THE HINDU

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September 26, 2011

Census findings point to decade of rural distress

Table 1 *(Figures rounded off in millions)*

GROWTH OF URBAN AND RURAL POPULATION

Year	Total	Rural	Rural increase over previous census	Urban	Urban increase over previous census	Rural increase minus urban increase
1901	238.4	212.5		25.9		
1911	252.1	226.2	13.7	25.9	0.0	13.7
1921	251.3	223.2	-3.0	28.1	2.2	-5.2
1931	279.0	245.5	22.3	33.5	5.4	16.9
1941	318.7	274.5	29.0	44.2	10.7	18.4
1951	361.1	298.6	24.1	62.4	18.3	5.8
1961	439.2	360.3	61.7	78.9	16.5	45.2
1971	548.2	439.0	78.7	109.1	30.2	48.5
1981	683.3	523.9	84.8	159.5	50.3	34.5
1991	846.3	628.7	104.8	217.6	58.1	46.7
2001*	1,028.7	742.5	113.8	286.1	68.5	45.3
2011	1,210.2	833.1	90.6	377.1	91.0	-0.4

Source: From 2001 and 2011 Census of India

*Note: *The total population and rural population include estimated population of 127,108 for three sub-divisions of Manipur. India's population without the estimated population of these areas is 1,028.6 million.*

The 2011 Census captures only the tip of an iceberg in terms of rural upheaval. The last time urban India added more numbers to its population than rural India was 90 years ago and that followed giant calamities in public health and war. Yet, without such conditions, urban India added 91 million to its 2001 total, against rural India's 90.6 million. (Table 1). Nor can this reversal be fully captured by the factors Census 2011 cites as driving the urban increase. Take 'migration.' In public debate, 'urban' is often equated with big metros. This conjures images of massive waves of people from villages heading straight for the big metros. And this flow, you will be assured, is falling. (Vital data on this will emerge only next year and might surprise us).

The Census data, however, do not convey the harshness and pain of the millions trapped in "footloose" migrations. That is, the desperate search for work driving poorer people in many directions without a clear final destination. Like Oriya migrants who work some weeks in Raipur. Then a couple of months at brick kilns in Andhra Pradesh. Then at construction sites in diverse towns in Maharashtra. Their hunger, and contractor, drive them to any place where there is work, however brief. There are rural migrations to both metros and non-metro urban areas. To towns and smaller cities. There are also rural to rural migrations. There are urban-urban migrations. And even, in smaller measure, urban to rural migrations.

Flight from agriculture

Neither the Census nor the National Sample Survey is geared to capture the complexity of India's migrations. A migrant in the Census is someone counted at a place other than his or her last place of residence. This records a single move — not multiple migrations. So it sees only the tip of the mobility iceberg, missing footloose migrations altogether. What we do know from Census 2001 is of the flight from agriculture. Between 1991 and 2001, over seven million people for whom cultivation was the main livelihood, quit farming. That is a mind-boggling figure. It suggests that, on average, close to 2,000 people a day abandon farming in the country. Where do they go? Nothing in employment data suggests they get absorbed in decent work in bustling cities.

What about ‘natural increase' (the difference between the numbers of births and deaths in a population)? That does not explain the switch around in rural-urban increases either. Indeed, the rate of natural increase has declined in both rural and urban areas. Still the urban population and towns get bigger and bigger.

As Registrar General and Census Commissioner of India Dr. C. Chandramouli puts it: “Fertility has declined across the country. There has been a fall in numbers even in the 0-6 age group, as a proportion of the total population. In fact, in absolute numbers too, this group (now 158.8 million) has declined by five million, compared to the previous Census. This would suggest migrations as a significant factor in urban growth. But what kind of migrations we can only ascertain or comment on when their patterns emerge more clearly. The Census in itself is not structured to capture short-term or footloose migrations.”

We also get an extraordinary picture when viewing what demographers call the ‘Urban-rural growth differential.' The URGD is simply the difference between the rates at which rural and urban populations expanded in each decade. It is also a rough and ready index of the extent of rural-urban migrations. The URGD in the 2011 Census is 19.8, the highest in 30 years.

'Natural increase' does not then account for the growth in urban numbers. Certainly not for the 30 per cent rise in urban population in the States. Thousands of towns today have far larger populations than they used to have — but not due to natural increase. The reason is migrations on a massive scale. Rural folk still outnumber urban people by more than two to one. In the 2001 Census, rural family size (5.4) remained bigger than urban family size (5.1). Also striking, States like Uttar Pradesh and Bihar show massive falls in growth rates in 2011. In the 2001 Census, Uttar Pradesh and Bihar were "the two States with largest number of net migrants migrating out of the state."

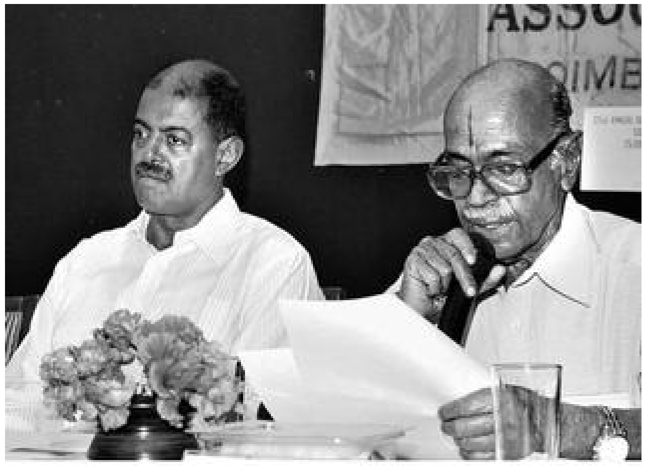
The other factor cited by the current Census for the turnaround is interesting. "Inclusion of new areas under 'Urban'." The number of 'statutory towns' has gone up by a mere 241 since 2001. Compare that with the preceding decade when they rose by 813, or more than three times that number. (A 'Statutory town' is an urban unit with a municipality, corporation, cantonment board or notified town area committee.)

There is, however, a boom in the number of 'Census towns.' In the decade 1991-2001, Census towns actually declined from 1,702 to 1,361. In the 2011 Census, they nearly tripled to 3894. That is stunning (Tables 2 and 3). How did this happen? And what is a 'Census town?' This is a village or other unit declared as a town when: its population crosses 5,000; when the number of male workers in agriculture falls to less than 25 per cent of the total; and where population density is at least 400 per square kilometre.

At the very least, this means the male workforce in agriculture has collapsed in thousands of villages, falling to less than a quarter of all workers. So the farm exodus continues. What might the 2011 data on cultivators show us when it is out late next year? It could show us that the numbers quitting cultivation since 2001 might equal or exceed the over seven million dropouts of the previous decade.

Published: September 26, 2011 00:00 IST | Updated: September 26, 2011 04:19 IST
COIMBATORE, September 26, 2011

Common cotton contract soon



South India Cotton Association, to be known as Indian Cotton Federation from next month, will draft a common cotton contract for domestic and international trade in Indian cotton.

Speaking at the annual general body meeting of the association here on Sunday, its president C. Soundara Raj said the year 2010-2011 saw large-scale defaults in contracts in domestic and international markets. Cotton was sold at about Rs.30,000 a candy on forward basis for delivery in December 2010. When the prices went up to Rs.62,000 a candy in April 2011, huge loss forced many sellers to default. In the second half of the season, some of the buyers defaulted when the prices slumped to Rs.30,000 a candy from Rs.62,000.

“These unavoidable situations created the necessity to work for a common contract for Indian cotton. We are working on a common contract, applicable to both domestic and international trade. We are also working on the basis of arbitration under the purview of Indian Council of Arbitration, for which the association has qualified arbitrators,” he said.

J. Thulasidharan, the newly-elected president of the association, K.N. Viswanathan, its vice-president and secretary A. Ramani told presspersons later that nearly 15 lakh bales were booked on forward contract basis between March and May last year and many of these had defaulted when the prices shot up. Exact data was not available on the number of defaults. Many were in the process of settlement through negotiation or under arbitration now. Price volatility was the main reason for the defaults, they said.

Some of the regional cotton bodies had approached the association for suggestions on trading systems to be adopted under such circumstances. Inputs would be taken from all stakeholders and the association would try to come out with a common contract. Some of the systems adopted in China could be incorporated in the contract, which would have the approval of the trade and textile industry.

Steering committee

Mr. Viswanathan said the association was part of the steering committee for textiles formed by the State Planning Commission for the XII Five Year Plan. “We need efforts to increase cotton production in Tamil Nadu from the existing five lakh bales a year,” he said.

Mr. Thulasidharan said the Union Government should constitute a cotton board on the lines of tea and silk boards.

Published: September 26, 2011 00:00 IST | Updated: September 26, 2011 04:19 IST
Anantapur, September 26, 2011

Anantapur farmers in distress

Groundnut crop in more than 1.5 lakh hectares fails

No respite: For the second consecutive year, farmers lost groundnut crop in Anantapur district owing to drought conditions. — Photo: R.V.S. Prasad

Farmers in Anantapur district are in distress as the groundnut crop in more than 1.50 lakh hectares has failed once again.

Anantapur district, which has faced drought conditions for many years consecutively, is in for yet another spell of distress and drought with the failure of groundnut crop in more than 15 revenue mandals.

The crop has dried up completely in nine mandals, including Rayadurgam, Kalyandurgam, Kanekal, Gummagatta, Brahmasamudram and Madakasira. In other mandals lying in Dharmavaram and Penukonda divisions, it has almost been written off while farmers in Gooty - Guntakal belt are struggling to sustain the crop which has wilted due to a steep decline in rainfall during the early part of monsoon.

"I have sown groundnut in 10 acres incurring a cost of around Rs. 90,000, as I had to buy seeds in the black market over and above the quota. Today the entire crop is lost, completely dried up," said Rajanna of the Rayadurgam mandal.

In a dilemma

Today Rajanna is in a dilemma, whether to incur additional expenditure on labour to weed out dried up crop or leave it alone.

"If I go in for labour I will incur another Rs. 25,000 to Rs. 30,000 expenditure. But, If I don't, I will not be able to go for any other crop in the near future," he says adding that this season alone has left him with a debt burden of Rs. 60,000 with interest mounting by the day.

Rajanna is not alone. Crop has been completely lost in more than 1.5 lakh hectares in the district and it is likely to increase in the next few days as farmers start to harvest their crop.

Speaking to *The Hindu* , Joint Director of Agriculture Sambasiva Rao said that while there has been no official measurement of the extent of crop loss in the district, he said those farmers who had sown late owing to the lack of early rains were indeed in distress.

Only hope

With the rain playing truant and the weather based insurance being tried out for the first time, farmers have pinned hopes on the insurance, which might help clear a portion of their debt.

Published: September 26, 2011 00:00 IST | Updated: September 26, 2011 04:19 IST CHENNAI, September 26, 2011

Six nabbed for clearing 10 ha. of mangrove forest near Tuticorin

Six persons were arrested for clearing 10 hectares of mangrove forest near Palayakayal creek near Tuticorin on Thursday. State Forest Department officials who apprehended them also seized the vehicles used in the offence.

Shekar Kumar Niraj, Conservator of Forests, Virudhunagar Circle, said that when he visited the area during March this year, he received information about clearing of mangroves for setting up salt pans. Following this, the matter was taken to the notice of the district administration and the Collector formed a Committee to investigate the issue. Meanwhile, forest officials also warned the people not to indulge in clearing the place.

However, the group continued to clear the mangroves and when the forest officials came to know about it a couple of days ago, Dr. Niraj visited the spot and saw the people using earthmovers to clear the remaining portions of the mangrove forest. He alleged that the locals, who had some political backing, were trying to destroy the natural bio-shield.

Since tsunami in 2004, the State Forest Department had taken measures to raise mangrove forests along coastline in the State. Some of the important mangrove blocks in Tuticorin included Inico Nagar, Kovilpillainagar, New Port Area, Palayakayal and Punnakayal, spread over more than 1500 hectares.

With increased threats to the mangrove forests, the Department is taking steps to get these blocks notified as Reserve Forest under the Tamil Nadu Forest Act 1882.

Another 550 hectares of mangroves lands are awaiting final notification since 1994 due to the slow settlement process. The contribution of mangrove forests to enrich the fisheries could not be quantified and they were important for the growth of other marine species. Destroying mangrove forests would only spoil the future of small time fishermen who venture into the waters in their catamarans, he added.

Published: September 26, 2011 00:00 IST | Updated: September 26, 2011 04:19 IST Tuticorin, September 26, 2011

Salt production in Tuticorin outstrips demand

PROBLEM OF PLENTY: Workers carrying salt at a pan in Tuticorin. — Photo: N. Rajesh

Though production of salt is high, demand for it not encouraging, feel manufacturers.

Since export of salt from Tuticorin is not up to the level of last year, stock had stagnated, said A.R.A.S. Dhanabalan, secretary, Tuticorin Small Scale Salt Manufacturers' Association. With three more weeks left in the peak season of production, 90 per cent of salt production had been achieved. “Price of one tonne of salt has come down to Rs. 800 against Rs. 1,000 to Rs. 1,200 of last year,” he said.

Last year, 18 lakh tonnes of salt was produced from pans in Tuticorin district. Of the total production, three lakh tonnes were exported. Indonesia was the biggest importer of salt from India last year. Two lakh tonnes of salt were exported to that country. This year, only 1.20 lakh tonnes had been exported till date.

Since production outstripped demand, it had led to stock stagnation. By mid-October, with the onset of monsoon, production would be stopped.

Salt is usually exported to Indonesia, The Philippines, Malaysia and Sri Lanka. Since the international market was dull, manufacturers were looking at new buyers. “We are keeping our fingers crossed to market salt in the domestic market till next March, as an alternative to export trade.

M.S.A. Peter Jebaraj, president, Gandhi Irwin Salt Manufacturers' Association, Tuticorin, said that there was a 50 per cent slump in the market, resulting in accumulation.

Published: September 25, 2011 00:00 IST | Updated: September 25, 2011 04:23 IST Tuticorin, September 25, 2011

Seeds, farm inputs for farmers cultivating pulses

Officials upbeat to achieve 1000 kg of pulses yield per hectare

To enhance productivity of pulses by adopting suitable technologies, farmers have been encouraged through Accelerated Pulses Production Programme under the aegis of National Agriculture Development Programme. Demonstration of farming methods will be given on 1,000 hectares in various villages of the Kayathar block, according to A. Ramalingam, Assistant Director of Agriculture, Kayathar.

709 farmers

As many as 709 farmers in four villages including Kazhugumalai, K. Venkateswarapuram, Kumarareddiyapuram and Kalangaraipatti would benefit from this programme. Since farmers were undertaking rainfed cultivation on black cotton soil in Kayathar block, a better yield of blackgram was expected this year. Though a target of 625 kilogram of pulses per hectare was earmarked by the government, the agriculture officials were upbeat to achieve 1000 kilograms of yield per hectare under the programme.

“An average yield per hectare in this block is 625 kilograms of pulses every year. Good amount of rainfall is expected in the approaching North East monsoon, which commences from October 21 to December this year for taking up rainfed cultivation of pulses. The annual rainfall average is 662 mm in the district but during the previous year 711 mm of rainfall was recorded, unusually. During the North East monsoon last year, rainfall of 551 mm was recorded. In November alone, 307 mm rainfall was recorded in the district”, Mr. Ramalingam informed.

Those farmers identified under this programme had been provided with seed mini kits containing quality and certified seeds. Each of the farmers was provided with four kilograms of quality and certified seeds for one hectare to enhance pulses production.

On an average, a hectare requires 20 kilograms of seeds. Sixteen kilograms of seeds would be given to every farmer under this programme at a subsidised cost.

Under the Integrated Nutrition Management, farm inputs including gypsum, micro nutrient mixture, zinc sulphate, rhizobium culture packets, phospho bacteria, urea, diammonium phosphate and potash fertilizers would also be given, he also said.

To contain any possible outbreak of pest attacks, adequate material under Integrated Pest Management would be provided to farmers depending upon necessity.

80 farm ponds

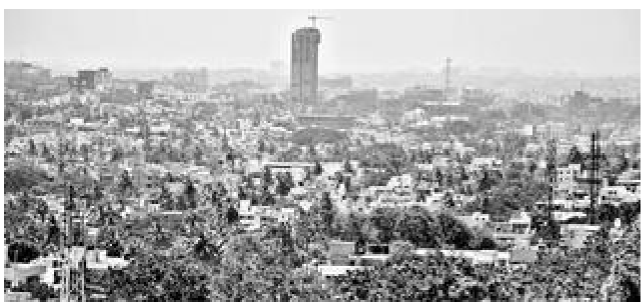
The farmers would also be supported financially for creating 80 farm ponds under the guidance of officials from the Department of Agriculture Engineering, he added.

Published: September 25, 2011 00:00 IST | Updated: September 25, 2011 04:23 IST

Bangalore, September 25, 2011

Deadline set for distributing compensation for crop loss

Officials concerned given 10 days to complete the task



Once green: An aerial view of the concrete jungle that Bangalore has become, from Aranya Bhavan where the workshop was held on Saturday. — Photo: K. Gopinathan

Minister for Forests C.P. Yogeshwar has set a 10-day deadline to disburse compensation to farmers who have lost crops because of the elephant menace in the State.

Addressing presspersons after inaugurating the workshop on conservation and development of Devarakaadu (Sacred Grove) on Saturday, he said he had instructed forest officials concerned to clear applications seeking compensation from farmers whose crops had been destroyed by elephants.

The workshop was jointly organised by the Forest Department and the Western Ghats Task Force.

The Minister said that many farmers who had lost their crops to elephant menace had not received compensation even six months after the incident. It was but natural for them to take steps to ensure that their crops are protected from elephant menace. Many of them erected electrified fences to fight elephant menace. As a result, many elephants were electrocuted, and in the man-elephant conflict, many a time even human beings lose their limbs.

Mr. Yogeshwar said that man-elephant conflicts were on the rise in the areas bordering Tamil Nadu. He underlined the need for the officials of the two States to address the issue of elephant menace unitedly. He said frequent interaction between the officials of the two States was the need of the hour. It would help them arrive at solutions. The Minister opined that one of the major reasons for man-elephant conflict was also the fact that patches of elephant corridors were being used for power projects and the like even without taking the permission of the Forest Department. When the elephant corridors are being used by human beings, it was understandable that the elephants stray into human habitations in search of food and water.

Mr. Yogeshwar told presspersons that he would instruct deputy commissioners not to allow resorts to come up in the elephant corridors. On the Forest Policy, he said it was under consideration. However, it could not be implemented without the concurrence of the Centre, he added.

Mr. Yogeshwar claimed he was streamlining administration in the Forest Department. He criticised the recruitment process that was followed to appoint 80 forest watchers for which a lakh applications had been received.

Western Ghats Task Force Chairman Ananth Hegde Ashisara presided over the workshop. He said there were 3,000 Devarakaadus in the State. Keshava H. Korse, member of the task force, spoke.

Mr. Ashisara and Mr. Korse were of the view that fences should be erected around Devarakaadus and display boards should be installed besides local committees should be formed for management of the Devarakaadus. They suggested that ecologically important plant species should be identified and a book on them should be published.

They said that Kaanu forests in Soraba, Sagara and Hosanagara taluks of Shimoga district should be protected on similar lines.

- *‘Farmers whose crops were destroyed by elephants have not been given compensation'*
- *Yogeshwar: officials of Tamil Nadu, Karnataka should unitedly solve problem of elephant menace*

Published: September 25, 2011 00:00 IST | Updated: September 25, 2011 04:21 IST Karwar, September 25, 2011

Meet fails to fix sugarcane price

A meeting called by the Assistant Commissioner of Karwar at Haliyal to fix the procurement price for sugarcane by the EID-Parry sugar factory and also to discus problems of the sugarcane growers ended without taking any decision on Saturday .

The tahsildars of Mundgod, Kalaghatagi and Haliyal taluks, Joint Director of Agriculture, and leaders of farmers were present.

The leaders pointed out that the wages and fertilizer prices had gone up. Excess rain this year had damaged the sugarcane crop and the farmers were facing a difficult situation, they said.

T. Kannan, representative of the factory, said the company had been newly set up and was still facing loss. He pointed out that there was a long distance between sugarcane growing area and the factory resulting in higher transportation cost. Balakrishna Reddy, another representative of the factory, claimed that no factory in Belgaum had declared the procurement price of sugarcane this year.

Aziz Desai, tahsildar of Haliyal, said the sugarcane factory of Haliyal should either buy according to the price fixed by the State government or in accordance with the price fixed by the sugarcane factories of Belgaum division. He said the EID-Parry sugar factory should declare the price of sugarcane it bought during last season and the price for the next season.

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Press Trust Of India

New Delhi, September 25, 2011

First Published: 11:58 IST(25/9/2011)

Last Updated: 12:03 IST(25/9/2011)

Inflation to moderate only in early 2012: BNP Paribas

Global banking major BNP Paribas has said inflationary pressure in India will moderate early next year, but will stay above the Reserve Bank's comfort level of around 5-6 %.

"It is not until early 2012 when favourable base effect kicks in that spot inflation should genuinely fall back, but remain well above the RBI’s comfort zone," BNP Paribas said in its latest issue of 'Asian Instant Insight'.

The banking major's projection is at variance with the forecasts made by the government and RBI.

Both the government and the central bank expect inflation to start cooling by the third quarter of this fiscal (October-December).

While RBI has said that overall inflation will moderate to around 7 % by March, the government expects it to be around 6.5 % by then.

Inflation soared to 13-month high of 9.78 % in August. It has been above 9 % since December 2010.

"Despite signs of a cooling economy, elevated inflation expectations and upward pressure on administered electricity prices are...likely to retard the desired disinflation process," BNP Paribas said.

It added, "Despite building downside risks to growth, it is not until early 2012 when base effect from onion and cotton prices kicks in that WPI inflation should realistically fall back towards more comfortable levels but remain well above the RBI’s comfort zone of 5-5.5 %."

RBI has hiked key-policy rates 12 times since March 2010 to drain out excess demand, which many consider could be stoking the inflation.

Corporate India has said that frequent rate hikes, which have led to an increase in the cost of borrowings, are hindering fresh investments and affecting economic growth.

The country's economic growth was 7.7 % in the April-June period, the slowest in six quarters. Growth in industrial production also fell to 21-month low of 3.3 % in July.

In the mid-quarterly policy review earlier this month, RBI said that the Rs 3.14 per litre hike in petrol price, announced recently, will further fuel inflation.

It said the current level of high inflation makes it imperative to continue with the anti-inflationary stance and tight monetary policy.

http://www.hindustantimes.com/StoryPage/Print/749923.aspx

Weather

Chennai - INDIA

Today's Weather

Clear

Monday, Sep 26

Max Min

35.6º | 25.6º

Rain: 00 mm in 24hrs	Sunrise: null
Humidity: 79%	Sunset: null
Wind: Normal	Barometer: 1008

Tomorrow's Forecast

Partly Cloudy

Tuesday, Sep 27

Max Min

36º | 25º

Extended Forecast for a week

Wednesday	Thursday	Friday	Saturday	Sunday
Sep 28	**Sep 29**	**Sep 30**	**Oct 1**	**Oct 2**

33° | 26° 33° | 27° 33° | 26° 33° | 27° 33° | 27°

THE ECONOMIC TIMES
Mon, Sep 26, 2011 | Updated 10.20AM IST

26 Sep, 2011, 08.04AM IST, Sutanuka Ghosal,ET Bureau

Tea prices may stay firm on high demand

Production Surges on Good Weather

Favourable weather conditions have pushed up tea production this year. Output till July stands at 491.59 million kg, up by 29.43 million kg compared to previous year's production . A higher north Indian production has contributed to this rise. Till July, south Indian production was down by nearly 4 million kg to 143.45 million kg. The north Indian production till July was 348.14 million kg compared to 315.11 million kg in the same period previous year. The industry expects to achieve 980 million kg output this year.

Exports Slip But Revenues Edge up

Exports till July slipped to 89.8 million kg compared to 107.3 million kg in the same period in 2010. However, the unit price realisation has appreciated to Rs 142.86 per kg as against Rs 123.29 per kg in the previous year. Export enquiries have started pouring in now and it is expected that they will pick up in the coming months from countries like the UK, Germany, Japan, Poland and Russia. Global production has dropped by 11 million kg by July on account of a huge shortfall in Kenya and Uganda, and the Indian tea industry can leverage this global shortfall in the months to come. The Iran payment crisis is likely to be solved in a month and it is expected to give a boost to orthodox tea exports to the West Asian countries.

Imports for Re-exports Down

Imports of tea for re-export fell by 2.2 million kg till July. Imports slipped to 9.42 million kg compared to 11.64 million kg in the corresponding period previous year. The industry feels that this will bring down the chances of lower quality Indian tea exports to global markets. Generally, India imports teas from countries like Vietnam and Indonesia.

Rising Demand to Keep Prices Firm

Tea prices are expected to remain firm in the coming months in domestic as well as global markets. The domestic consumption is growing at a rate of 3.5% annually and the production in India is not enough to fill this gap. In the global market, there is a shortage as the Kenyan and Ugandan production is low. The average auction price of north Indian tea is hovering around Rs 131.35 per kg compared to Rs 121.97 last year. The south Indian tea is commanding a price of Rs 66.13 per kg compared to Rs 64.17 in 2010. The average price of Indian tea is pegged at Rs 108.12 per kg against Rs 99.50 per kg in 2010.

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26 SEP, 2011, 08.12AM IST, SUTANUKA GHOSAL,ET BUREAU

Dust tea prices go up as Tata Global Beverages, HUL and Wagh Bakhri group join auctions

KOLKATA: The prices of dust tea have started moving up as Tata Global Beverages, HUL and Wagh Bakhri group have become active at the auctions. CTC tea prices, however, are coming down as poor quality has taken a toll on the prices. J Kalyansundaram, secretary of Calcutta Tea Traders Association, said: "Dust tea prices are increasing as companies are buying huge volumes at the auctions.

This buying trend will continue for sometime as they are building up stocks for festival and winter seasons ." The dust price is hovering around Rs 124 per kg but is lower compared to previous year when dust teas had garnered a price of Rs 135 per kg. "The situation was different in 2010.

The crop was low since pest attack and excessive rains had made a dent into the production," said a tea trader. However, the industry is upset about the falling prices of CTC teas. CS Bedi, chairman of Indian Tea Association, said: "The current situation in the market place does not enthuse the producers with CTC prices at par with last year's and falling by every auction."

Traders say that prices of CTC tea had fallen last week due to low quality. The country's tea production in July rose 8.2% to 133.27 million kg on account of improved weather condition but exports fell 8% to 15.26 million kg due to poor demand from the Middle East.

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26 Sep, 2011, 08.01AM IST, Ram Sahgal,ET Bureau

No duty rejig now on refined palm oil import

MUMBAI: "I can't guarantee that the duty on refined palm oil packs from Indonesia and Malaysia will be raised," KV Thomas, Union food minister, told ET on Saturday. He was responding to a demand by the local edible oil industry that the duty on imported refined oil be based on the invoice value rather than on tariff value, which was substantially lower. Thomas, minister of state for consumer affairs, said any decision on reviewing duty was the prerogative of the revenue ministry and the commerce ministry which would examine the implications of allowing import of refined oil in small packs.

"The empowered group of ministers (E-GoM) decided to retain a 7.5% import duty on bulk refined oil imports and to keep crude oil imports exempt when it met on September 13. The trade represented by Solvent Extractors' Association met me a day or two later with its demand.

Had they placed their demand with me earlier, I would have put the matter before the E-GoM . Now, it will have to be taken up at the next E-GoM meeting when the finance minister returns from overseas." The industry call for raising duty came after Indonesia, from which India imports a bulk of the 6.5 million tonne palm oil every year, recently slashed export duty on refined palmolein packs to 2% from around 10%.

This, the industry fears, would put them at a competitive disadvantage to cheaper exports and reduce crushing of crude palm oil, which would create a shortage in the local market and ultimately increase the prices consumers pay. Dinesh Shahra, MD, Ruchi Soya Industries, whose Ruchi Gold is India's largest single oil brand, said the landed price of refined palmolein would be cheaper than locally produced palmolein .

"This would gradually lay idle the domestic industry's refined capacity which had been doubled to 12 mt a year, which in turn could increase the pricing power of exporters on the back of shortages at home (since CPO refining would slow down significantly). Finally, the common man would have to pay more for edible oil. We hope the government addresses industry concerns ," Shahra said. He was speaking on the sidelines of the Globoil conference in Mumbai.

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the pioneer

Gaur inaugurates urban cleanliness week

Urban Administration and Development Minister, Babulal Gaur inaugurated urban cleanliness week through special cleanliness campaign here on Sunday. The week started on the occasion of the birth anniversary of Pandit Deendayal Upadhyaya and will be concluding on Mahatma Gandhi's birth anniversary on October 2.

Gaur along with Municipal Corporation corporators and ward residents swept the road form Jogipura up to Satnami Chouraha in Sonagiri area under the campaign.

Addressing the gathering on the occasion Gaur said that apart from urban bodies, residents of urban areas also play a vital role in keeping the city clean.

The contribution of residents of Meghalaya's capital Shillong for keeping the city clean and making it a top city in cleanliness is inspirational.

Resident of every house in Shillong collects wastes in two separate bags, which are lifted daily by the staff of Municipal Corporation.

This sort of habit should be developed by residents of the State too. Then only proper sanitation system will be in place.

On the occasion of the launch of Special Cleanliness Campaign, the Urban Administration Minister garlanded portraits of Mahatma Gandhi and Pandit Deendayal Upadhyaya. He also honoured Jitendra Sachdeva for his contribution to the development of Sonagiri Chouraha.

Those who also addressed the programme included zone president TR Mishra, corporator Laxmi Thakur, Narayan Pal Singh and Girish Sharma. Municipal Corporation corporators. Distinguished citizens of the area and large number of ward residents were present on the occasion.

People cry for food, water in flood-hit Jajpur district

At least five lakh people are severely hit in the high floods in the various rivers flowing through Jajpur district.

According to preliminary reports, 459 villages under 156 gram panchayats in the district are marooned and remain inaccessible by the relief and rescue teams.

All the 10 blocks, Dharmasala, Barchana, Rasulgarh, Danagadi, Korei, Dasrathpur, Jajpur, Binjharpur, Bari and Sukinda, are bearing the brunt of the deluge as the major rivers such as Brahmani, Baitarani, Budha and Kharasrota spilled over at several places causing as many 18 breaches in their embankments.

Japur town, the district headquarters, still remained completely disconnected from the rest of the world as a portion of the Rudhia bridge near Sathipur was washed away in the strong current of river Budha. Similarly, the other route to Jajpur town via Baruahan was over-flooded.

Reports from Bari said that most of the villages in the block were submerged and people perched on the rooftops were literally starving, as airdropping in such a situation could injure them. Strong currents in the river deterred rescue operations by the Odisha Disaster Rapid Action Force (ODRAF) personnel.

Dharmasala BJD MLA Kalpataru Das on Saturday and Sunday visited several flood-hit districts and distributed nearly 800 polythene sheets and dry food packets to the affected people in Dharamasala block "The situation in the district is quite grim. More motorboats are required to be deployed to rescue the people stranded on their rooftops," said Das.

The district administration, according to sources, is managing with only 51 boats. A visit to some affected areas revealed that people are desperately in need of food, drinking water, medicines and cattle feed. However, these four essential items are eluding them even three days after the calamity struck. The scene on National Highway-5 clearly depicts the flood fury. People are taking shelters on temporarily-built shanties on the highway sides.

Business Standard

Monday, Sep 26, 2011

Lower acreage may increase groundnut oil prices

Vimukt Dave / Rajkot September 24, 2011, 0:20 IST

A fall in the acreage in the kharif season has raised concerns of a possible dip in the groundnut production. This could make the availability of edible oil scarce. Miller sources hint at a possible rise in the oil prices after February.

Market participants in Gujarat fear a drop in the production by 15 per cent to 1.2-1.3 million tonnes, against the last year's 1.6 million tonnes. Lesser availability of groundnut for crushing may cause an escalation of the oil prices.

"The production is likely to come down by 10-15 per cent, as sowing has dropped. More, bad weather in the area may affect production," said Rajesh Bheda, president, Indian Oilseed and Produce Export Promotion Council (IOPEPC).

According to the data by the department of agriculture, Gujarat government, sowing was at 1.43 million hectares on September 12, lower from the 1.67 million hectares in the same period last year.

The sowing on September 15 stands at 4.32 million hectares, down six per cent from the 4.93 million hectares last year.

According to the industry estimates, about 40 per cent of the production is used for crushing. Last year, this volume was at 30-32 per cent, as most of the stock was used for consumption as peanuts and its products.

Meanwhile, the millers anticipate a rise in the oil prices due to a possible fall in the acreage.

"Lower acreage will translate into lower production and would affect oil prices in the long term. Prices may cross Rs 2,000 per 15 kg tin in the next oil year," said Samir Shah, managing director of Rajmoti Oil Industry Rajkot.

The oil prices are already high and ruling in the range of Rs 1,665-1,670 per tin.

It is to be mentioned that oil prices had touched an all-time high of Rs 1,720 per 15 kg tin in August due to the shortage of groundnut.

"Last year, groundnut production had increased in both the kharif and rabi seasons. But most of the stock was consumed for peanuts and its processed products, hence oil millers had to face a shortage of groundnut for crushing," Shah informed.

Demand from the exports and peanut consumption is believed to decide the future price trend of the groundnut oil in India. "The oil price trend will depend on the export of the groundnut and the demand for peanuts. If exports increase, then the price of groundnut will rise," said Suresh Kaneriya of Kaneriya Oil Mills.

Adding further, he said, "The oil prices will start increasing after February. At present, the new crop is about to come, so it will hold back the oil prices."

The data provided by IOPEPC suggests the exports of groundnuts during April-March increased to 418,000 from 340,000 tonnes recorded in 2009-10, showing a growth of 23.02 per cent.

In value terms, the exports recorded an impressive growth of 47.26 per cent, reaching a level of Rs 2,099 crores during April-March from Rs 1,425.93 crore during the previous year.

However, experts anticipate the yield to improve in groundnut, reducing the chances of a fall in the production. "Acreage has declined, but the yield may be higher due to early sowing in kharif season at some parts. The production may remain same as last year," said B V Mehta, executive director, Solvent Extractor of India (SEA).

Echoing similar sentiments, Govind Patel, former president of SEA, and edible oil expert, informed that due to early sowing and good weather during the kharif season, the production would be almost the same as last year. "This year about 35 to 40 per cent of the total sowing was early sowing.

Coriander declines on profit-booking

Press Trust of India / New Delhi September 23, 2011, 13:56 IST

Coriander futures prices fell by Rs 24 to Rs 5,560 per quintal today, as speculators booked profits on the back of sluggish demand in domestic markets.

At the National Commodity and Derivative Exchange, the November contract fell by Rs 23, or 0.43%, to Rs 5,560 per quintal, with an open interest of 11,900 lots, while October coriander declined by Rs 20, or 0.36 per cent, to Rs 5,461 per quintal, with open interest of 19,600 lots.

Market analysts said in addition to profit-booking by speculators at existing higher levels, subdued demand in the spot market led to the decline in Coriander futures prices.

THE HINDU Business Line

Beetle menace forces US to ban rice carried in air baggage

Price of cheapest variety in Atlanta is three times that in India

Chennai, Sept. 25:

Atlanta-based Ms Lakshmi Soundarjan's first reaction to the recent US ban on import of rice in air baggage was a howl of “ayyo” (alas!). She visits India twice a year and in return takes back nearly 30 kg of rice.

But this time she cannot carry rice as luggage following a recent ban by the US Department of Agriculture, Animal and Plant Health Inspection Service (USDA-APHIS), which notified a new phytosanitary regulation for the entry of rice from various countries including India, Pakistan and Bangladesh.

The restriction was on commercial and non-commercial shipments of rice into the US from countries where the Khapra Beetle (Trogoderma granarium) is prevalent. Non-commercial quantities are defined as amounts of rice for personal use and not for resale, including those transported in international passenger baggage.

The Indian Customs too recently issued a circular asking people not to carry rice in air baggage.

Ms Lakshmi says the cheapest rice variety in Atlanta is $13.99 (Sona masoori) while it costs one third in India. “Whenever our friends come from India, we ask them to bring rice and dhal, lentils, tamarind and spices. We can save some dollars,” she said.

Bugging problem

The Khapra Beetle is a cause for concern in the US. This calendar year, the US Customs and Border Protection agriculture specialists around the country have made over 158 Khapra Beetle interceptions. The interceptions were made in the passenger, air and sea cargo environment in eleven CBP field offices, including Detroit – where there is a large population of Asians, especially Indians.

The Khapra Beetle is one of the world's most-destructive pests infesting stored products.

Controlling the pest's menace is difficult as it feeds on a variety of dried materials, is resistant to insecticides, and can go long periods without food. Infestations can result in up to 70 per cent grain damage, making products inedible and unmarketable.

In 2005 and 2006, Khapra Beetle interceptions at US ports of entry were three to six per year. The number began to increase in 2007 and for the next three years, CBP interceptions nationwide averaged 15 per year. So far in 2011, as of August, ports of entry in the Detroit Field Office, Detroit Land, Detroit Air, Port Huron and Sault Ste Marie, have made seven confirmed interceptions with another five awaiting final identification and confirmation from USDA identifiers.

US media recently reported that a dead Khapra Beetle larva was found inside a shipment of rice recently delivered to the Los Angeles/Long Beach seaport complex, prompting federal authorities to immediately send the consignment back to India.

(This article was published in the Business Line print edition dated September 26, 2011)

92% of offerings at Coonor tea sale absorbed

Coonoor, Sept. 25:

Nearly 92 per cent of the 11.39 lakh kg offered at Sale No: 37 of Coonoor Tea Trade Association auctions was sold with prices rising by Rs 2 a kg.

“High-priced CTC leaf grades fetched up to Rs 3 more a kg, better mediums up to Rs 2 and cleaner blacker sorts, Rs 1-3. Orthodox leaf market was mixed but dust market, dearer up to Rs 3. High-priced CTC dusts fetched Rs 1-2 more and better medium sorts Rs 2-3 more,” an auctioneer told *Business Line*.

Among CTC teas, Homedale Estate, auctioned by Global Tea Brokers, topped at Rs 137. Vigneshwar Estate got Rs 135, Shanthi Supreme and Sree Tea Supreme Rs 134 each, Kannavarai Estate Rs 132. In all, 81 marks got Rs 100 and more.

Among orthodox teas from corporate sector, Chamraj got Rs 195, Curzon Rs 175, Kairbetta Rs 163, Havukal Rs 160, Highfield Estate Rs 155 and Quinshola clonal Rs 150.

(This article was published in the Business Line print edition dated September 26, 2011)

Pepper continues to head north

Kochi, Sept. 25:

Pepper market world over remained hotter than ever on strong demand amid limited availability with the predictions earlier this year at the Asta Conference that black pepper prices would cross Rs 7,000 a tonne and the white $10,000 a tonne have not only turned true, but it went a step further with the prices for black crossing $8,000 a tonne level while white $12,000 a tonne.

The prevailing situation is likely to continue till the year-end at least as the Nov/Dec buying has yet to take place in a scenario where demand clearly outstrips supply. It has reached such a stage that local arms of multinational companies and operators based in West Asia were covering lower grade material including spent pepper at higher levels. Many of these buyers who were meeting their requirements of lower grade pepper from Vietnam had turned to India when they faced drought in supply.

However, in the futures , prices are speculatively brought down by bear operators who had successfully pulled the market down on Friday and Saturday despite additional buying in the nearby position and no selling pressure on spot when the entire world markets were ruling firmer day by day. Indian parity was at $7,750–7,800 c&f Europe at $8,050-8,100 a tonne (c&f) for the US while all other origins were about $200 above the Indian parity.

October, November and December contracts have shown a rise during the week of Rs 550, Rs 550 and Rs 630 respectively to close at Rs 36,200, Rs 36,845 and Rs 37,325 a quintal.

Turnover

Total turnover dropped by 2,377 tonnes to 45,965 tonnes, while total open interest moved up by 809 tonnes during the week.

Spot prices during the week increased by Rs 1,000 to close at Rs 33,000 (ungarbled) and Rs 34,500 (MG 1) a quintal at the weekend. However, spot pepper prices hit its historic level of Rs 33,400 (ungarbled) and Rs 34,900 (MG 1) during the last week.

As the material is available in India and MG 1 has become cheaper, overseas demand is pouring into the country and consequently exporters were running around to buy, but quality pepper was not available. Even 550 GL pepper was not available, market sources told *Business Line*.

Meanwhile, according to the revised estimates of the International Pepper Community, production for 2011 is lower by around 17,000 tonnes compared with the previous year. The estimated exports from producing countries during January-August 2011 is also lower by 10,000 tonnes compared with the same period of last year

This situation confirms that the reported carryover stock in the producing countries is getting reduced to the minimum level. “Pepper farmers and local traders may also find it difficult to keep more stocks at the current price level. However, consumption of pepper among the consuming countries is constantly growing without corresponding growth in global output,” Mr S. Kannan, Executive Director, International Pepper Community (IPC), told *Business Line*. The current level of world annual consumption is estimated at about 3,50,000 tonnes.

Black pepper prices jumped up in some sources this week, according to the IPC. In Brazil, India and Vietnam, the increase was much higher at 8 per cent locally, while in fob 3 per cent were recorded. Prices in Sri Lanka, Lampung and Sarawak also increased comparatively at lower rate. The higher local price increase was more than fob. In Vietnam local prices increased by VND 20,000/kg during the week from VND 141,000 last week to VND 161,000 at the week's close, recording an increase of 9 per cent. In Brazil, local price was BRL 12/kg, increased from

BRL 10.5 last week. In Lampung, local price increased from IDR 59,000/ kg last week to IDR 63,000 this week.

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Arrivals fall, prices firm up at kochi tea sale

Kochi Sept 25:

Arrivals have begun to dip at the Kochi Tea Auction and prices are remaining firm to dearer, especially at the dust auction. Arrivals have plunged to 9,78,500 kg at the dust auction and 2,50,500 kg at the leaf auction. Good liquoring, black and grainy grades were firm to dearer at the CTC dust auction while the finer dust grades also moved up. Medium and plainer grades also inched while bolder varieties remained irregular. AVT and Kerala State Civil Supplies Corporation were active at the CTC dust auction while more demand was observed from loose tea traders. High-priced and grainy varieties witnessed better export enquiry.

Hindustan Unilever was selective while Tata Global and upcountry buyers remained subdued. High grown grades were dearer at the orthodox dust auction while medium and primary grades remained steady. There were some withdrawals as prices of a few orthodox dust grades fell. Bulk of the offering at the orthodox dust auction was absorbed by exporters.

Leaf Auction

High grown grades remained firm to dearer at the orthodox leaf auction as buyers chased quality. Broken and whole leaves remained steady to firm. Other grades were irregular at the auction while fannings remained barely steady. Exporters to CIS countries and other traditional destinations were active while exporters to Tunisia remained subdued. HUL was not active in this counter. There was good demand at the CTC leaf auction where good liquoring teas quoted higher. Medium and plain grades also appreciated in value.

Better export enquiry was witnessed with generally good support from interstate as well as local buyers. HUL did not operate at the CTC leaf counter. AVT and Tata Global were selective.

Injipara RD fetched the top price at the dust auction at Rs 124 followed by Injipara SFD at Rs 123, Injipara SFD at Rs 122 and Pasupara RD at Rs 117.

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Monsoon surplus rides on heavy session in east

Thiruvananthapuram, Sept. 25:

The monsoon withdrawal process seems to have slowed after running into a heavy to very heavy rain belt active in the east of the country.

An India Meteorological Department (IMD) up date on Sunday evening said that the withdrawal line is stuck along Amritsar, Hissar, Ajmer, Deesa, and Porbandar.

SURPLUS MAINTAINED

A remnant well-marked low-pressure from an earlier depression located over east Uttar Pradesh and adjoining Bihar was masterminding the heavy monsoon, which has maintained the four percent surplus on Sunday.

The latent monsoon activity has cut down the deficit in east and northeast India to 14 per cent (falling within ‘normal' as per IMD definition).

Individual deficits in the region are 31 per cent in Assam and Meghalaya, 26 per cent in Nagaland-Manipur-Mizoram-Tripura and 24 per cent in Arunachal Pradesh.

Towards the south, however, the surplus in peninsular India has been reduced to four per cent mainly from lack of any significant rain activity over the past week or so.

DRY IN SOUTH

This is apparently because the ‘pulse' expected to reach the Bay from upstream northwest Pacific/south China Sea itself got delayed after the storminess did not get initiated there in time.

But, as of now, there are two raging storms, Naset and Haitang, in the northwest Pacific and South China Sea.

Of this, Nesat, is already a Category-2 typhoon on the Saffir-Simpson scale storm intensity, and is expected to hit northeast Philippines as a dangerous Category-4 storm.

PACIFIC STORMS

From here, it is shown as entering the South China Sea and headed for a landfall over Taiwan by Friday.

Before this could happen, the prevailing South China Sea storm, Haitang, would have made a landfall over the Vietnamese coast as a depression.

These tropical storms are expected to influence the weather in the Bay of Bengal lying next the west and bring rains into the southern peninsula during the first week of October.

Weathermen are also watching if the storms could drag in the northeast monsoon (or the monsoon in reverse) in case if the southwest monsoon manages to exit the landmass early enough.

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Palm oil may test resistance, fall

Malaysian palm oil futures on Bursa Malaysia Derivatives exchange ended lower on Friday as commodity markets across the board fell on prospects of a global economic slowdown eroding commodity demand growth. The fall in CPO futures have been relatively muted compared to the soya complex as a weakening ringgit is considered supportive for palm oil exporters. Markets are also looking out for announcements from India, the world's top palm oil buyer, on whether it will raise import tariff values to insulate the domestic refining industry after number one producer Indonesia cut export taxes on processed palm oil. Markets are also hopeful that the palm demand could pick up in the coming weeks ahead of India's Diwali festival in late October and China's Golden Week holiday early next month given the recent fall in prices.

CPO futures turned bearish once again breaking key supports on the way. As mentioned in the previous update, a decline below 2,980 Malaysian ringgit (MYR) a tonne being a trend line support point could signal weakness. Such a fall could drag prices subsequently lower towards 2,885 MYR/tonne levels. Supports at 3,015 followed by 3,045 MYR/tonne which were broken will tend to resist upside attempts now. Only a direct rise above 3,080 MYR/tonne could once again revive bullish hopes. Failure to rise higher above 3,045 MYR/tonne could drag prices sharply lower below 2,850 MYR/tonne or even lower in the coming months.

We believe the impulse that began from 1,427 MYR/tonne, which hit 4,486 MYR/tonne ended and a prolonged corrective move has possibly ended at 1,335 MYR/tonne. In the big picture, a new impulse began from 1,335 MYR/tonne and the third wave with a projected objective of 3,900 MYR/tonne has been met. A corrective wave “B” has met one potential target near 3,465 MYR/tonne. A wave “C” kind of a decline looks likely with potential to test even 2,600 MYR/tonne in the bigger picture. Fall below 2,960 MYR/tonne has confirmed that the downtrend has begun. RSI is in neutral zone now indicating that it is neither overbought nor oversold. The averages in MACD have below the zero line of the indicator again indicating a bearish reversal in trend.

Therefore, look for palm oil futures to test the resistance levels initially and then fall lower subsequently.

Supports are at MYR 2,965, 2,920 and 2,885, Resistances are at MYR 3,015, 3,045 and 3,080.

Gnanasekar .T

(The author is the Director of Commtrendz Research and also in the advisory panel of Multi Commodity Exchange of India Ltd (MCX). The views expressed in this column are his own and not that of MCX. This analysis is based on the historical price movements and there is risk of loss in trading. He can be reached at gnanasekar_thiagarajan@yahoo.com.)

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Rubber Board sees 75,000-tonne supply shortfall this year

Launches survey to assess stocks

Stretching demand: Ms Sheela Thomas, Chairperson, Rubber Board; and Mr Vinod T. Simon, President, AIRIA; at a press conference in Chennai on Saturday. – Bijoy Ghosh

Chennai, Sept. 24:

The Rubber Board is projecting a 75,000-tonne shortfall in availability of natural rubber this year.

Addressing media persons at the 59 {+t} {+h} Annual General Meeting of the All-India Rubber Industries Association, Ms Sheela Thomas, the board's Chairperson, said that rubber production is set to increase to 9.02 lakh tonnes (lt), representing a 4.6 per cent growth over last year. The rubber products industry will need over 9.77 lt that is well over the anticipated supplies.

Over the next decade and a half, the Rubber Board expects the shortfall to grow to over 1.80 lt with production in 2025 expected to touch 1.63 million tonnes against a demand of 1.81 million tonnes of natural rubber.

Expanding the plantation of natural rubber to new areas, particularly the North-East and other pockets in the South including parts of Tamil Nadu, is an option, she said. Between 2005 and 2011 the area under production has trebled to about 1.54 lakh hectares compared with 1998-2004 when it was around 53,730 ha.

The industry believes the estimates of shortfall by the board are conservative, and the board had launched a separate survey to assess the natural rubber stocks. The findings of the sample survey is expected to be out in October, she said.

Mr Vinod T. Simon, President, All-India Rubber Industries Association, said securing the natural rubber is the single largest concern for the industry. While long term initiatives could include expanding plantation areas, the Government needs to be supportive on short term measures like facilitating imports.

The prevailing import duties need to be brought down as costs are increasing and the shortfall cannot be bridged at current rates.

Spot rubber rules weak

Our Correspondent reports from Kottayam: Spot rubber finished weak on Saturday. The weekend session was comparatively dull while the market lost ground on buyer resistance.

In futures, the October series recovered marginally to Rs 211.85 (210.50), November to Rs 209.35 (208.01) and December to Rs 210.06 (208.66 a kg for RSS 4 on the National Multi Commodity Exchange.

Spot rates were (Rs/kg): RSS-4: 214 (214.50); RSS-5: 208 (208); ungraded: 199 (200); ISNR 20: 209 (209) and latex 60 per cent 134 (134).

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