THE HINDU

HYDERABAD, April 17, 2012

'Food prices pushing inflation'

Rangarajan says non-food, manufacturing prices have shown signs of decline

Appreciation:Infosys team receiving the ITsAP annual industry award from Chairman, Economic Advisory Council to Prime Minister, C. Rangarajan, in Hyderabad on Monday .— Photo: Mohammed Yousuf

C. Rangarajan, Chairman of the Economic Advisory Council to Prime Minister, has said though non-food, manufacturing inflation had shown definite signs of decline, spiralling prices of food items was impacting overall inflation.

On the sidelines of an ITsAP annual industry awards function here on Monday, he said vegetable prices appeared to be on the rise again, including commodities like milk and vegetables, apart from cereals.

Diesel prices

As if this was not enough cause for concern, he said changes were needed to be made as regards diesel prices when asked about its de-regulation.

The point was that since prices of high speed diesel were not adjusted in a long time, the impact of such a move to bring it on a par with international prices could be high if effected at one go. Hence, it would have to be done in phases, he added.

Depending on the monsoon and international markets, a 7.5 per cent growth could surely be expected, he said in reply to a question. Earlier, he said imaginative and innovative use of IT could be the means to take quality education across the country. India's techies needed to focus on education and find solutions. With technology as the driving force for economic growth, he said the world was witnessing a revolution which could be as far-reaching as the first industrial revolution.

Positive impact

IT had a positive impact on payment and settlement systems, he said, adding with path-breaking initiatives, the ‘electronification' of payment system had become the hallmark of the last decade. With a whopping 700 million mobile telephones in place, it would be worthwhile for banks to ride piggyback on the mobile telephony platform to achieve financial inclusion, allowing authentication of identity and transactions through a secured gateway, he said.

The awards were given away in different categories. Verity Knowledge Solutions bagged the Best Start-up Indian company, while Microsemi India, Hyundai Motor India Engineering and Xilinx India Technology Services got the awards for the Best State-Up Off-Shore Development Centre (ODC), Best Indian SME in software development and the Best Established ODC, respectively.

The Tier-2 City Awards were bagged by Mahindra Satyam, PB Systems India, Trewport Techno Consulting and Gajalakshmi Software Systems, named as Best IT Company from Visakhapatnam, Vijayawada, Kakinada and Tirupati, respectively. The ITsAP Green IT Awards went to Infosys, Wells Fargo India solutions and Tata Consultancy Services. In a new category introduced this year, Infosys, Wipro and Mahindra were recognised as top exporters from Andhra Pradesh.

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Mango prices set to shoot up this year

R. Arivanantham

Failure of summer rain said to be the cause

An underdeveloped mango at a Pochampalli farm in Krishnagiri district. This is a result of prolonged dry weather in the region.—Photo: N. Bashkaran

Rising temperature and summer monsoon spells this year will result in the price of mangoes going up, said Periyasamy, Joint Director, Horticulture department, here on Monday.

Due to above normal temperature, blooming of flowers affected the mango production in the district this year. Normally, during the summer season, two spells of rain occurred, helping the mangoes to ripen.

Due to the scorching heat, premature blooming of flowers occurred in 90 per cent of the orchards in the district.

Only 10 per cent of the farmers used ground water irrigation.

This year mangoes were cultivated on 40,120 hectares in the district, which is 1000 to 1500 hectares less than last year.

The break-up mango cultivation in the district is as follows: Bargur 11,500 hectares, Kaveripattinam _ 6508, Krishnagiri _ 4800, Shoolagiri _ 3900, Uthangarai _ 3700, Mathur _ 4300, Veppanahalli _ 2500, Hosur _ 900, Kelamangalam _ 1020, Thalli _ 1150. Of these, 35,000 hectares depended on rain-fed irrigation only.

The average yield per hectare last year was 7.29 metric tonnes while the total mango production was 2, 92,475 tonnes.

Due to failure of rains this year, mango production may go down by 25 to 30 per cent, Mr. Periyasamy said.

Senthura, Alphonsa, Bengaloora, Himam Pasand, Kalapad, Malgoa and Malligai were the main varieties of mangoes cultivated in this region.

Losses

Farmers are now worried about enormous losses if there is a subsequent dip in temperature.

Experts believe that high temperature may have had an impact on the trees.

An agriculture scientist at the Tamil Nadu Agriculture University told The Hindu that due to failure of summer showers, the flowers as well as the immature mangoes would wither away due to prolonged dry condition.Farmer K. Chakravarthy, cultivating mangoes in six acres, in Parandapalli Panchayat, said he lost almost 90 per cent yield this year, as the flowers withered due to the abnormal heat conditions.The price of Bengaloora and Senthura, sold for around Rs. 20 to Rs. 25 last year, may go up to Rs. 40 this year in Krishnagiri district, said an official attached to the Agriculture Department.

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Incentives for farmers to set up stalls at mango fair

Ravi. P. Benjamin

Department of Horticulture has announced several incentives to mango farmers intending to participate in the month-long ‘Mango Fair' inaugurated at Hyderabad on Friday last. Mango farmers of the north coastal districts, including Srikakulam, Vizianagaram, Visakhapatnam, and East and West Godavari districts, planning to participate can avail the multiple incentives for setting up their stalls at the State fair.

A sum of Rs.10,000 is being extended to farmers for ethylene treatment of mangoes to facilitate ripening of the fruits by way of injecting of the hormone required for ripening of the fruits.

Farmers were also being extended a financial assistance of Rs. 5,500 to each farmer for transporting of 10 tonnes of their mango species to the venue of the fair. Besides, Rs.700 per tonne is being paid to every farmer for availing the cold storage facilities in the State capital for preserving their mango fruits.

Farmers will also be paid Rs. 6,000 each for packing and selling them at the exhibition.

The government apart from providing accommodation is paying Rs.150 per day during their stay. The State government is also fixing remunerative price for the farmers depending on the gradation of the mango varieties.

The government is spending Rs. 37,200 on each participating farmer who stays for a 10 days in the mango fair.

Additional Director of Horticulture G. Prabhakar Rao told *The Hindu* that the actual mango season would begin by the end of April and ripe mangoes would flood the market by then.

Due to the recent gale about 10 percent to 15 percent of mango crop experienced a drop in the mandals of Yelamanchili, Nakkapalle, Kotavratla, K.Kotapadu and Kasimkota.

By and large the mango crop have been promising and a large number of farmers were evincing interest to participate in the mango fair. The mango fair launched on April 13 will continue until May 14.

- *Government spending Rs. 37,200 on each participating farmer in the mango fair*
- *Mango fair launched on April 13 will continue till May 14*

MANGALORE, April 17, 2012

Seminar for areca farmers on April 25

Farmers can attend a seminar on use of chemical sprayers in arecanut plantations and selection of manures here on April 25.

Central Arecanut and Cocoa Marketing and Processing Cooperative Ltd. (CAMPCO) and Arecanut Research and Development Foundation (ARDF) will organise the seminar at Sharada

Vidyalaya, Kodialbail from 9.30 a.m. to 4 p.m., according to a press release issued here by CAMPCO.

M. Tamil Selvan, Director, Directorate of Arecanut and Spices Development, Kozhikode, will inaugurate it. Progressive farmers, scientists from Central Plantation Crops Research Institute (CPCRI), Kasaragod, and Vitla, manufacturers of manures and chemical sprayers used to control “kole roga” (fruit rot disease) in arecanut plantations will participate in the seminar.

The release said that farmers were traditionally spraying a mixture of copper sulphate and lime to control “kole roga”.

Now alternatives to this mixture were available in market.

Hence, farmers were in confusion on their use as companies were coming out with advertisements, the release said.

Experts would guide farmers on selecting manures and sprayers, the release said.

It said that the seminar would also throw light on soil testing, soil conservation methods and crop protection.

There would be interactive sessions.

President of CAMPCO Konkodi Padmanabha said that select 500 farmers would participate in the seminar. For further details, call 0824 2441584 or 2888242.

MYSORE, April 17, 2012

Tobacco growers of Karnataka want crop size to be increased

Tobacco growers have expressed displeasure over the reduced crop size for 2012-13 and appealed to A.H. Vishwanath, MP, to impress upon the Ministry of Commerce to increase it from 97.5 million kg to 106.7 million kg (the indent last year or demand for crop from the companies).

The Tobacco Board announced a couple of days ago that the crop size for the State had been fixed at 97.5 million kg against last year's 101.6 million kg. Most of the growers were sore that they were not consulted. They questioned the decision of the board, which fixed the crop size for Andhra Pradesh at 162 million kg as against the trade indent of 144 million kg for the current year. This was discriminatory, they said.

B.V. Javare Gowda, former member of the board, said that though 160 countries had signed the Framework Convention on Tobacco Control under the World Trade Organisation, the World Health Organisation insisted that only India phase out the crop by 2020. None of the major producers of tobacco in the world had reduced the crop size, they alleged.

Returns

Tobacco had an assured market and guaranteed payment to growers apart from loan facilities. The board should protect the interests of authorised growers in the State, he said.

The much hyped e-auction of the crop in the State had been delayed, Mr. Gowda said, questioning the board's silence over the issue.

He cautioned growers not to allow tobacco companies to exploit them during the auctions.

Murthy, a grower from Hunsur, was upset that the board did not consult growers before taking a decision. Board officials visiting the State claimed Rs. 85 lakh as tour bills alone over a one-year period, he alleged.

Chandre Gowda, another grower, stated that there were 57,000 authorised and 30,000 unauthorised growers in the State, and the production was bound to go beyond the fixed size.

H. Basavaraju criticised the reduction in the authorised crop size this year. The board had also increased the quantum of fine for excess production from 5 to 15 per cent, which was unfair.

Manju, another grower, said there was no viable alternative crop to tobacco.Crops such as ginger and turmeric fetched poor returns owing to the low farm prices.Balaraj wanted Mr. Vishwanath to take the growers' plea to the Commerce Ministry.

- *‘Tobacco Board should protect the interests of authorised cultivators'*
- *The much hyped e-auction of the crop in the State has been delayed: ex-board member*

ALAPPUZHA, April 17, 2012

Agricultural website inaugurated

Minister for Rural Development K.C. Joseph said that 26 per cent of farmers have become active in the dairy sector and added to the large pool of existing dairy farmers since the milk price was hiked. Inaugurating the agricultural web site and monitoring cell of the district panchayat here on Monday, Mr.Joseph said that more and more people are coming to dairy sector due to the aid and encouragement extended by the government to the sector. He also inaugurated the revolving fund distribution scheme for the best dairy cooperative societies introduced in the district to increase milk production and to encourage the dairy farmers. District panchayat president U.Pratibha Hari presided.

PALAKKAD, April 17, 2012

Paddy farmers ask Supplyco to pay up

Corporation yet to pay for paddy procured from them

Paddy farmers in the district are up in arms against the Kerala State Civil Supplies Corporation (Supplyco) for its alleged failure to pay them the support price, announced by the government in the last harvest season, for the paddy procured from them.

In a statement here on Monday, president of Desheeya Karshaka Samajam V. Vasudevan and general secretary Muthalamthode Mani said that the paddy farmers were struggling because of the non-payment of price by Supplyco. The paddy was procured three months ago.

“The farmers are unable to repay the loans they had taken for cultivation. They are also finding it difficult to buy seed and fertilizer for the next crop of paddy,” the statement said.

It said that Supplyco was delaying payment since it lacked funds.

The Union and State governments had to pay Rs.300 crore to Supplyco. Unless this money was paid, the Corporation would not be able to pay the farmers, the statement said.

The Samajam had also met Chief Minister Oommen Chandy during his visit to the district on Friday and submitted a memorandum on the issue.

Published: April 17, 2012 00:00 IST | Updated: April 17, 2012 04:31 IST

Farmers' grievances day

The monthly farmers' grievances day meeting will be held at the Collectorate hall here at 10.30 a.m. on Monday. Collector V. Kalaiarasi will preside over the meeting. An official press release issued here on Monday, called upon farmers and their representatives to participate in the meeting and get their grievances solved.

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hindustantimes

Tuesday, April 17, 2012

Press Trust Of India

New Delhi, April 16, 2012

First Published: 12:20 IST(16/4/2012)

Last Updated: 12:28 IST(16/4/2012)

Inflation slips to 6.89% in March

The overall inflation in March eased to 6.89% on account of sharp decline in prices of onions, fruits and protein-based items, even as vegetables and pulses turned costlier. Inflation, as measured by the Wholesale Price Index (WPI), was 6.95% in February. In March last year, it was 9.68%.

As per the official data released on Monday, inflation in food items was 9.94% in March, as against 6.07% in February.

Onion prices declined by (-)24.23% in March. The rate of decline was (-)48.50% in February.

Besides, eggs, meat and fish prices rose 17.71% during the month, lower from 20% in February.

Pulses turned expensive by 10.05% and vegetables by 30.57% during March. In February, the rate of price rise in vegetables was 1.52%.

Milk became expensive by 15.29%, while rice and cereals turned costlier by 4.73% and 4.41% respectively. Prices of potato too rose by 11.60%.

Food articles have 14.3% share in the WPI basket.

The manufactured goods showed moderation in inflation to 4.87%, from 5.75%. This may have a bearing on the annual monetary policy to be announced by the Reserve bank tomorrow.

The inflation number for March remained marginally above the projections made by finance ministry, which had expected it to be around 6.5%.

The headline inflation number for January was revised upwards to 6.89 %, up from the provisional estimate of 6.55%.Inflation in overall primary articles rose sharply to 9.62% in March, from 6.28% in February.

In manufactured items, it has been high since February 2011, when it crossed the 6% mark.

Year-on-year, among manufactured items, iron grew dearer by 17.18% and edible oil prices rose by 9.78%. Inflation in tobacco products and basic metals was 8.22% and 9.51% respectively.

Non-food primary articles, which include fibres and oilseeds, was however lower at (-)1.20% in March. In February, it was (-)2.56%.

Inflation in the fuel and power segment was 10.41% on an annual basis. The rate of price rise was 12.83% in the previous month.Experts said the inflationary pressure, driven by prices of food articles, will keep the pressure on the government to remove supply side bottlenecks.Headline inflation was near double digit for most of 2010 and 2011. The apex bank hiked key policy rates 13 times, totalling 350 basis points between March 2010 and October 2011 to tame inflation.Since January, RBI has resorted to injecting liquidity into the financial system, by reducing Cash Reserve Ratio for banks. Besides, it has called for fiscal steps by the government to combat inflation.

http://www.hindustantimes.com/StoryPage/Print/841287.aspx

weather

Chennai - INDIA

Today's Weather

Sunny	Tuesday, Apr 17 Max Min 36.8° | 26°
Rain: 00 mm in 24hrs	**Sunrise:** 6:35
Humidity: 79%	**Sunset:** 18:03
Wind: Normal	**Barometer:** 1008

Tomorrow's Forecast

Sunny

Wednesday, Apr 18

Max Min

36° | 24°

Extended Forecast for a week

Thursday	Friday	Saturday	Sunday	Monday
Apr 19	Apr 20	Apr 21	Apr 22	Apr 23
36° | 25°	36° | 25°	35° | 25°	35° | 24°	33° | 25°
Sunny	Sunny	Partly Cloudy	Partly Cloudy	Cloudy

The Indian EXPRESS
JOURNALISM OF COURAGE

Inflation to remain sticky in 2012-13: RBI

Agencies Posted online: Mon Apr 16 2012, 19:55 hrs

Mumbai : Painting a grim picture of the price situation in coming months, the RBI today said inflation will remain sticky at current level of around 7 per cent in 2012-13 mainly due to high oil prices and increase in tax rates.

"Inflation is likely to remain sticky at about current level during the year with the probability of further significant moderation being small," the Reserve Bank said in the 'Macroeconomic and Monetary Developments in 2011-12' report released on the eve of annual credit policy.

The last fiscal was marked by strong inflationary pressures that began easing only in December.

"Going forward...the near-term inflation trajectory is subject to significant upside risks, in particular from high oil prices and unsustainable levels of suppressed inflation, the lagged pass-through impact of rupee depreciation, higher freight rates and taxes, sustained wage pressures, and the structural nature of protein-food inflation," RBI added.

The Wholesale Price Index (WPI) based inflation has moderated to 6.89 per cent in March 2012.

While there was a slight decline in overall inflation in March, food prices have increased marginally.

Terming the rising prices of food items as 'disturbing', Finance Minister Pranab Mukherjee said the government will take steps to clear the supply-side bottlenecks to ease the price situation.

Pointing out that the government would have been more comfortable with an inflation closer to 6.5 per cent, he said, "we shall have to be alert on it...Ofcourse the supply side constraint substantially effect food inflation. We will be addressing that".

The RBI further said that "major concern on the inflation front continues to be high fuel prices driven by the increase in international oil prices," the report added.

As per the RBI's "current assessment", Indian basket crude oil prices during the year could average around the current levels of about USD 120 per barrel but both upside and downside risks to this projection remain large.

India imports about 80 per cent of its crude oil requirements.

The RBI further said the increase in railway freights and hike in excise duty to 12 per cent from 10 per cent will increase cost pressures. This could fuel prices of non-food manufactured products, thereby increasing inflation in the short-term.

The central bank said demand moderation, reflected in the dampening of the pricing power of producers, has also played a role in moderating inflation in the recent months.

THE ECONOMIC TIMES

16 APR, 2012, 02.48PM IST, PTI

Jeera futures up 1.31 pc on spot demand

NEW DELHI: Jeera prices moved up by Rs 155 to Rs 11,955 per quintal in futures trading today as speculators enlarged their positions after pick-up in demand at spot markets.

At the National Commodity and Derivatives Exchange, jeera for delivery in May month rose by Rs 155, or 1.31 per cent, to Rs 11,955 per quintal with an open interest of 15,849 lots.

In a similar fashion, the spice for delivery in April contract moved up by Rs 105, or 0.92 per cent to Rs 11,470 per quintal in 5379 lots.

Analysts said fresh buying by speculators driven by pick up in demand in the spot market mainly pushed up jeera prices at futures market here.

‘Rising food inflation disturbing’

MONDAY, 16 APRIL 2012 22:13

PNS | NEW DELHI

inShare

The overall inflation in March eased to 6.89 per cent on account of a sharp decline in the prices of onions, fruits and protein-based items, but the prices of essential items like pulses, potato and milk remained "disturbingly" high, prompting Finance Minister Pranab Mukherjee to state that the Government would have to address the problem.

Inflation declined marginally to 6.89 per cent in March, from 6.95 per cent a month ago. It was 9.68 per cent in March last year.

Pointing out that the government would have been more comfortable had the inflation been closer to 6.5 per cent, he said, "we shall have to be alert on it...Ofcourse the supply side constraint substantially effect food inflation. We will be addressing that."

Inflation in food items rose sharply to 9.94 per cent in March, as against 6.07 per cent in February. Food articles have 14.3 per cent share in the WPI basket.

Mukherjee said, however, he hoped that in course of time inflation will moderate.

During the month, vegetables inflation was as high as 30.57 per cent, as against 1.57 per cent in February.

Also, milk became expensive by 15.29 per cent, while rice and cereals turned costlier by 4.73 per cent and 4.41 per cent respectively.

Potatoes too became costlier by 11.60 per cent, and the price of pulses was up 10.05 per cent in March.

Prices of eggs, meat and fish prices rose 17.71 per cent. The rate of price rise was lower than 20 per cent in February.

Meanwhile, there is widespread expectation that RBI may lower lending rate by 0.25 per cent at its annual credit policy announcement tomorrow, although the inflation rate is still higher than the central bank's comfort level of 5-6 per cent.

Business Standard

Tuesday, Apr 17, 2012

Uneven pre-monsoon showers may hit coffee output in FY13

Production in Karnataka, the biggest producer, may drop 10%

Mahesh Kulkarni / Chennai/ Bangalore April 17, 2012, 0:08 IST

Domestic coffee output for crop year 2012-13 is likely to be lower than the previous year, due to shortage of blossom showers across many major growing regions in South India between the last week of March and now.

The major growing regions of Chikmagalur, Hassan and Kodagu districts of Karnataka have experienced poor to negligible pre-monsoon showers over the past two to three weeks. Karnataka produces a majority of the country's coffee.

"It is crucial for the crop to get pre-monsoon showers in March and April. As against a requirement of one inch of rainfall spread over two to three days, we have not witnessed good rains across all the growing regions this year," said Marvin Rodrigues, chairman, Karnataka

Planters Association (KPA).

Though it is too early to come to a conclusion on the crop size for 2012-13, there could be a decline in output of up to 10 per cent over last year's pickings.

For the crop year 2011-12, the harvest for which has just concluded, KPA estimates output at 295,000 tonnes, about eight per cent less than the Coffee Board estimate of 322,000 tonnes. While arabica output is estimated at 95,000 tonnes, robusta could be 200,000 tonnes, said Rodrigues.

Between March 27 and now, 40-45 per cent of the growing regions in Chikmagalur, Hassan and Kodagu have experienced poor to negligible rain.

The other 55 per cent area saw good rain. "We fear lack of proper rain during this period may cause more damage to the arabica crop, as this is going to be an off-year for the variety. The robusta crop is likely to be better than last year," he told Business Standard.

Agreeing with the planters, Coffee Board chairman Jawaid Akhtar said, "About 70-80 per cent of the robusta area is irrigated in Karnataka and the poor rainfall would not affect the crop much.

As regards arabica, there is still time for rain and the crop can manage with late blossom showers."

The Coffee Board, he said, was in the process of collecting rainfall data from field officers and is to come out with post-blossom estimates for the next crop by early May.

Only 50 per cent of coffee growing areas in Kodagu have witnessed showers. The situation was worse in the southern parts of the district, bordering Kerala.

Akhtar said the Coffee Board more or less confirms the rainfall pattern so far in Karnataka. The final picture would emerge only when the Board prepares its estimates officially, he said, adding it would also announce the final estimates for the just concluded harvest simultaneously with the post-blossom estimates for next year.

Refined oil imports rise 78% in 5 months

BS Reporter / Mumbai April 17, 2012, 0:10 IST

In the first five months of the current oil year (November 2011–October 2012), import of refined oil shot up 78 per cent, posing a threat to domestic edible oil refiners. This rise in import is the result of the inverse export duty structure in Indonesia, the world's largest producer and exporter of palm oil. The government of Indonesia charges 18 per cent export duty on crude palm oil to discourage its shipment from the country. However, export duty on refined, bleached and diodised (RBD) palmolein is much lower at nine per cent in Indonesia.

Data compiled by the Solvent Extractors' Association (SEA) of India showed overall imports in the first five months (November 2011–March 2012) of the current oil year shot up to 0.82 million tonnes, compared to 0.46 million tonnes in the corresponding period of the previous year. This represents 21 per cent of the overall vegetable oil imports during the period under consideration, compared to 15 per cent in the same period last year.

Rising imports of refined oil would result in lower activity in domestic refineries, as RBD palmolein is an edible grade oil and requires no further processing. RBD palmolein is used directly for packing and blending with other refined oils, including rape / mustard oil and soybean oil.

The import of crude oil, however, rose a mere 12.5 per cent during November 2011–March 2012, to 3.71 million tonnes. The share of crude oil in overall vegetable oil imports, however, has declined to 79 per cent from 85 per cent in the same period last year.

Overall vegetable oil imports, therefore, during the November 2011–March 2012 period, has recorded a rise of 21 per cent to 3.79 million tonnes, compared to 3.13 million tonnes in the same period last year.

According to the Central Organisation for Oil Industry & Trade (COOIT) Chairman, Laxmi Chandra Agarwal, there could be two solutions to the issue. First, the government must revise tariffs (the base price for calculating import duty), was fixed seven years ago at $484 a tonne for crude palm oil, and make it market-linked. Since, as the price of crude palm oil shot up to around $1,250 a tonne, the tariff must be revised accordingly. While this will marginally raise the price of edible oil, it will protect the interests of domestic refineries.Second, a rise in customs duty would help. The import duty was fixed at 'nil' on crude palm oil and 7.5 per cent on refined oil a few years ago to control inflation.

Wheat purchase up 15% despite late arrival from Punjab, Haryana

Press Trust Of India / New Delhi April 17, 2012, 0:26 IST

Wheat procurement has risen by 15.2 per cent to 329,500 tonnes in the rabi marketing season so far, even as arrival of the grain from Punjab and Haryana has been delayed due to untimely rain and late harvest.

The purchase of the staple was about 280,000 tonnes in the period under review of the last rabi marketing season, which starts from April, according to the data compiled by the Food Corporation of India (FCI), the nodal agency for procurement and distribution of foodgrain.

"The procurement gains momentum in Punjab and Haryana after the Baishakhi festival usually but untimely rains have delayed the arrival of the grain this time," an FCI official said. Also, harvesting has been delayed due to extended cold conditions this year. But, the situation was likely to improve in the next couple of days, the official said.

Wheat purchase was lower at 28,000 tonnes in Punjab this season so far against about 200,000 tonnes last year.

Haryana procurement was 42 per cent down at 698,000 tonnes this season against 121,800 tonnes in the last year.

Madhya Pradesh, the largest contributing state so far this season, purchased 240,700 tonnes of wheat, 70 per cent higher than the 140,900 tonnes in the same period last season.In Uttar Pradesh, wheat purchase was 32,000 tonnes, while Rajasthan has contributed 91,000 tonnes of grain to the central pool this season so far.The procurement has been over three-times higher at 33,155 tonnes in Gujarat this season against 10,543 tonnes last year.Wheat output in India, the world's second largest producer, is estimated at a record 88.31 million tonnes in the 2011-12 crop year (July-June). The government expects that figure could cross 90 million tonnes.

K'taka milk federation to double procurement

BS Reporter / Kolkata/ Dharwad April 17, 2012, 0:24 IST

The Karnataka Milk Federation (KMF) is growing fast and has been rated as the standard brand in the international market. Moreover, according to the latest survey, KMF stands second in milk procurement, claimed chairman of Karnataka Milk Federation Somshekhar Reddy.Speaking after performing the ground-breaking ceremony for a godown at the Dharwad Milk Union near Dharwad on Sunday, Reddy said, “Two decades ago the KMF used to procure 2 million litres of milk per day and at present it procures 4.5 million litres. All efforts are being made to increase the milk procurement to 10 million litres in the next two years, he added.

This fiscal, the overall growth of the milk federation across the country is 6 per cent, whereas the KMF recorded a growth of 30 per cent.

The Union government has taken note of KMF's steep hike in milk procurement and has called for a high-level meeting in New Delhi to discuss the innovative measures implemented by the federation to enhance milk procurement, Reddy added.

He said the Centre was mooting a National Diary Plan by 2020 and Karnataka would be the first state where this project would be launched as a pilot.

The plan aims to set up at least one milk union in every village and empower farmers to sell milk. Compared with milk federations in other states, KMF gives the highest subsidy to milk producers, he said. The KMF, last fiscal, saw a profit of Rs 88 crore which is an all-time high.

Reddy said the KMF had allocated Rs 9.40 crore to the Dharwad Milk Federation to improve infrastructure and enhance milk procurement. This year more grants will be allotted to the milk unions in north Karnataka.

Apart from this, the federation will release funds to the tune of Rs 2 lakh each to 250 milk unions to have a permanent building.

Rubber imports grow 9% in FY12, mark all-time high

George Joseph / Kochi April 17, 2012, 0:11 IST

Rubber imports by India hit an all-time high in the just-concluded financial year. The country brought in 205,050 tonnes of the material during 2011-12, as against 188,337 tonnes in FY11, registering a growth of nine per cent, according to provisional figures of the Rubber Board. The 2009-10 figure was 176,756 tonnes.

It was a steep rise in the fourth-quarter imports that led the figure to cross the 200,000-tonne mark. March alone recorded 19,199 tonnes of import, as against just 5,253 tonnes in the year-ago month.

The import in February was 22,924 tonnes, as against 8,458 tonnes in the same month of 2011, while in January this was 26,375 tonnes as against 8,163 tonnes in the first month of calendar year 2011.

Overall, in January-March of FY12, rubber imports stood at 68,498 tonnes, against 21,874 tonnes in the same period of the previous financial year. This was mainly due to lower tariffs that prevailed in the global markets for the last six to seven months.

Interestingly, till Dec-ember of the last financial year, the import of natural rubber had recorded negative growth. In fact, the cumulative figure for April-December was 133,693 tonnes, as against 166,463 tonnes earlier.

There was a gap of 66,815 tonnes in the domestic production and consumption of the commodity in the last financial year. The total production in FY12 was 899,400 tonnes, as against 861,950 tonnes in 2010-11, registering a growth of 4.3 per cent.

All the same, consumption registered slower growth at two per cent at 966,215 tonnes, as against 947,715 tonnes in the previous financial year.

Earlier, the Board estimated a gap of 75,000 tonnes. Rubber industry organisations had estimated a deficit of around 140,000 tonnes. The provisional figures of the Rubber Board, though, indicates a lower gap in domestic production and consumption.

As for the export of rubber, FY12 saw a slide, even as earlier trends indicated a surge. Total exports stood at 26,531 tonnes, compared to 29,851 tonnes in 2010-11.

According to the Board’s estimates, the total stock of rubber in the country by the end of March 2012 was 230,000 tonnes, as against 288,300 tonnes in the year-ago period.

THE HINDU Business Line

Food prices surge, but overall inflation eases

K.R. Srivats

New Delhi, April 16:

Inflation eased marginally to 6.89 per cent in March, following some moderation in the prices of manufactured products. The wholesale price index (WPI)-based inflation was 6.95 per cent in February 2012. It was 9.68 per cent in March 2011.

However, as per the WPI, food inflation rose sharply to 9.94 per cent in March, against 6.07 per cent in February. The Finance Minister, Mr Pranab Mukherjee, said: “Food inflation in the month of March has increased, which is a disturbing factor.” He said it would have been “more comforting” had the overall inflation for March been in the range 6-6.5 per cent. The manufactured products inflation was 4.87 per cent in March, lower than 5.75 per cent last month. Fuel inflation eased to 10.41 per cent, from 12.83 per cent in February.

Inflation in overall primary articles rose to 9.62 per cent in March from 6.28 per cent in February.

Repo rate

The latest inflation data have raised expectations of a repo rate cut by the Reserve Bank of India on Tuesday win its monetary policy announcement on Tuesday. The RBI is likely to go in for a symbolic 25-basis-point repo rate cut, given the recent muted industrial output growth numbers.

Any reduction beyond 25 basis points is unlikely, as there is a view that monetary policy tightening was not the fundamental reason for corporate investments slowing down.

Although a 25-basis-point cut would help boost investment sentiment, economy-watchers said regulatory uncertainty, environmental clearances and land acquisition issues need to be tackled to boost investments.

Also, the RBI's approach to cash reserve ratio (CRR) will, to some extent, depend on how it perceives the credibility of the Centre's fiscal consolidation efforts. It has already cut CRR, the quantum of bank deposits that must be maintained with the RBI in cash, by 125 basis points in two stages since January to 4.75 per cent.

WPI-inflation revised

Meanwhile, the Centre has revised the WPI-based inflation number for January to 6.89 per cent from 6.55 per cent earlier.

Although overall inflation eased in March, vegetables and pulses turned costlier. Onion prices declined by 24.23 per cent, but pulses went up by 10.05 per cent. Vegetables rose steeply by 30.57 per cent, with potato up 11.60 per cent. Milk, too, became costlier by 15.29 per cent. To tame inflation, the RBI had increased policy rates 13 times, totalling 350 basis points, between March 2010 and October 2011. It had taken a pause since then on the repo rate front. Headline inflation was near double digits for the most part of 2010 and 2011.

Soya oil drops on weak global cues

Indore, April 16:

Weak global cues and lower demand at higher rates dragged soya refined to Rs 720-723 for 10 kg (Rs 720-725).

On the other hand, soya solvent ruled unchanged at Rs 685-690 for 10 kg despite scattered buying support.

Soya oil futures also trader lower on weak buying support and global cues. Soya refined April contract on the National Board of Trade here closed lower at Rs 762.80. On the National Commodity and Derivatives Exchange, soya oil April and May contracts closing at Rs 754.49 (down Rs 2.90) and Rs 762 (down Rs 5.10) respectively.

Soyabean was unchanged at Rs 3,010-3,160 a quintal, while plant deliveries of soyabean were steady at Rs 3,150-3,200 a quintal despite subdued demand. Arrival of soybean increased in Madhya Pradesh *mandis* that opened after more than a week to 35,000-40,000 bags.

In *mandis* here, soyabean ruled at Rs 3,150-3,200 a quintal amid arrival of 2,000 bags. In nearby Dewas, 5,000 bags arrived. Soya de-oiled cake or soyameal remained bullish. In the port, it quoted at Rs 26,500, while in the domestic market, it ruled at Rs 25,600 a quintal.

Global cues sap spot rubber

Our Correspondent

Kottayam, April 16:

Physical rubber prices turned weak on Monday. The market lost ground following drop in prices in domestic and international futures.According to sources, there was no selling pressure in the market but the selected counters slipped on buyer resistance. The trend was partially mixed.Sheet rubber dropped to Rs 197 (198) a kg, according to traders and the Rubber Board.

The May series weakened to Rs 197.75 (199.97), June to Rs 202.89 (204.94), July to Rs 205.85 (208) and August to Rs 207.50 (207.62) a kg for RSS 4 on the National Multi Commodity Exchange.The key TOCOM rubber futures fell around two per cent early on Monday in tune with the losses in oil and stocks. This was followed by disappointing Chinese growth data, concerns over Europe's debt crisis and growing anxiety on global rubber demand.The April futures for RSS 3 declined to ¥291.9 (Rs 186.77) from ¥295.1 a kg during the day session on the Tokyo Commodity Exchange.

Spot rates were (Rs/kg): RSS-4: 197 (198); RSS-5: 196 (196); ungraded: 190 (190); ISNR 20: 195.50 (196) and latex 60 per cent: 127 (128.50).

Futures closure fears push down pepper

G. K. Nair

Kochi, April 16:

The pepper market on Monday slipped further on reports of possible closing down of futures trading in pepper, which led to liquidation by small and medium players.

The market witnessed high volatility. It opened on a declining note, touched the lowest at the beginning of the forenoon session and then moved up to the day's highest price. In the afternoon, it fell to move up later and then dropped in the closing session and ended marginally below the previous day's closing of active contracts.

Reports in a section of the media that the Centre is contemplating closing down of futures trading in pepper and cardamom, as was done in the case of guar gum recently, created a fear psychosis among small and medium players who resorted to liquidation. This turned out to be a shot in the arm for those trying to pull down the market to cover to meet their pending requirements, market sources told *Business Line.* Many of the exporters covered farm grade and validity expired stocks from the investors at Rs 7 below the April price and some bought even at April prices, they said.April contract on the NCDEX declined by Rs 55 to the last traded price (LTP) of Rs 36,740 a quintal. May and June dropped by Rs 175 and Rs 115 respectively to the LTP of Rs 37,850 and Rs 38,695 a quintal.

Turnover

Total turnover decreased by 3,039 tonnes to close at 4,600 tonnes. Total open interest declined by just 51 tonnes to 6,551 tonnes.April open interest dropped by 386 tonnes on liquidation while May and June increased by 306 tonnes and 21 tonnes respectively to close at 4,626 tonnes and 368 tonnes on switching over at a premium.Spot prices remained unchanged for want of sellers on the ready pepper market at Rs36,000 (ungarbled) and Rs37,500 (MG 1) a quintal.Indian parity in the international market has come down to $7,400 a tonne (c&f) and remained in line with Indonesia. Vietnam prices were also reportedly firm and the Indian prices are nearly competitive with Vietnam also, they said.

Overseas trend

According to an overseas report, Vietnam pepper market was steady/firm and price indications today were at 500 GL $6,150; 550 GL $6,450 ; Asta 570 GL $6,800 ; and White pepper double washed at $9,075 a tonne (fob) HCMC.

Cardamom rules firm on balanced demand-supply

Kochi, April 16:

The cardamom market ruled steady on matching demand and supply at the auctions last week.

Arrivals continued to decline, while demand is yet to pick up after the holidays. The full participation of buyers is expected from Tuesday onwards and the market may witness a positive trend, trade sources said.

Meanwhile, lack of rains in the major cardamom-growing belt stretching from Nedumkandam and Vandiperiyar to the Vandanmettu region is a cause for concern, growers in Kumily told *Business Line*. They said that the continued dry spell had affected the health of the plants, particularly in areas with no irrigation facilities. Fresh tillers are not coming out from the plants, they said.

"If no rain is received, the crop of small and medium growers who lack irrigation facilities would dry up," they said.

There was no auction on account of *Vishu* on Saturday. Monday's auction in Bodinayakanur by the Cardamom Planters Association (CPA) was suspended for technical reasons.

Unfavourable weather

Weather conditions remained unfavourable in several growing areas that have not received summer showers so far, though the valleys and midlands received rains in recent days, Mr P. C. Punnoose, General Manager, CPMC, told*Business Line*. If the present conditions prevail for some more days, plants in vast areas would be fully destroyed, he said, quoting growers.

Total cardamom arrivals last week stood at 252 tonnes, of which 236 tonnes were sold. At the Sunday auction conducted by the KCPMC, arrivals were 43 tonnes, of which 40 tonnes were sold, Mr Punnoose said. The maximum price was Rs 1,105 a kg and the minimum Rs 500. The average price was Rs 791.26 a kg. The individual auction average was Rs 750-800 a kg.

Total arrivals during this season, from August 1 were 16,041 tonnes and sales 15,535 tonnes, against 8,732 tonnes of arrivals and 8,511 tonnes of sales in the same period last year.

Prices

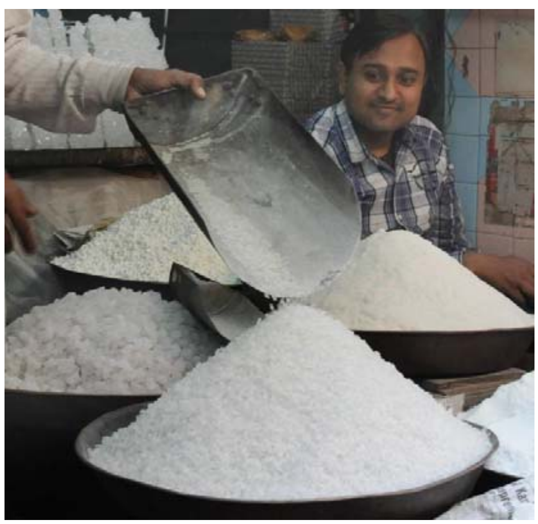
Weighted average price as on April 15, 2012 was Rs 609.09 a kg against Rs 1,094.35 a kg on the same date last year, according to official sources.

Prices of graded varieties were steady at previous levels. Their prices in Kumily (in rupees per kg) were: AGEB-1:140-1,150; AGB: 900-910; AGS: 890-900 and AGS-1: 870 - 880.

Open market prices of graded varieties in Bodinayakanur (in rupees per kg) were: AGEB: 1050-1,100; AGB: 890-900; AGS: 880-890 and AGS-1: 850-860, trade sources in Bodi said. A Negligible quantity of 8mm bold was available and it fetched over Rs 1,100- 1,200 a kg while good bulk was being sold at Rs 850-900 a kg, they added.

Ample supply keeps sugar on leash

Our Correspondent



Mumbai, April 16:

Sugar prices ruled steady on routine local demand and ample supply from mills on Monday. The absence of any positive trigger kept the market cautious. Despite hot temperatures, less than expected demand kept volumes stagnant and normal. Range-bound price volatility in futures market kept physical market also under pressure, said traders.

Demand from bulk consumers as well as neighbouring States' is still lacking in Maharashtra. There was a talk last week about two rail rake (total about 50,000 bags) being purchased by neighbouring States but that did not have any impact as producers are carrying ample stocks.

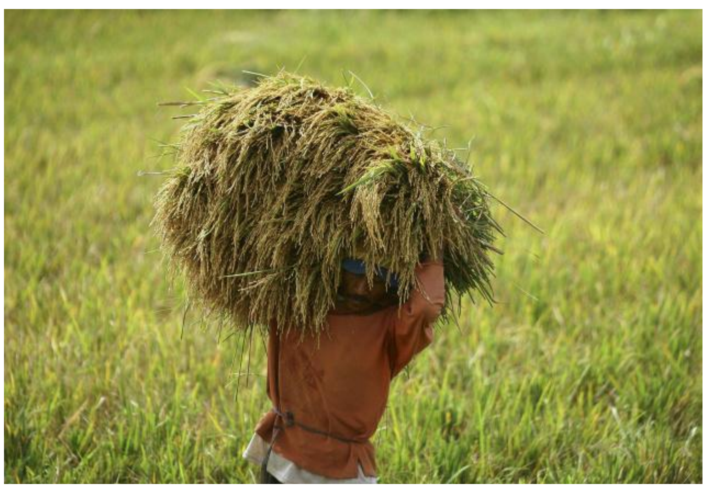
Mill tender rates were unchanged. Supply from mills is ample, while retail demand remains need-based due to starting of school/college vacations. There are 78-80 truckloads (100 bags of 100 kg each) inventory stocks in market, keeping stockists away from buying, he said.

In the Vashi market arrivals were 54-55 truckloads and local dispatches were 50–52 loads. On Saturday, about 14–15 mills offered tenders and sold 58,000–60,000 bags in range of Rs 2,750-2,820 (Rs 2,750-2,820) for S-grade and Rs 2,870-2,940 (Rs 2,870-2,940) for M-grade.

The Bombay Sugar Merchants Association's spot rates were: S-grade Rs 2,876-2,952 (Rs 2,876-2,952) and M-grade Rs 3,021-3,121 (Rs 2,986-3,121). *Naka* delivery rates: S-grade Rs 2,840 -2,890 (Rs 2,840-2,890) and M-grade Rs 2,950-3,050 (Rs 2,950-3,050).

Volatility hits bulk buying in rice market

Our Correspondent



Karnal April 16:

The rice market witnessed a mixed trend on Monday with buying being lacklustre. Aromatic rice varieties witnessed a downtrend, while non-basmati varieties managed to maintain their previous levels.

Mr Amit Chandna, proprietor of Hanuman Rice Trading Company, said that sluggish domestic demand against ample stocks brought down prices of aromatic varieties, while the other rice varieties managed to rule firm.

There is no bulk buying in the market, while retail traders are buying only limited quantities as there is too much volatility in the market, he said.

In the physical market, after ruling firm for almost one week, prices of Pusa-1121 (steam) fell up to Rs 150 a quintal and settled at Rs 5,850, while Pusa-1121 (sela) sold at Rs 4,850-4,900, Rs 50 down from previous level.

Prices of Pure basmati (raw) continued to witness the downtrend, eased further by Rs 100 and settled at Rs 4,900, while pure basmati (sela) sold at Rs 4,600.

Duplicate basmati dropped by Rs 80 and sold at Rs 4,520 a quintal. For the brokens of Pusa-1121, Tibar sold at Rs 3,400-3,500, Dubar at Rs 2,700-2,900 while Mongra was trading at Rs 1,900-2,300 a quintal.

On the other hand, non-basmati varieties remained almost unchanged, Sharbati (steam) sold at Rs 3,400-3,600 a quintal while Sharbati (sela) was at Rs 3,500 a quintal.

Permal (raw) sold at Rs 1,900-2,000 a quintal, Permal (sela) at Rs 1,800-2,030, PR-11 (sela) at Rs 2,220-2,370 and PR-11 (raw) at Rs 2,125-2,300 a quintal.

Sugandha (steam) went for Rs 3,650-3,750 a quintal while PR-14 (steam) sold at Rs 2,300-2,450 a quintal.

Profit booking drags raw cotton futures

Our Correspondent

Rajkot, April 16:

Cotton was unchanged in Gujarat on Monday, as demand and supply matched, said traders. However, *kapas* or raw cotton futures on the National Commodity and Derivatives Exchange fell on profit booking.

The Sankar-6 variety was traded at Rs 33,500-34,200 for a candy of 356 kg, while the Kalyan variety traded at Rs 24,500-25000. *Kapas* ruled at Rs 825-830 a *maund* of 20 kg here and at Rs 845-850 for delivery at Kadi. About 28,000-30,000 bales of 170 kg each arrived in the State, while 1-1.25 lakh bales arrived in the rest of the country.

On the NCDEX, *kapas*' April contract was down Rs 5 to Rs 789 a *maund*, with an open interest of 5,872 lots.

The fibre was flat in North India, where 18,000 bales arrived. J-34 RG quoted at Rs 3,545-3,605 a quintal in Punjab, at Rs 3,470-3,485 in Haryana and at Rs 3,470-3,480 in Rajasthan.

Meanwhile, the Cotton Corporation of India has decided to procure about 10 lakh bales from Gujarat, mainly Saurashtra. The Corporation has opened 33 procurement centres in the region and so far purchased about 1.1 lakh bales.

Dalmia Continental targets Rs 80 cr from olive oil sales

Our Bureau
Kochi, April 16:

Dalmia Continental Pvt Ltd (DCPL) is targeting sales revenue of Rs 80 crore from its olive oil business in 2013-14.

Mr V.N. Dalmia, chairman and chief executive officer, DCPL, said that the company's revenues from the olive oil business in 2012 were Rs 40 crore. While the olive oil industry in India is growing at 50 per cent, the DCPL's market share has been growing at 100 per cent over the last three years.

Briefing reporters here on the growth of Leonardo olive oil, which the company sources from Italy, he said DCPL has lined up Rs 60 crore for marketing its olive oil brand in 2012-16.

Mr Dalmia, who is also president of Indian Olive Association, said that 60 per cent of the national market is controlled by three companies.

Italy and Spain are the major sources of olive oil, accounting for 90 per cent of the oil sold in India.

DCPL introduced olive oil in Kerala in 2009, with revenues in the first year accounting for only Rs 12 lakh. This has increased to Rs 55 lakh in 2011 and reached Rs 1 crore in 2012. Now, the brand enjoys a 40 per cent share in the Kerala market.

The market in Kerala has been growing faster than the South Indian market. Leonardo olive oil is available in 22 towns through a network of 520 dealers in Kerala.

The company has introduced a grade of oil solvent extracted and refined, which is suitable for cooking, he added.

Stockists buy over 10,000 bags of turmeric

Our Correspondent

Erode, April 16:

Stockists bought over 10,000 bags of turmeric on Monday, as they expect prices to rise.

“After a three-day holiday markets opened on Monday, and 22000 bags arrived.

There was virtually no demand from north Indian merchants, so exporters purchased little stock. But stockists with an expectation of increase in price purchased.

The price of the turmeric in other areas is low, so they quoted Rs 2,600 to Rs 3,700 a quintal,” said Mr R.K.V. Ravishankar, President, Erode Turmeric Merchants Association.

He said that usually during this season prices increase and sales will be encouraging, too. In contrast, this year prices declining and sales were poor. This is due to heavy production this year. Even the double polished turmeric was sold at Rs 3,500 a quintal in Nizamabad and Sangli. .

Salem Crop: The finger variety fetched Rs 3,829-4,209 a quintal, root variety Rs 2,960-3,339 a quintal.

Bearishness continues in edible oils market

Our Correspondent

Mumbai, April 16:

The edible oil market continued to remain bearish on Monday, tracking a weak foreign market. Malaysian crude palm oil futures continued last week's losing spree.

In the local market, imported palmolein and soya refined oil declined by Rs 8 and Rs 5, indigenous groundnut oil lost a hefty Rs 20, cotton refined oil fell by Rs 8 for 10 kg. Lack of demand in the physical market kept volumes need-based and the sentiment weak, said sources.

A wholesaler said that there was neither any significant demand nor any selling pressure as the dollar further strengthened, making imports costly for refineries.

New arrivals of groundnuts in Saurashtra is expected in 8-10 days. In the southern States, daily arrivals of groundnuts is currently 2–2.25 lakh bags putting pressure on oil prices at higher level.

Only need-based buyers covered about 250 -300 tonnes of palmolein for the weekend and ready delivery in the range of Rs 651– 655 from direct refinery and resale.

In the physical market, Liberty's rate for palmolein was Rs 661-662 for 10 kg towards the end of the day, soya refined oil was Rs 730 and sunflower refined oil was Rs 735. Ruchi quoted palmolein at Rs 660, for May it was Rs 664; soya refined oil at Rs 725-730 and sunflower refined oil at Rs 730-735. Bunge quoted palmolein at Rs 658 for April. Mewah's rate was Rs 663-664. Resellers were offering palmolein at Rs 655-656. Saurashtra–Rajkot groundnut oil dropped sharply by Rs 25 to Rs 1,865 for telia tin and declined by Rs 25 to Rs 1,200 for loose-10kg.

The Bombay Commodity Exchange spot rates were (Rs/10 kg): groundnut oil 1,230 (1,250), soya refined oil 725 (730), sunflower exp. ref. 665 (665), sunflower ref. 735 (735), rapeseed ref. oil 835 (835), rapeseed expeller ref. 805 (805) cotton ref. oil 700 (708) and palmolein 652 (660).

Karnataka's coffee regions get patchy showers

Anil Urs

Bangalore, April 16:

Coffee-growing regions of Kodagu, Chikmagalur and Hassan in Karnataka have received sporadic and patchy blossom showers.

“Patchy blossom shower is likely to affect coffee crop in the 2012-13 season (starting October),” said a senior Coffee Board official.

“Sporadic and patchy rainfall which occurred in the last two weeks of April is too late for robusta and not sufficient for arabica. One more round of showers will help the plants to bear fruits. This will also check pest attack on plants,” the official said.”

“Rainfall has been patchy and is good only in few pockets. About 50 to 60 per cent of all zones have had adequate rainfall with the balance areas receiving poor to insufficient showers,” said Mr Marvin Rodrigues, Chairman, Karnataka Planters' Association.

In Kodagu district, growing areas such as Suntikoppa and Siddapur and Chettalli have got good rainfall; but other zones such as Kutta in south Kodagu have received either poor or no rainfall.

In Hassan, areas such as Ballupet, Hanbal and Cheekanhalli rainfall was average, but Arehalli, Sakleshpur and parts of Bellur taluk such as Biccodu have had poor rainfall.

In Chikmagalur, Mallandur, parts of the Giris, Balehonnur and parts of Mudigere have had adequate rain, but areas such as Koppa, Jayapura, Baskall and other parts of Mudigere taluk have had poor or late rainfall.

A few growers in the three districts reported that about 20 to 25 per cent of the estates have not yet blossomed and are waiting for rains or some amount of moisture for plants to blossom.

According to Mr Sahadev Balakrishna, partner, Nethraconda Estates-Chikmagalur: “Rainfall is not uniform in Koppa, Jaipura and Balehonnur in Chikmagalur district. With the late rainfall, growers are not able to effectively irrigate their estates due to lack of water and shortage of power.”

Tobacco Board to hold e-auctions from Sept

Anil Urs

A file photo of tobacco growers watching the progress of auctions (Insert) Mr G. Kamala Vardhana Rao

Bangalore, April 16:

The Tobacco Board plans to increase auction platforms and introduce e-auctions in Karnataka from the crop year 2012-13 starting September.

“The Board at its meeting in Bangalore has taken the decision to introduce electronic auctions in all 11 auction platforms in Karnataka from this crop year and also increase auction platforms,” Mr G. Kamala Vardhana Rao, Chairman, told *Business Line*. “Introduction of e-auction is to bring in transparency in transactions and will be operational from September."The Board has decided to introduce e-auctions in all platforms in Andhra Pradesh as well.

For installing e-auction infrastructure, IT major NIIT has been roped in to provide software solutions and Karnataka State Electronics Development Corporation Ltd (Keonics) will prepare a detail project report to choose a hardware vendor.Mr Rao said: "The Board has budgeted Rs 30-crore expenditure to be utilised over six years to modernise and maintain all the auction platforms in Andhra Pradesh and Karnataka."

Shorter auction days

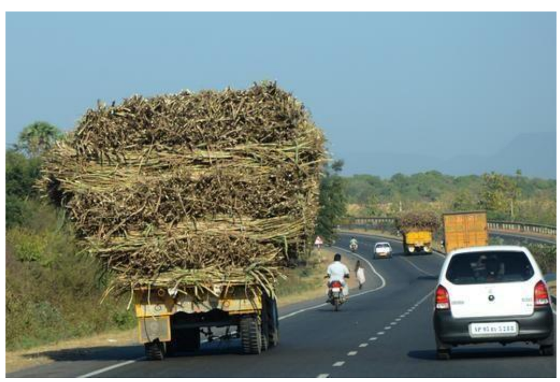
Keeping growers' interest in mind, the Board has planned to shorten the number of auction days by opening more auction platforms.

"Cured tobacco leaves should be marketed within two months, otherwise it deteriorates as days go by," Mr Rao explained. "As a solution to this, the Board took a decision to open two more auction platforms in Karnataka."

The new platforms are to come up at Kamplapura and HD Kote in Mysore district.

According to Mr Rao, "Currently 10 to 11 million kg is being marketed per auction platform and is taking lot of time. Now with two more platforms in Karnataka, we plan to bring it down to 7 to 8 million kg per platform and market the entire Karnataka tobacco crop within two months."

Ministerial panel to decide on sugar export modalities



New Delhi, April 16:

The Empowered Group of Ministers (EGoM) will soon decide on the modalities to ship one million tonnes of additional sugar approved for exports last month.

“We are seeking the EGoM guidance on the modalities so that there are no complaints later,” the Union Minister of State Food Minister and Consumer Affairs, Prof K.V.Thomas, told reporters.

The EGoM is likely to meet on April 25, to review the shipment modalities, after which a notification for export of one more million tonne will be issued.

Typically, the Government allocates export quota or permits to factories based on their production in the preceding three years. However, a section of sugar millers from South and West have demanded that the export quota should be allowed on a first-come-first-served basis. Such a demand has prompted the Government to refer the issue to the EGoM.

Most of sugar exports are done by millers in South or West because of their proximity to the ports. Millers in North India typically sell their export permits at a premium to exporters in the West or South to save transportation costs that make their shipments expensive.

The Government has allowed three million tonnes of sugar exports in the current season under the open general license. Of this, the notification for one million tonnes is yet to be issued, Prof Thomas said.

Rising arrivals

Meanwhile, wheat arrivals have picked up in Madhya Pradesh and Haryana, as also the procurement by the State agencies. So far, arrivals have increased by 16 per cent to 4 million tonnes against 3.45 million tonne in the corresponding last year.

Procurement by States agencies has increased by 19 per cent to 3.39 million tonnes against 2.85 million tonnes a year ago. Madhya Pradesh, which leads other States in wheat procurement, has bought 2.4 million tonnes against 1.4 million tonnes last year.