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'Introduction of machines not for replacing farm workers'

Staff Reporter



A combined harvester machine at a paddy polder near Pallathuruthy in Alappuzha. Photo: Special Arrangement

The farm workers of Kuttanad were not coming forward to learn how to operate the machines used in the paddy fields. This was noticed by the Rice Research Station (RRS), Mankombu, when they started training for persons in handling agriculture-related machines.

S.Leenakumari, Director, RRS, said that the introduction of machines in paddy fields should not be for the purpose of replacing farm workers, but to reduce their hard labour. "For example, sowing of seeds on line seeding method employing drum seeder machines are better than broadcasting methods employed traditionally by farmers. After 30 days of broadcasting of seeds, the gaps between paddy saplings were to be filled by the workers, especially women workers. Now there is a shortage of farm workers. Also, the drum seeder machine helps in saving seeds," she pointed out.

Her comments came in the backdrop of youngsters from farmers' families not opting to work at the paddy fields.

Ms.Leenakumari said that machines like power weeder helps in cutting down weeds and leave these weeds in a manure form into the paddy fields. This machine also helps in displacing the roots. "I have asked the engineers of the RRS to see whether nutrients could be supplied to the

plant through these uprooted roots so that the plants get the right amount of nutrients as quickly as possible,” she said.

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Rs. 141-lakh farm loan sanctioned

Staff Reporter

: A total of Rs. 141.06 lakh loan has been sanctioned to 337 farmers through the Primary Agricultural Credit Societies in Virudhunagar district.

Addressing a Farmers' Grievance redressal meeting here on Friday, the Collector, M. Balaji, said that a total of 527 applications seeking loans was received at the special loan camps conducted in the district.

However, 190 applications were rejected either because of lack of proper documents or the applicants were not interested in getting the loans. A loan amount of Rs. 141.06 lakh has been sanctioned for 337 applicants among whom Rs. 50.58 lakh loan has been disbursed among 188 applicants. Loan disbursement for the rest of the applicants was under way, the Collector said.

Stating that 438 farmers were selected for implementation of precision farming by the Departments of Horticulture and Agriculture, Mr. Balaji said that works on setting up of precision farming system was under way. All the works would be completed by May 15.

Mr. Balaji said that officials of the Agriculture Department and Revenue Department had been advised to take up enumeration of the water bodies and supply channels under encroachment and remove them immediately.

Responding to the farmers' demand to set up procurement centres for copra, Mr. Balaji said that production of copra in the district would be studied and procurement centres established if necessary.

District Revenue Officer, C.A. Raman, Joint Director (Agriculture), Jayapandian, District Forest Officer, Ashok Kumar, Joint Registrar of Cooperatives, Subramanian, were among those who were present.

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Samba harvest over in 1.40 lakh ha

Special Correspondent



in black and white: Sugarcane farmers speaking to Collector K. Baskaran wearing black towels at the grievances day meeting in Thanjavur on Friday.

Samba harvest has been completed in 1.40 lakh hectares in the district and farmers have registered an average yield of 6,108 kg per hectare, said K. Baskaran, Collector, at the monthly farmers' grievances day meeting at the collectorate here on Friday.

A. Ashok of Pazhamaneri village has recorded 3,710 kg of black gram per hectare and has come first in the state in pulses cultivation while Thamizhselvi of Omakulam village has secured second position in the state with 3,580 kg per hectare.

With respect to paddy, though the average yield is 6,108 kg per hectare, R. Selvam of Kadambankudi village has registered 12,860 kg of samba per hectare and come second in the state.

Pulses seed distribution is going on in the district for Chithirai Pattam. Eighty one tonnes of ADT5 black gram seed is being distributed through agriculture department and private parties.

Sugarcane farmers led by Kakarai Sugumar came to the meeting wearing black towels. They appealed to the Collector to direct the state owned Arignar Anna sugar Mills at Kurunkulam to issue cutting orders for the sugarcane cultivated by them. They demanded payment of compensation for the days of delay in issuing cutting orders.

V. Jeevakumar, a farmer from Royamundanpatti, said the State government should take steps to get the due share of Cauvery water from Karnataka as per the award of the Cauvery River Water Disputes Tribunal. He also said the strike by employees of the Kurunkulam sugar factory has affected the sugarcane farmers as cutting orders had not been issued by the mills.

Mr. Baskaran said sugar commissioner would visit Thanjavur on Monday and the issue would be settled. He also assured to divert the sugarcane to other mills for crushing.

Tamil Nadu Civil Supplies Corporation (TNCSC) has procured 6.20 lakh tonnes of paddy during this kharif season - from October 1, 2011 to April 17, 2012.

Paddy has been procured to the tune of Rs. 729 crore. At present 174 direct purchase centres are functioning in the district. During peak samba season, 409 DPCs functioned in the district.

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Impact of global warming discussed

Special Correspondent



role of science in life:G. Nammazhwar, organic scientist, addressing students of J.J. College of Engineering and Technology in Tiruchi.

Science day was observed by the department of physics of J.J. College of Engineering and Technology, here recently.

G. Nammazhwar, organic scientist, delivered a lecture on 'global warming, organic farming and environmental pollution'.

He appealed to students to avoid junk food to lead a healthy life.

He underlined the need for protecting the environment and the earth from the hazards of global warming.

V. Shanmuganathan, director of J.J. group of educational institutions, presided over the function.

Later, Mr. Nammazhwar distributed prizes to winners of various competitions held as part of the day. T. Sivasankaran, executive director, and S. Sathiyamoorthy, principal of college, spoke.

Annual Credit Plan envisages Rs. 1,898 crore for agriculture sector

Collector releases ACP; credit flow is estimated to be Rs. 2,848.07 crore



Planning ahead:Collector R. Selvaraj (left) releasing the Annual Credit Plan for Tirunelveli on Thursday. Ramasubbu, MP, is receiving the first copy.

The district's Annual Credit Plan, released by Collector R. Selvaraj on Thursday for the financial year 2012 – 2013, envisages a credit flow of Rs. 2,848.07 crore, an increase of 19.61 per cent over the last year's allocation of Rs. 2,381.76 crore.

Indian Overseas Bank (IOB), the lead bank for the district, prepares the Annual Credit Plan every year after taking into consideration various aspects such as Potential Linked Credit Plan of NABARD, past performance, schemes of the State and the Central Governments to be implemented in the district.

Of the total credit flow of Rs. 2,848.07 crore, the primary sector of agriculture, the predominant profession of the district, will get Rs. 1,898.23 crore (66.65 per cent) and the industries sector will get Rs. 225.28 crore (7.91 per cent) as the number of aspirants coming forward to avail loan to start their own business ventures is less.

The ever growing services sector will get Rs. 724.54 crore (25.44 per cent).

All sectors

Thrust has been given to all sectors and employment generation activities in agriculture, services sector and the industries sector.

Moreover, adequate allocation has been ensured for sanctioning of loans under the State and the Central Governments' development schemes.

Tirunelveli MP S.S. Ramasubbu, Senior Regional Manager of IOB, Tirunelveli Region, G. Srinivasan, Assistant General Manager, Reserve Bank of India, Chennai, A.H. Sudhindra, Assistant General Manager, NABARD, K. Ramalingam, Project Director, District Rural Development Agency, Tirunelveli, N. Amanulla, Project Officer, Mahalir Thittam, J. Ramamoorthy, K. Ramasubbu, Lead District Manager, IOB, and other senior officials from various banks and top officials of various government departments participated in the Annual Credit Plan release.

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Minister distributes 50 free milch animals

Special Correspondent

Commercial Taxes Minister C.Ve. Shanmugam has stated that in no other welfare schemes the beneficiaries could exercise their choice as in the free milch animal scheme.

He was speaking at a function organised at Olakkur near here to give away 50 free milch animals to the beneficiaries. They were given the freedom to get the animals of their choice.

The government proposed to give away 60,000 free milch animals a year.

Mr. Shanmugam said that the Jayalalithaa Government had presented a budget that would take the State on progressive path and also would provide for sizeable allocation of Rs.30,333 crore for social security schemes.

A sum of Rs.14,500 crore had been earmarked for education so as to broad base literacy among the rural population. The Chief Minister was creating all facilities for improving literacy in the State because she knew well that if one person in a family was educated its economic status would improve considerably.

She had promised laptops to lakhs of students. Mr. Shanmugam underscored the point that it was Chief Minister Jayalalithaa who was implementing the welfare schemes without any expectations and without imposing any burden on the people.

District Collector V. Sampath, Tindivanam MLA Haridas, Joint Director (Animal Husbandry) K. Alagesan and Olakkur Panchayat Union Chairperson Indira Panneer participated.

Foodgrains target is 136.55 lakh tonnes

Special Correspondent

74.50 lakh hectares to be covered in kharif, 33.20 lakh hectares in rabi

The State has set an ambitious target of producing 136.55 lakh tonnes of foodgrains in the current financial year anticipating a normal monsoon.

The Agriculture Department on Friday released agriculture production programme for 2012-13 and it set a target to cover 74.50 lakh hectares of land, 33.20 lakh hectares and 6.80 lakh hectares of land during the kharif, rabi and summer seasons respectively during 2012-13.

It conducted a workshop to inform district and taluk-level officials about various schemes to be implemented during the year.

The department has set a target of producing 121.05 lakh tonnes of cereals, 15.50 lakh tonnes of pulses and 15.20 lakh tonnes of oilseeds, 11.07 lakh tonnes cotton bales, 380 lakh tonnes of sugarcane, and 1.20 lakh tonnes of tobacco in 2012-13.

Kharif

In the kharif season, cereals such as paddy, jowar, ragi, maize, wheat and minor millets would cover 35.40 lakh hectares of land, while pulses such as Bengal gram, horse gram, black gram, green gram, cowpea and others and "aavare" would cover 16.20 lakh hectares. Oilseeds such as sunflower, safflower, linseed, soyabean, castor, niger, groundnut would cover 13.60 lakh hectares.

Officials said that cotton crop would cover 4.25 lakh hectares, sugarcane 3.80 lakh hectares and tobacco one lakh hectares.

In the event of a normal monsoon, the State was expected to produce 89.34 lakh tonnes of cereals, 8.97 lakh tonnes of pulses and 10.15 lakh tonnes of oilseeds during the 2012 kharif season.

Deficit monsoon severely affected sowing coverage and standing crops during 2011-12 season. The coverage was 69.15 lakh hectares, 26.97 lakh hectares and 5.25 lakh hectares during the kharif, rabi and summer seasons last year.

Total foodgrains production in 2011-12 was 124.24 lakh tonnes against 139.86 lakh tonnes in 2010-11, 108.04 lakh tonnes in 2009-10 and 111.34 lakh tonnes in 2008-09.

Earlier, Minister for Agriculture Umesh Katti laid the foundation stone for a building to house an exhibition centre and a conference hall at the Directorate of Agricultural, K.R. Circle. The building would be constructed at a cost of Rs. 10 crore in nine months.

The Minister said the size of the agriculture budget for 2012-13 was Rs. 19,660 crore, an increase of 11 per cent over the previous year.

A sum of Rs. 110 crore has been spent under the Bhoochetana programme in 2011-12 and 45 lakh farmers benefited.

Baburao Mudabi, secretary, K.V. Sarvesh, directorate and in-charge commissioner, told the department officials to distribute inputs to farmers on time during three farming seasons.

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Farmers resort to distress sale of cattle

Staff Correspondent

They need 90,000 tonnes of fodder every month



Pitiable plight: A farmer with a herd of cattle near a goshala on Gunj Road in Raichur on Friday. Severe shortage of fodder in the district has forced farmers to sell their cattle or send them to 'goshalas'. Many have had to sell their cattle at throwaway prices to slaughterhouses upon finding that they could not be accommodated at goshalas.

Although all the five taluks in the district have irrigation facility, vast stretches of cultivable land fall under arid region. Of the three lakh hectares of cultivable land in the district, only about 1.2 lakh hectares have irrigation facilities.

About 80 per cent of dryland area in the district had been left uncultivated owing to failure of monsoon last year, resulting in shortage of fodder.

With a total of 6.25 lakh head of cattle in the district, the farmers require about 90,000 tonnes of fodder every month. But there has been acute shortage in the supply of fodder as there is no cultivation in over 2.5 lakh hectares in the district. The shortage of fodder has forced farmers to resort to distress sale of cattle.

The extended dry spell has not only affected the livelihood of the poor and the agricultural labourers but also forced small and marginal farmers to sell their cattle.

Fodder banks

Farmers hoped to safeguard their cattle when the government announced that fodder banks and goshalas would be opened in the district. The government established fodder banks and goshalas. It asked the district administration to allow poor farmers to send their cattle to the goshalas.

The district administration opened 12 fodder banks in the five taluks but failed to set up many goshalas as had been promised. Although a stock of 776 tonnes of fodder was maintained in the fodder banks, it was not distributed to farmers.

If the farmers want to lift fodder from the banks, they have to purchase it at Rs. 4,500 per tonne. But in the current situation, none has the capacity to procure fodder at the price notified by the district administration. The situation has, hence, forced farmers to sell their cattle.

Subsidy

Chief Minister D.V. Sadananda Gowda, during his recent visit to the district, announced that the government would distribute fodder to farmers at subsidised price. But Yogendra Tripathi, in-charge Secretary of the district, who reviewed the drought situation here on Thursday, asked the district administration to sell the fodder to farmers at Rs. 4,500 per tonne.

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Bumper crop for farmers in Alappuzha

Staff Reporter

Yield is up to a maximum of 7.5 tonnes per hectare



GOOD TIMES: A worker with the crop harvested from a portion of a paddy polder in Pallathuruthy in Alappuzha.

It was a bumper crop this 'puncha' (kharif) season for the farmers of the district, especially in Kuttanad, which contributes a major share of paddy to the State. District Principal Agriculture Officer B. Nalinakumar told *The Hindu* that the yield was reportedly up to a maximum of 7.5 tonnes per hectare when compared to the normal of five to six tonnes per hectare.

According to sources, the total production of paddy stood at 86,000 tonnes from the Kuttanad paddy polders alone. The paddy procured up to Thursday from the district by the Civil Supplies Department was one lakh metric tonnes. The harvest was over in over 21,000 hectares out of the total acreage of 26,860 hectares. The harvest in the remaining paddy polders is expected to be over by the middle of next month.

According to Mr. Nalinakumar, favourable climate with the lack of summer rains benefited the bumper harvest. Another favourable factor was the availability of combine harvesters.]

More than 1400 combine harvesters were pressed into service from Tamil Nadu and Karnataka.

Earlier there were fears of availability of harvesting machines from Tamil Nadu in the wake of Mullaperiyar row, which were later proved unfounded.

S. Leenakumari, director, Rice Research Station (RRS), Mankombu, said that the Mo 16 Uma variety of rice seed of the RRS used in 80 per cent of the paddy polders of the Kuttanad area,

has yielded up to eight tonnes per hectare as against the expected 6 to 6.5 tonnes per hectare. The Uma variety of rice found suitable for acidic nature of soil in Kuttanad paddy polders was released in 1998 and began to be widely used there from 2005 onwards. Now, nearly 60 per cent of the paddy fields in the State use this variety, Ms. Leenakumari said. Though the farmers are worried over the delay in the payment for the paddy procured, authorities said that the amount already sanctioned by the government will reach their hands soon.

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Horticultural fair in May

Special Correspondent

The State Horticultural Mission will hold a major horticultural fair here from May 24 to 28.

An official press release here on Friday said an organising committee, with Agricultural Minister K.P. Mohanan as patron and other Ministers and people's representatives as members, had been formed at a meeting here on Thursday. District Collector Rathan Kelkar and district panchayat president K.A. Sarala were present.

The release said it was the first time that a place in Malabar was hosting such a major horticultural fair. The fair held in Thiruvananthapuram in 2011 had attracted visitors from various parts of the country and abroad. Seminars, agriculture-related contests, and a painting exhibition would be held during the fair.

Business Standard

Saturday, Apr 21, 2012

Palm oil prices to rise 15% by June-end: Mistry

Bloomberg / Kuala Lumpur April 21, 2012, 0:31 IST

Palm oil may gain 15 per cent by the end of June, according to Godrej International Ltd's Dorab Mistry, restating a year-long call for a rally to 4,000 ringgit (\$1,302) a tonne after prices dipped.

“I am very happy to reiterate my forecast,” Mistry said in an e-mailed response to questions. The Godrej director, who has correctly forecast price trends over the past year, has been predicting a rally to that level since at least March 2011. Wilmar International Ltd, the world’s biggest palm oil processing company, is Mistry’s favourite palm stock, he said.

While prices in Malaysia have climbed 9.5 per cent this year, in line with Mistry’s outlook, they’ve fallen 4.2 per cent since April 10 amid concern the global recovery may be at risk as economic growth in China slows and the European debt crisis worsens. Shares in Wilmar International, which have dropped over the past 12 months, are “good value,” he said.

“My price forecasting is based on fundamentals of supply and demand and these have not changed,” he wrote. “In fact, CPO production is underperforming more than my model had suggested,” referring to crude palm oil by its initials.

Palm oil for July delivery ended little changed at 3,477 ringgit on the Malaysia Derivatives Exchange yesterday, the lowest close for the most-active contract since March 30. That’s down from a 13-month high of 3,628 ringgit on April 10.

“Currently, the macro picture is undergoing a reassessment and that has led some players to de-risk,” said Mistry, who’s traded palm oil for more than three decades. “This sentiment changes from time to time, and as time goes by, each such change lasts for a shorter duration. Time will tell.”

Cooking oil

Last year, Mistry predicted that the price of the world’s most-consumed cooking oil, which is used to make instant noodles and candy, would bottom out at about 2,800 ringgit before rebounding. Its lowest price was 2,754 ringgit on October 6. Chandran Sinnasamy, trading head at Kuala-Lumpur based LT International Futures (M), said last month that his views are respected by the industry.

China, the biggest user of cooking oils, reported lower- than-expected gross domestic product growth in the first quarter, raising concern that commodity demand may slow. Europe’s resurgent debt crisis has also roiled equity and commodity markets as government bond yields climbed.

Production of palm oil in Malaysia and Indonesia in January and February fell slightly short of forecasts, Mistry said in a speech in Beijing on March 27. The two countries are the world's largest producers.

Malaysian output

In March, Malaysian production was 1.21 million tonnes, according to the nation's palm oil board. That's 14 per cent lower than a year ago and 2.1 per cent more than February. Malaysia had a so-called high cycle of production in 2011, resulting in record output of 18.9 million tonnes. A so-called low cycle that began in January meant output would range between 18.6 million tonnes and 19 million tonnes in 2012, Mistry said March 7.

Cotton yarn exports up 15% in FY12 on high demand abroad

Sharleen D'Souza / Mumbai April 21, 2012, 0:30 IST

Cotton yarn exports jumped 15 per cent during the last financial year due to rising demand from foreign markets.

Data compiled by the Directorate General of Foreign Trade (DGFT) under the Union ministry of commerce, showed registrations for export of 827.68 million kg of cotton yarn were made during the 2011-12 financial year, compared to 720 million kg in 2010-11.

The staggering growth in registration indicates the global textile industry is reviving, despite the ongoing uncertainty in economies. This is in sharp contrast to conventional wisdom that the demand of apparel declines in case of an uncertain global economic scenario.

“China is the largest producer of cotton yarn in the world. But the country is gradually vacating the space as they are concentrating on production of finished products, especially high value items. Thus, Chinese importers have increased their dependence on India's cotton yarn, thereby, boosting shipment of the textile raw material from India,” said D K Nair, secretary general of the Confederation of Indian Textile Industry.

Export is set to grow this year as well, as orders continue to pour in. In this financial year (2012-13), cotton yarn registrations are expected to go above 70 million kg a month.

During FY11, the government had capped exports at 720 million kg in order to meet the

domestic demand, which the local textile mills were struggling with. Although these targets were achieved nearly three months before, yet the government would not allow exports. There was no cap imposed on yarn export for FY12.

According to Nair, the restriction in export resulted in a net loss of Rs 11,000 crore which the sector otherwise could have gained through exports and an anticipated rise in prices for domestic users. Consequently, many yarn producers were forced to cut production.

There are no new markets that can be targeted, as yarn is mostly imported by countries into producing finished goods. Currently, major export destinations for cotton yarn are Bangladesh, China, Hong Kong, Korea, Turkey, Peru and Europe.

“In the last five years, cotton yarn exports have been on a rise and will continue to do so even in the future,” said a city-based analyst.

The government is expected to come out with a new policy for cotton and cotton yarn before the start of the new cotton year (starts in October and ends in September), according to sources close to the matter.

Rajasthan HC stays FMC order to suspend guar trading firm

The regulator had acted on complaints alleging illegal speculation, resulting in a four-fold rise in prices

Dilip Kumar Jha / Mumbai April 21, 2012, 0:28 IST

The Rajasthan High Court has stayed the March 31 order of the Forward Markets Commission (FMC) suspending the primary membership at all commodity exchanges of a Jaipur-based guar gum trading company named Hindustan Technosol Pvt Ltd (HTPL).

“Our legal team is studying the order,” said an official at FMC, the commodity derivatives market regulator.

FMC had simultaneously suspended two other traders in the same product, on like charges — Vinod Commodities Ltd and Shresth Commodities & Financial Services Pvt Ltd — for a year and six months, respectively. Only HTPL went to court. Now, on the face of it, the other

two could be entitled to the same relief.

FMC had acted on complaints alleging excessive and illegal speculation in guar gum and seed prices by a few traders, resulting in a four-fold rise in prices of both commodities within a year. Before the suspension, HTPL was a member of the National Commodity and Derivatives Exchanges (NCDEX), the Multi Commodity Exchange (MCX), the Ace Derivatives and Commodities Exchange (Ace) and the National Multi Commodity Exchange (NMCE).

FMC asked HTPL for an explanation. The court order said the presentation by HTPL's director, Ravikant Kanoongo, failed to provide a satisfactory explanation regarding margin funding and other charges levied on the company. It detailed a number of items on which it was not satisfied with the legality HTPL's actions.

It decided HTPL's actions had not been in public interest and issued an order suspending it for six months from the primary membership of the exchanges. The latter were also directed to initiate disciplinary proceedings against HTPL for violations of bylaws, rules and regulations.

HTPL counsel Sameer Jain defended the company before HC judge Ajay Rastogi and pleaded that half the period of suspension given in the FMC order had already passed. HTPL's running business had been halted and if the further operation of the regulator's directive was not stayed, it would be ruinous for his client.

Additional solicitor general S S Raghav appeared for FMC and contested Jain's pleas.

"We have already written on Friday morning to FMC for granting us permission to commence trading on behalf of clients," said Kanoongo.

THE HINDU Business Line

Headline inflation is down, but prices still bite

Vidya Bala



WHERE YOU LIVE MATTERS

	Consumer Inflation (%)*		
	Rural	Urban	Combined
Chandigarh	10.0	12.7	12.6
Delhi	10.1	11.6	11.5
Tamil Nadu	10.4	11.7	11.4
Karnataka	9.7	12.6	11.1
Gujarat	12.3	11.3	11.1
Maharashtra	8.4	9.5	9.2
West Bengal	9.5	8.9	9.1
Uttar Pradesh	9.0	9.8	8.6

*March 2012 over March 2011

Source: MOSPI

BL Research Bureau:

The Wholesale Price Index (WPI) is down, yet it is too early to celebrate. For, the consumer price inflation index (CPI), which captures the rise in cost of living, jumped 9.5 per cent in March 2012 over a year ago.

That's up from 8.8 per cent in February and far higher than the 6.9 per cent increase suggested by the WPI.

The WPI captures price trends at the wholesale level and not at the counter. Nor does it include the cost you would incur on such services as medical care or education.

What costs more?

As a consumer, you would have paid 15 per cent more for milk and milk products, 14 per cent more on your house rent and 14 per cent more on oils and fats in March 2012 than you did a year ago. Fuel and electricity cost 12 per cent more now.

Avid shoppers clearly were not spared. Clothes and footwear too became costlier by 12.5 per cent. If you do not cook your meals but buy them, then you would have paid 9.2 per cent more for 'prepared meals' in the last one year.

The CPI data is based on the new index launched by the Central Statistical Organisation a year ago. It covers more regions and goods and services than the earlier index released by the Labour Bureau. The index provides State-wise inflation for urban and rural regions too.

Regional inflation

The new index shows that a third of the 35 States saw double-digit inflation of 10-13 per cent. Chandigarh, Gujarat, Karnataka, Delhi and Tamil Nadu, Rajasthan, Madhya Pradesh and Uttarakhand were among the more expensive States to live in.

In contrast, those living in Haryana, Jharkhand, Odisha and Kerala had to contend only with a modest price rise of 7-8 per cent.

Urban India, that is the urban regions in these States put together, saw double-digit price rise of 10.3 per cent over the last year, while Rural India inflation was 8.8 per cent.

The prices of food items such as milk, cereals, pulses, sugar and fruits rose more in Rural India than in the cities, while Urban India was hurt more by vegetable price hikes.

Rural India, in fact, saw the prices of certain food items overtake those in the cities. This trend was visible in the 2011 Labour Bureau price data of certain consumer items. For instance, as of December 2011, the price of groundnut oil in Ahmedabad was Rs 84 a litre while it was Rs 105 a litre in Rajkot.

Similarly, vanaspati was Rs 75 a litre in Guwahati while it was Rs 94 in Mariani, Jorhat another town in Assam. Of course, the higher cost incurred for goods to reach smaller towns also adds to the price.

Keeping up

For consumers to keep up with higher prices, their pay or dearness allowance has to make up for the higher cost of living.

But dearness allowance for government employees is currently based on the old consumer index for industrial workers. The inflation numbers according to the old index are lower than those displayed by the new index.

Arguments on framing of charges against Essar, Loop from May 3

Our Bureau

New Delhi, April 21:

A Special Court, hearing the 2G spectrum case, will on May 3 begin hearing arguments on framing of charges allegedly involving Essar Group and Loop Telecom promoters.

The Special Judge Mr O P Saini will also take up on May 3 the bail plea of five accused—Essar Group's Mr Ravikant Ruia, Mr Anshuman Ruia and Essar Group director (Strategy and Planning) Mr Vikas Saraf as well as Loop Telecom promoters Mr I P Khaitan and his wife Ms Kiran Khaitan.

The matters will be heard on May 3 and 4 and later on May 7 and 8.

On December 12 last year, the CBI had filed a chargesheet before the Special Court naming these five persons as accused. Besides, three companies—Loop Telecom Pvt Ltd, Loop Mobile India Ltd and Essar Teleholdings Ltd—were also named. The agency levelled charges of cheating and criminal conspiracy against all.

The allegation against Essar is that though it had substantial stake in Vodafone Essar, it set up Loop Telecom as a front company in violation of the existing norms to illegally obtain additional spectrum. Essar has denied all charges.

However, the CBI did not find evidence to charge these accused with offences under the Prevention of Corruption Act. Essar has moved the Supreme Court claiming that since there is no allegation of corruption against them, the Special Court has no jurisdiction to hear the case against them.

Tea to be declared national drink: Montek



A file picture of tender tea leaves in Sonitpur, near Guwahati, Assam.

Jorhat (Assam), Apr 21:

The Planning Commission Deputy Chairman, Mr Montek Singh Ahluwalia on Saturday said tea would be declared as national drink by April next year.

“The drink would be accorded national drink status by April 17 next year to coincide with the 212th birth anniversary of first Assamese tea planter and Sepoy Mutiny leader Maniram Dewan,” Mr Ahluwalia said while addressing the Platinum Jubilee celebrations of the Assam Tea Planters Association here.

It was Maniram Dewan who was not only the first indigenous tea planter but also involved in the national movement, he said.

“The other important reason is that half of the tea industry labour comprises women and is the largest employer in the organised sector,” Mr Ahluwalia added.

He said India is the largest producer and consumer of black tea in the world.

Mr Ahluwalia urged tea planters and producers to emulate the path of coffee planters and go in for producing more varieties.

Stable policy a must for futures in agricultural commodities

G. Chandrashekar



Mumbai, April 21:

Is there a concerted effort to scuttle futures trading in agricultural commodities? It seems so going by a spate of recent media reports that have sought to raise the pitch of debate about the desirability of commodity futures especially targeted at agricultural products.

Trade associations and chambers of commerce have flooded the Government with representations seeking a curb on speculative activity in particular and derivatives trading in general.

Vociferous opposition to futures in agricultural commodities seems to have unnerved New Delhi that is already fighting a battle against food inflation. Many have overlooked the fact that some of the essential commodities such as chana and mustard whose prices have risen sharply in recent weeks are commodities in short supply.

For instance, at 173 lakh tonnes, Indian pulses production in the current year 2011-12 is at least 10 lakh tonnes lower than in the previous year.

Specifically, chana or gram crop this year is 7.7 lakh tonnes versus 8.2 lakh tonnes last year. Some private estimates place the crop even lower. Same is the case with mustard crop which too has suffered. It is about seven lakh tonnes lower this year as compared with last, whether by

government estimate or trade estimate. Some experts believe the crop is more than 20 per cent lower than official crop size of 75 lakh tonnes.

More importantly, the domestic market for two crops – oilseeds and pulses – is strongly correlated with international markets because of significant import intensity. In case of oilseeds, our import dependence is as high as 55 per cent of domestic requirement in oil terms. As for pulses, the shortfall of about 30 lakh tonnes representing close to 20 per cent of domestic production is made good through imports.

In addition to high international prices – for instance, of oilseeds and vegetable oil – a weaker rupee has made imports so much more expensive. These are extraneous factors over which no one has any real control.

Despite being an industrial raw material and commodity of little consequence for the *aam aadmi* (common man), futures trading in guar gum and guarseed has been banned. Because the commodity has excellent export potential, processors and exporters today have no way to manage their price risks. The policymakers have also trained their attention on food crops such as chana, mustard, soyabean and so on. This follows strong representations sent to the Government by the processing industries. The Union Minister of State for Food and Consumer Affairs, Prof K.V. Thomas has asked advisory panels to be set up to examine all issues including aligning the physical and futures markets. On its part, the regulator of the commodity futures market – Forward Markets Commission – has initiated a comprehensive exercise with intent to reform the market as deemed necessary.

It is not just the government, but even market participants have begun to be deeply concerned over the sudden spurt in opposition to agricultural futures. Some of the physical market players who have finally realised the advantages of hedging their price risks in the futures market have now been left wondering about risk management and importantly, stability of Government policies. The unseemly uncertainty that has gripped the country's agricultural commodities futures market is unhealthy. New Delhi must make its position clear forthwith. It is important to realise that futures trading in commodities commenced in this country 10 years ago with the object of 'price discovery' and 'price risk management' specially targeted at primary producers (growers) of agricultural crops and processors of these crops.

However, futures in agricultural commodities have been relegated to the background because of policy uncertainties and failure to address structural issues of crop production. This must change.