Water level rising in dams

K. Raju

Farmers expediting harvesting of first crop in the double cropping areas



Water gushing out from Sothuparai dam near Periyakulam in Theni district. File photo

Water level rose by one foot in Periyar dam as well as Vaigai dam in the past 24 hours, and by 14 feet in Sothuparai dam near Periyakulam in the past three days thanks to sharp increase in inflow into these dams.

While water level at Periyar dam rose to 122 feet on Sunday which was just 120.4 feet on Saturday, Vaigai dam level also shot up to 61.5 feet from 60 feet the previous day. The level

touched 75.5 feet from 61.5 feet three days earlier in Sothuparai dam and 51.1 feet in Manjalar dam near Genguvarpatti.

Inflow to Periyar dam was 4,386 cusecs and the discharge was 1,192 cusecs. Vaigai dam has been receiving an inflow of 3,423 cusecs and the discharge was 1,060 cusecs.

Inflow to Sothuparai dam was 39 cusecs and Manjalar dam 128 cusecs.

Heavy rain slashed several parts of the district and catchments of Periyar and Vaigai dams on Saturday night.

Rainfall recorded at various places at 8 a.m. on Sunday (in mm): Thekkadi 60, Periyar 41, Uthamapalayam 60, Vaigai dam 39, Veerapandi 30, Shanmuganadhi dam, 35 and Gudalur 35. Flow into Periyar, Vaigai and Kottakudi rivers is also increasing steadily.

Farmers have been expediting harvesting of first crop in the double cropping areas of Cumbum valley to save grains as rain may spoil the quality.

Meanwhile, a control room with a toll-free telephone number 1077 has been set up at the Theni Collectorate to enable people to pass information in the event of flood or other natural calamities.

With commencement of north-east monsoon, officials in the departments of Public Works, Fire and Rescue Service, and Revenue have been advised to monitor dams and other water bodies and low-lying areas in the district

Forest officials have appealed to motorists to drive slowly and carefully on the ghat roads as movement of animals across these roads is high owing to torrential rain in the interior forests in different parts of the district.

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Mettur level

The water level at the Mettur Dam stood at 90.58 feet on Sunday, against its full level of 120 feet. The inflow was 13,206 cusecs and the discharge, nil.

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'Tea Board schemes will benefit more'

D.Radhakrishnan

“The Tea Board is now focusing on extending its activities to remote parts of the Nilgiris which have hitherto not benefited from its schemes,” said R.Ambalavanan, Executive Director, Tea Board, here on Sunday.

He told *The Hindu* that the Board had so far been dealing with tea gardens and factories in traditional areas only. Henceforth subsidy for plantation development, rejuvenation, pruning etc would be provided even to those in far away places such as Ebbanad and surroundings.

Stating that the total amount of subsidy had gone up considerably, he said that so far about Rs. 10 crore had been disbursed this fiscal. The total amount disbursed during 2010-11 was only Rs. 4.5 crore. Around 2,500 applications were still pending.

To a query, Mr.Ambalavanan said that everything possible was being done to prevent export of sub-standard tea. “The possibility of carrying out pre-shipment quality assessments at ports is being explored.” Export had for sometime now been stagnant. However, with the number of countries consuming tea increasing, he expressed the hope that exports also would go up.

The Board's thrust on quality had become more. Consequently, the Nilgiris tea had been developed in many ways and adulteration had come down. Speciality teas were also being promoted among the small growers, he added.

To another question, the Executive Director said that steps had been initiated to bring into being a separate directorate for the small sector.

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- *Subsidy for those in Ebbanad and surroundings*
 - *Efforts taken to prevent export of sub-standard tea*
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Cash as an alternative for food grains opposed

Staff Reporter

A colloquium on the draft National Food Security Bill 2011 organised by the Centre for Law and Agriculture under the National University of Advanced Legal Studies (NUALS) was held here on Saturday.

Participants pointed out that the law on food security should strive for progressive realisation of the rights to food and add on to the commitments stressed by the Supreme Court in this regard. Even though the preamble to the draft Bill speaks about the objective of ensuring access to adequate quantity of quality food, the draft Bill does not elaborate upon the mechanisms for ensuring the supply of quality food within the framework of the Act, they said.

Referring to the draft Bill that envisages 'cash transfer' as an alternative to the supply of food grains, the speakers said that cash transfers will go against the spirit and objective of the legislation aimed at ensuring food and nutritional security.

The participants also called for a revision in the definition of the term 'meal' in Chapter I of the draft Bill. Speakers also said that States should not be restricted from universalising the public distribution system.

N.K. Jayakumar, vice-chancellor of the NUALS, inaugurated the programme.

D. Rajasenan, director, International Centre for Economic Policy and Analysis, Cochin University of Science and Technology, and Mahesh Kamble, Chairperson of Jamsetji Tata Centre for Disaster Management, Tata Institute of Social Sciences, Mumbai, were the chief resource persons at the colloquium.

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2,000 kg cinnamon seized

Staff Reporter

The Railway Police seized nearly 2,000 kg cinnamon which was found hidden in 26 sacks on a Coimbatore-Mangalore Passenger train on Sunday.

The search was conducted following a tip-off received by Kozhikode Divisional Forest Officer Martin Lowel, the police said.

According to the police, the persons who tried to transport the product to Mangalore by train were yet to be identified.

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Minister interacts with farmers

After a long gap since the general strike, Minister for Civil Supplies D. Sridhar Babu made a surprise public appearance and interacted with the farmers, who lost their crops due to the prevailing drought conditions and power cuts, in Nusthullapur village of Thimmapur mandal on Sunday night. Surprisingly, the visit of the Minister was kept a secret to avoid any untoward incident by T-activists. Amid unprecedented security arrangements, he visited the village and interacted with the cotton farmers affected by the drought conditions.

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Indo-Asian News Service

New Delhi, October 30, 2011

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Increase milk, vegetables production to curb food inflation: Thomas

Food minister KV Thomas said on Sunday the production of milk, meat, poultry and vegetables needs to be increased as their changing consumption patterns over the past few years was contributing to food inflation.

“Consumption pattern of milk, meat and poultry and vegetables is changing as compared to previous years,” Thomas told IANS.

The food minister clarified his Oct 28 statement that “people's changing food habits were contributing to food inflation” meant that consumption patterns of items like “milk, meat and poultry and vegetables” were changing.

“Production of these items needs to be increased,” said Thomas.

He said that there is no inflation in foodgrain like wheat and rice, which were staple food items. Sugar too is under control since last year owing to improved production, said Thomas.

Food inflation touched 11.43% on Thursday, raising concerns in the government. Food inflation was 7.5% in 2006-07 and had increased to 14% in 2010-11.

A concerned United Progressive Alliance chairperson Sonia Gandhi discussed the issue with Thomas on Saturday.

Stating that fluctuation in high prices of essential items was a concern, the food minister expressed hope it will stabilise soon.

Thomas had earlier said that hike in the minimum support prices (MSPs) over the past many years also contributed to food inflation.

But this, he said, was unavoidable as the farmers have to be given better prices for their produce.

“MSP hikes impact the market prices of foodgrains,” said Thomas.

The government recently hiked MSP for the rabi 2011-12 crop to expand the area under cultivation.

The minister also pointed out that subsidised foodgrain was being provided to poor people through the public distribution system.

<http://www.hindustantimes.com/StoryPage/Print/762884.aspx>

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High food inflation cause for 'worry': PM

Agencies Posted online: Sun Oct 30 2011, 21:32 hrs

New Delhi : Observing that high food price inflation has been a particular cause for 'worry', Prime Minister Manmohan Singh today said Government and RBI will continue to take the required fiscal and monetary measures to ease inflationary pressures.

As Food inflation spurted to a six-month high, Singh said the immediate challenge before the country is how to sustain a high growth path, while keeping inflation in check.

Singh made these remarks at the closing session at the Conference of Governors.

Food inflation in the week to October 15 accelerated to 11.43 per cent propelled by soaring vegetable prices.

"High food price inflation has been a particular cause for worry in the recent months," the Prime Minister said.

Singh said in the longer term the key to tackling rising food prices lay in increasing productivity and production in agriculture and allied sectors.

"We have taken a number of steps in this direction in the Eleventh Plan and these will be further strengthened in the Twelfth Plan," he said.

"Meanwhile, our Government and the Reserve Bank of India will continue to take the required fiscal and monetary measures to ease inflationary pressures," he added.

Singh also lamented the slowdown of the world economy, observing that the international economic environment was "not very encouraging".

By PTI

30 Oct 2011 08:34:12 PM IST

High food inflation cause for 'worry': Manmohan

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"Meanwhile, our Government and the Reserve Bank of India will continue to take the required fiscal and monetary measures to ease inflationary pressures," he added.

Singh also lamented the slowdown of the world economy, observing that the international economic environment was "not very encouraging".

Singh said there should be no doubt that the country will have the ability to deal with the most difficult of situations.

He also said the country needed a second Green Revolution that is broad based and inclusive.

Singh said though the expected 3.5 per cent growth in Agriculture in Eleventh Plan per annum as compared to 2.2 percent in the Tenth Plan was a very encouraging sign, Singh said the challenges that Indian agriculture faced are enormous.

"To meet the expected demand in the year 2020-21, our foodgrains production needs to grow at 2 percent per annum.

This requirement has to be seen in contrast to the achieved average growth of 1 percent per

annum during the 10 year period 1997-98 to 2006-07," he added.

He said the resources generated from the high economic growth achieved earlier have been ploughed back in massive programmes for inclusion, especially in the fields of rural development, education and health.

"We will continue on this path in the Twelfth Plan, with special emphasis on sustainability and fiscal prudence," he said and endorsed the emphasis laid by Finance Minister Pranab Mukherjee on the need for fiscal consolidation.

Singh said Government was looking at significantly enhancing its focus on development of infrastructure during the 12th Plan by mobilizing the private sector in a big way while simultaneously increasing public investment.

"We are paying special attention to speedily finding solutions to endemic problems in coal, power generation and distribution, and availability of fertilizers," he said.

Against the backdrop of the recent announcement of the National Manufacturing Policy and ongoing focus on skill development and other initiatives, the Prime Minister expressed confidence that the country will be able to strengthen the manufacturing sector during the 12th Plan period.

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Soya production down by 40% in Madhya Pradesh

SUNDAY, 30 OCTOBER 2011 23:07

There is a drop of almost 40 per cent in both the yield and production of the soyabean crop in seven districts of State including Bhopal and Hoshangabad. The sharp drop may be due to excessive rainfall and water-logging.

However, the divisions like Indore and Ujjain have fared well on the front thus maintaining the same level of soyabean production in the entire State. Not to mention that the two divisions altogether contribute 50 per cent soyabean crop produced in the State. Some of the districts in the State where the soyabean production has been affected badly include Bhopal, Sehore,

Raisen, Vidisha, Hoshangabad, Harda and Sagar. Some of the affected districts fall under the Tawa belt.

In Indore division alone, the total soyabean produced during the current season was at 10.3 lakh tonne, compared to 9.3 lakh tonne during the same period in last fiscal, registering an increase of 10 per cent.

According to second soyabean crop survey, the revised average yield in Bhopal is around 790 kg/ha, Hoshangabad 640 kg/ha and Sagar 935 kg/ha, as against average yield between 1000-1100 kg/ha in earlier years. The second study was undertaken by Soyabean Processors Association of India (SOPA).

The revised production estimate for the State, as per the study, is 61.707 lac tonne against the prior estimate of 61.666 lac tons. The production in the State is almost the same in the first estimate, primarily due to better result shown by Indore and Ujjan divisions.

Interestingly, there is no change in the remaining parts of the country except for Maharashtra. In Maharashtra alone, the production was higher by 3 lakh tonne as compared to the first estimate due to bold and bigger size. Second estimate stands at 38.458 lac tonne as against first estimate of 35.609 lac tons, the study added.

Similarly, all India second estimate aggregates to 119.395 lakh tonne as against estimate of 116.504 lakh tonnes earlier, the survey added.

State Govt releases Rs 15 cr to clear cane farmers' dues

SUNDAY, 30 OCTOBER 2011 23:11

Though this is a belated attempt, the State Government has directed the sugar mills to clear the dues of the cane farmers who have been running from pillar to post to get the rest of the payment pending since last crushing season, and released `15 crore in this regard.

Out of the released amount of `15 crore, the Nadehi cooperative sugar mill and the Gadarpur cooperative sugar mill have been allotted `4 crore each, said PS Jangpangi, district magistrate, US Nagar.

Out of the rest of `7 crore, the Bazjpur cooperative sugar mill and the the Sitarganj cooperative sugar mill have been allotted `3.50 crore each, added Jangpangi.

At the same time all these Government run cooperative sugar mills have been directed to clear the dues of the concerned cane farmers as early as possible, stressed the district magistrate.

Keeping in view the delay in clearing dues of the cane farmers, the State Government had issued similar amount i.e. `15 crore to different Government-run sugar mills in September also so that these aforesaid sugar mills could clear the pending dues of the cane farmers. With that a total `30 crore has been released to clear the dues of the cane farmers in September and October, added the district magistrate expressing hope that rest of `15.51 crore to be paid to the farmers would be released to these mills soon.

Efforts are on to ensure early clearance of the rest of the dues of the cane farmers, added the senior district administration official.

The matter of fact is that though the State Government may be aware of the concerns of the cane farmers following delay in clearing their dues for nearly one year, the cane farmers here seem to be quite unhappy with the Government's long and time taking dues clearance process.

"We are not worried about payment. We would definitely get our returns. But delay in making payment and that too in small installments at different intervals stretching over a year is not helpful for us," said PC Chilwal, a cane farmer.

He maintained that a farmer post harvest needs fund to clear the dues of the labourers and to meet transportation charges and other miscellaneous expenditures, but they have to wait for such a long period.

The fact is that most of the cane farmers are yet to get their last cane crushing season's payment whereas the next cane crushing season is set to begin soon, he added. According to 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. The cane crushing season remains only till March, starting from November. The next season is all set to begin, but some of the sugar mills are yet to make full payment to the farmers.

Business Standard

Monday, Oct 31, 2011

Crude palm oil down on weak global cues

Press Trust of India / New Delhi October 31, 2011, 11:45 IST

Crude palm oil prices declined by Rs 1.80 to Rs 474.70 per 10 kg in futures market today, as speculators offloaded their positions, triggered by a weakening global trend.

Sentiments turned bearish after palm oil declined in Malaysia, on speculation that the soybean crop in the US may be bigger than expected, boosting supplies of edible oil.

Meanwhile, palm oil futures for January contract fell by 1.3% to \$953 per tonne on the Malaysia Derivatives Exchange.

At the Multi Commodity Exchange, November crude palm oil declined by Rs 1.80, or 0.38%, to Rs 474.70 per 10 kg, with a business turnover of 86 lots.

The October contract is marginally lower by 30 paise, or 0.06%, to Rs 475.60 per 10 kg, with a trade volume of 52 lots.

Traders said offloading of positions by speculators due to a weakening global trend, mainly helped crude palm oil prices to trade lower at futures trade.

Tea imports down 23% at 6.40 million kg in Apr-Aug

Press Trust of India / New Delhi October 30, 2011, 12:45 IST

India's tea imports declined 23% to 6.40 million kg during April-August this fiscal.

The country had imported 8.32 million kg tea in the year-ago period, according to the Tea Board data.

India, the world's largest consumer of tea, imports tea leaves solely for re-exporting them to other countries. The dip in imports thus signals less re-export.

The inbound shipments of tea from most of the countries registered a decline in the first five months of 2011-12.

India imports tea from Kenya, Malawai, Nepal, Iran, Sri Lanka, China, Indonesia, among a few other countries.

Indian tea imports dipped by 29% to 1.21 million kg in August this year, compared to 1.70 million kg in the same period previous year.

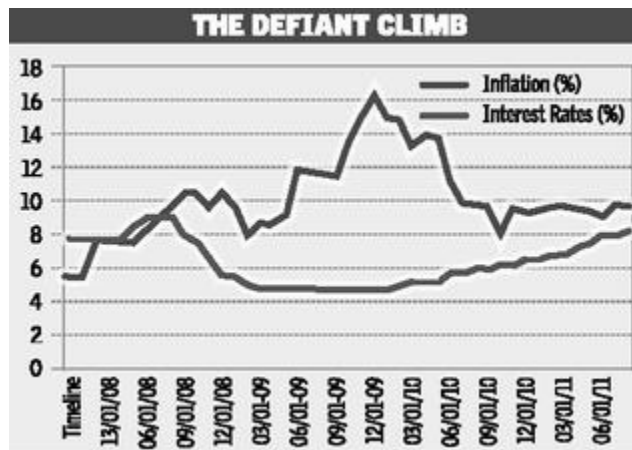
During January-August this year, imports of the brew fell 20% to 10.64 million kg, from 13.34 million kg in the year-ago period.

India, the second biggest producer of tea in the world, accounts for about 28% of global tea production and 14% of trade. There are about 1,600 tea estates in India. The industry employs more than two million people.

THE HINDU Business Line

Rate hikes and rising food prices

Nupur Pavan Bang



Dr D. Subbarao, Governor of the Reserve Bank of India (RBI), is in a Catch-22 situation. If he doesn't raise interest rates, he stands accused of doing nothing to tame inflation. But if he does raise interest rates, his ability to control inflation, as the general public sees it, is rather limited. As can be seen from the graph below, the increase in interest rates by RBI hasn't necessarily resulted in an easing of inflation in past few years in India.

The Wholesale Price Inflation for September 2011 stood at 9.72 per cent. Fuel and Food, which together comprise 22 per cent of this index, have been a major reason for the increase. Fuel and Power inflation increased to 14.09 per cent, due to Rs 3.14-rise in the price of petrol on September 1, 2011. Food inflation was at 10.6 per cent in the week ending October 8, as against 9.32 per cent in the week before that, providing no relief to the *aam admi*.

Interestingly, food forms nearly 14 per cent of the Wholesale Price Index, and increasing the interest rates simply isn't the solution to controlling the food prices. There are several reasons for this.

Higher rural income

First and foremost, rural India is eating better. This is primarily because of a surge in rural income. As analyst Akhilesh Tilotia of Kotak Institutional Equities points out in a report titled 'This Time is Ripe', the total income in rural India has gone up by 138 per cent to Rs 6,81,400 crore during a five-year period ending in 2009.

It need not be said this is primarily because of the Mahatma Gandhi National Rural Employment Guarantee Scheme, which has led to a significant flow of money into rural India.

Over and above this, the United Progressive Alliance is getting for the next Lok Sabha elections with the introduction of the Food Security Bill. The Bill is currently up for discussion and draft guarantees food to priority households i.e. those below the poverty line, as well as other poor families who have been classified as 'general households'. This move if and when it goes through is expected to drive food prices up all over the world, because of the sheer numbers (population) that we have.

There are other problems as well which will continue to drive food prices up in the years to come. A report brought out by DWS Investments suggests that "dramatic increases in the irrigation of crops across northern India have substantially depleted the region's groundwater. This would mean lesser water for irrigation across the Gangetic plain which produces a major part of the grain that India consumes."

Grain and food production is also threatened by other long-term factors. One is the continued expansion of some of our biggest cities at the cost of taking over agriculture land. As environmentalist Mr Lester Brown writes in **Outgrowing the Earth: The Food Security Challenge in an Age of Falling Water Tables and Rising Temperatures**, “As a country industrialises and modernises, crop land is used for industrial and residential development. Secondly, as rapid industrialisation pulls labour out of the countryside, it often leads to less double cropping.”

Shrinking acreage

In fact the world is running out of land for agriculture. The world renowned hedge fund manager Mr Jeremy Grantham explains this in his newsletter titled **Time to Wake Up: Days of Abundant Resources and Falling Prices Are Over Forever**, “Only Brazil, and perhaps the Ukraine, has really large potential increments of output. Elsewhere, available land is shrinking. We have, though, had impressive productivity gains per acre in the past, and this has indeed helped a lot. But, sadly, these gains are decreasing.”

What also does not help is the prospect of higher atmospheric temperature.

Crop ecologists use a rule of thumb that for each 1-degree-Celsius rise in temperature above the optimum during the growing season, we can expect a 10-per cent decline in grain yields.”

As Brown points out “In India, the giant Gangotri Glacier, which helps keep the Ganges river flowing during the dry season, is retreating. The Ganges is, by far the largest source of surface water irrigation in India.”

Many of the above factors are already translating into almost doubling the Price of Food Index, Dhaanya, at NCDEX, the leading agricultural commodities exchange in the country.

The factors are way beyond the control of Mr Subbarao and he cannot do anything about it by increasing interest rates. So, will his interest rate hikes bring down the inflation rates? We doubt!

There are many long-term factors at play to push food prices higher and higher.

(This article was published in the Business Line print edition dated October 31, 2011)

Record output expected



To reap in Nov: A farmer sprays fertiliser at a paddy field in Andhra Pradesh's Krishna District, on Saturday. Harvesting takes place usually during November-end or early December in the State and India, the world's second-largest rice grower, is expected to produce a record 102 million tonnes in the current year against the 2010-11 output of 95 mt. — V. Raju
(This article was published in the Business Line print edition dated October 31, 2011)

Malabar pepper falls sharply on bearish activities

G.K. Nair

Market sees tight supply position on reduced arrival from primary markets



Kochi, Oct. 30:

Indian pepper fell sharply last week on bearish activities despite being the cheapest in the world market, at present.

It seems to have become a fact now that nearly 90 per cent of the Indian pepper market activities are concentrated on the exchange platform and it is controlled by operators, who are guided by “so-called expert analysts”. Consequently, there has been a continuous circular trading, trade sources alleged.

There is a tight supply position prevailing here as no pepper is arriving from the primary markets and the growers. Overseas buyers interested in MG1 are reportedly keeping away from buying because of the declining trend and the high volatility in the market. Meanwhile, price of the commodity from all the other origins including Brazil is ruling above the Indian parity.

Exporters are, said to be afraid of quoting because of the high fluctuations in the futures market on the one hand and the currency on the other. Added to this, there is a supply squeeze. Therefore, some of the exporters were said to be buying against firm orders from the overseas buyers. But, of late, because of the declining trend here the buyers have moved away and are on a wait-and-watch mode, the trade said.

Ever since more buyers surfaced on the exchange platform the investors, who are holding validity expired and farm grade pepper, are said to be holding back. Exporters and processors are also out to cover but the availability is said to be very much limited. An estimated 5,200 tonnes of valid stocks of November contract are with the exchange and of which a few hundreds of tonnes of pepper might come up for delivery on maturity.

Northeast monsoon has already set in the growing regions of the country and it is expected to delay the harvesting and consequently the arrival of new crop. The coming crop is also estimated to be less than that of the previous season. Thus, the availability is likely to be tight in India and similar situation is expected in some of the other origins also. Demand, on the other hand, is on the rise following increase in per capita consumption world over. All the contracts last week fell sharply with Nov, Dec and Jan dropping by Rs 1,695, Rs 1,575 and Rs 1,615 respectively a quintal to close at Rs 33,850, Rs 34,300 and Rs 34,640 a quintal.

Total turn over during the week rose by 6,193 tonnes to end at 35,241 tonnes. Total open interest moved up by 923 tonnes during the week and closed at 12,400 tonnes.

Spot prices dropped sharply by Rs 1,300 a quintal during the week despite tight availability and amid good buying interest just in tandem with the futures market trend. On Saturday ungarbled and garbled were closed at Rs 32,800 and Rs 34,300 a quintal.

US PEPPER IMPORTS

India was the largest supplier of ground pepper during Jan-Aug, contributing 3,462 tonnes (44 per cent) to the US' imports followed by Vietnam 2,236 tonnes (29 per cent).

During the same period, total import of pepper into the United States was reportedly at 46,799 tonnes, slightly higher by 322 tonnes imported in the same period last year. Import of black pepper increased, while that of white and ground pepper, showed a decline in 2010.

During 2010, US imports stood at 70,470 tonnes, comprising 52,010 tonnes of black, 5,850 tonnes of white and 12,610 tonnes of ground pepper, as against 65,855 tonnes (49,148 tonnes of black, 6,289 tonnes of white and 10,419 tonnes of ground pepper) in 2009. Import in 2010 was recorded the highest so far.

Indonesia remained the major supplier of black pepper to the US market, shipping out 15,555 tonnes, followed by Vietnam (8,619 tonnes), Brazil (6,985 tonnes) and India (3,523 tonnes). Indonesia, also the most important source for white pepper, was followed closely by Vietnam. These two countries supplied more than 90 per cent of white pepper imported by the US.

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Dust tea prices remain low as arrivals inch up

Our Bureau

Kochi, Oct. 30:

Arrivals improved at the Kochi dust tea auction even as prices remained depressed. Leaf arrivals and prices remained steady at the leaf auction. There was 11,31,000 kg of dust and 2,60,000 kg of leaf on offer at the auction. The CTC dust auction opened weak and continued to fall further as the auction progressed.

The drop was less as far as good liquoring grades were concerned. AVT and Vimal Tea continued to be active on good liquoring grades while Kerala State Civil Supplies Corporation and Tata Global remained subdued. Hindustan Unilever remained selective. There was improved enquiry from Kerala "loose" tea traders.

Export enquiry was low. Orthodox dust auction opened steady. Some grades quoted lower and there were several withdrawals. Internal buyers lent support.

Leaf Auction

Good liquoring, high-grown broken orthodox leaf grades were steady to firm and sometimes moved up in value. Bolder broken grades and fannings were irregular.

Medium bolder broken and whole orthodox leaf grades remained barely steady. Price of regular broken grades and fannings tended to ease and there were heavy withdrawals from these lots. There was fair demand from exporters to CIS countries. HUL operated in whole leaf orthodox grades.

Exporters to Tunisia remained subdued. High grown fannings were absorbed by tea bag exporters. Even as good liquoring grades quoted lower at the CTC leaf auction, prices of most other grades including high priced teas tended to ease at the CTC leaf auction. HUL and AVT were selective. Exporters and upcountry buyers lent fair amount of support.

Top Prices

Injipara SFD fetched the top price at the dust auction at Rs 125 followed by Injipara RD/SRD at Rs 122 and Kannavarai SFD/SRD at Rs 120. At the leaf auction, Pascoe's green tea fetched the top price at Rs 280 followed by Chamraj OP at Rs 201, Chamraj FOP at Rs 196 and Sutton OP at Rs 169.

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Arabian Sea depression to intensify another round

Vinson Kurian

Thiruvananthapuram, Oct. 30:

A monsoon depression that grew out of a churn in the central Arabian Sea, away from the Indian coast, is now expected to intensify as a deep depression.

An India Meteorological Department (IMD) has maintained the outlook, and said that the system may travel towards the Gulf of Eden.

But guidance from a few global models say that there is a continued possibility that the storm may be yanked away to the northeast by a prevailing western disturbance system over north Pakistan and adjoining Jammu and Kashmir.

An IMD outlook for the next three days said that the westerly system may stay put over the region for the duration of the period.

This northeastward track could bring a progressively weakening system towards the Karachi coast and could even push some rain into southwest Rajasthan and north Gujarat.

TROUGH IN BAY

Meanwhile, the US Navy's Joint Typhoon Warning Centre said that the proximity of land and less than optimum sea-surface temperatures might cap the possibilities of the Arabian Sea system growing further in intensity.

To the other side of the peninsula, the rain-driving trough shifted back to its alignment from southwest Bay of Bengal to west-central Bay.

An IMD weather warning valid for the next two days said that heavy rainfall would lash one or two places over Tamil Nadu, Kerala and Lakshadweep.

NEXT 'LOW'?

Insat imagery on Sunday afternoon showed the presence of convective clouds over parts of east Jammu and Kashmir, south Kerala, south Tamil Nadu, south Bay of Bengal, south Andaman Sea and northwest, central and south Arabian Sea.

A circulation is shown building to the southwest of Sri Lanka, which could develop as a follow-up low-pressure system in the south and southeast Arabian Sea off Kerala coast.

Some global models have signalled to the prospects of the system gathering some strength, though there is no clear indication where it could be headed.

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Poor infra slows grain exports

OUR BUREAU

After several years, the Government has started allowing exports of rice, wheat maize and sugar. But the question before the Commerce Ministry is, are the country's ports geared to handle the projected volume of exports? Perhaps not, it is feared: and the fear may not be totally unfounded.

The Kakinada anchorage port on the East coast is finding it hard to handle rice exports largely due to poor rail and port infrastructure. Kandla port on the West coast is supposed to handle

exports shortly, as the kharif crops are due for arrival. But Kandla, as it is well-known, suffers from an acute pre-berthing detention.

The export of an estimated seven lakh tonnes of sugar is on the cards and the shipment has to move in the next three months or so. But the exporting port is yet to be identified. There is talk of allowing sugar exports in containers.

The major container handling ports on East and West coasts being afflicted with myriad problems — congestion, pre-berthing detention, infrastructure bottlenecks, and draft restriction in river ports such as Kolkata and Haldia — the exporting community is keeping the fingers crossed.

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