THE HINDU

NEW DELHI, February 15, 2012

Inflation eases to 6.55 per cent in January

Much to the government's respite, headline inflation eased to a 26-month low at 6.55 per cent in January from 7.47 per cent in December, 2011, owing to a further fall in vegetable prices, prompting Finance Minister Pranab Mukherjee to scale the benchmark lower at 6 per cent from the earlier estimate of 7 per cent for the fiscal year ending March.

With overall inflation, as measured by the wholesale price index (WPI), witnessing a sharper-than-expected fall in January, 2012, from 9.47 per cent in the same month last year, Mr. Mukherjee expressed cautious optimism on further moderation in the coming months though he felt that softening in the prices of manufactured goods, despite the rapid decline in non-food primary inflation, “may be more gradual”.

“I think it [headline inflation] should be further reduced since it is still not at the acceptable level ... [I] now expect that the March-end 2012 inflation will be closer to 6 per cent,” Mr. Mukherjee said while pointing to concerns over the price trend of other commodities such as edible oils, milk and protein-based items which could stoke inflation yet again.

“The main worry going forward is on edible oils, milk and some animal proteins which may continue to threaten food inflation, as the required institutional reforms in agricultural marketing and improvement in storage and cold chains will operate with a lag … these are areas where States have to take a lead and take advantage of Central government initiatives … announced in the last two Union budgets,” he said.

The Finance Minister's worry on this count is not misplaced. The WPI data show that food inflation was in negative zone at (-) 0.52 per cent in January owing to cheaper vegetables such as potatoes and onions, which were down 23.15 per cent and 75.57 per cent, respectively, year-on-year. However, prices of edible oils and milk during the month were up 9.59 per cent and 12.6 per cent, respectively, while that of eggs, meat and fish was still higher by 18.63 per cent on a yearly basis. Moreover, manufactured goods, which account for a weight of about 65 per cent in the WPI basket, continued to cost more. As per the data, inflation in manufactured items stood pegged at 6.49 per cent in January year-on-year, as against 7.41 per cent in the previous month. Inflation in overall primary articles, however, stood lower at 2.25 per cent during the month as compared to 3.07 per cent in December, while in non-food primary articles, it moderated to 0.55 per cent from 1.48 per cent in the previous month. In such a scenario, as to whether the Reserve Bank of India will go ahead with a cut in interest rates during its mid-quarterly review next month remains a question mark.

ERODE, February 15, 2012

Sugarcane growers seek hike in MSP

bitter:Sugarcane growers staging a demonstration in Erode on Tuesday.PHOTO:M. GOVARTHAN

Sugarcane growers in the district have asked the State government to increase the minimum support price (MSP) for their produce to Rs. 3,000 a tonne without any further delay.

Protesting under the banner of Erode District Co-ordination Committee of All Farmers Associations here on Tuesday, cane growers said the government had made tall promises earlier that there would be a substantial increase in the MSP for sugarcane.

But the farmers were still being given around Rs. 2,000 a tonne, which was not remunerative. The cost of cultivation for sugarcane had gone up several folds due the shortage of labour and a sharp increase in the prices of inputs including fertilisers.

The growers were finding it difficult to get labourers to work in their fields. As a result, they were forced to pay higher wages to get adequate number of labourers.

The fertiliser prices in the country had almost doubled in the last 12 months. The price of the DAP fertiliser, which stood at Rs. 450 a 50-kg bag, is now being sold at Rs. 920 to Rs. 950.

The agitators also wanted the sugar mill managements to bear the charges for cutting the sugarcane. The managements should also come forward to establish weigh bridges at the mills, they demanded.

Highlighting the drastic fall in the prices of turmeric, farmers appealed to the State government to fix Rs. 10,000 a quintal as the minimum support price for the yellow spice. The CPI (M) MLA K. Balakrishnan led the protest. Committee President Kasiannan and members of various farmers associations participated in the protest. Police arrested over 100 agitators and released them later.

HENNAI, February 15, 2012

Banks close to achieving crop loan disbursal target

Crop loan disbursal through primary agricultural co-operative banks (PACBs) in the State is nearing the target, Minister for Co-operation Sellur K.Raju said here on Tuesday.

Speaking at a State-level review meeting of the department, Mr.Raju pointed out that as against the target of Rs. 3,000 crore crop loan fixed for the current financial year, the PACBs had disbursed about Rs. 2,821 crore till date.

According to an official release, of the Rs. 600 crore crop loan earmarked for the Scheduled Caste and Tribe farmers, so far about Rs. 373 crore had been disbursed.

However, with regard to capital assistance, which had a target of Rs. 300 crore, only Rs. 151 crore had been disbursed. For minor irrigation sector, the loan planned was Rs. 50 crore. Of that, Rs. 26 crore had been disbursed.

In a bid to ameliorate the lives of the physically challenged, a Rs. 15-crore loan had been proposed. Of that about Rs 10 crore had been disbursed.

Of the Rs. 80 crore earmarked for small traders, about Rs. 47 crore had been disbursed.

With regard to the target for the 125 urban co-operative banks, which is Rs. 5,920 crore, so far Rs. 4,377 crore had been disbursed.

Besides, jewel loans disbursed through the PACBs touched Rs. 677 crore against the target of Rs. 1,000 crore.

SHGs

For self-help groups, the loan target through various co-operatives was Rs. 170 crore. Of that Rs 112 crore had been disbursed so far.

Those who took part in the review included M.P. Nirmala, Secretary, Co-operation, Food and Consumer Protection, and P.Annamalai, Registrar of Co-operative Societies.

Of the Rs. 80 crore earmarked for small traders, about Rs. 47 crore had been disbursed

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KODAIKANAL, February 15, 2012

Farmers get assistance for raising horticulture crops

1,130 beneficiaries to benefit in Thandikudi, Pannaikadu, K.C.patti and Vada Kavunji

Financial assistance to the tune of Rs. 52.04 lakh was distributed to 996 farmers for raising horticulture crops and meeting production costs under National Horticulture Mission, according to S. Raja Mohammad, Deputy Director for Horticulture (Central Schemes).

In a release here on Monday, he said that 1,130 beneficiaries in Thandikudi, Pannaikadu, K.C.patti and Vada Kavunji villages were benefited.

Farmers could use this fund to meet cultivation expenses such as preparation of lands, pitting, planting and other post-planting activities.

With the launch of the NHM, a huge stretch of cultivable waste land had been brought under the horticultural crops cultivation, particularly fruit crops in the district.

The farmers were also keen on raising cocoa, mandarin orange and cut flowers that fetched better price.

Many farmers in the Kodaikanal block, particularly Thadigudi, have started establishing new orchards and gardens under NHM that offered a subsidy of Rs. 30,000 per hectare for orange, Rs.16,875 per hectare for banana, Rs.12,000 per hectare for cocoa, Rs.37,500 per hectare for cost intensive aromatic plants, Rs.20,000 per hectare for black pepper and Rs. 35,000 per hectare for cut flowers, the deputy director pointed out.Expansion of area was one of the major components of the mission as each farmer was eligible for the subsidy for a maximum area of four hectares.Farmers who planned to raise fruit crops like banana, mandarin orange and plantation crops like cocoa, spices crops like pepper and aromatic crops like rosemary and cut-flowers could avail this subsidy under area expansion scheme, he added.The government had fixed a target of 200 hectares under orange, 275 hectares for banana cultivation, 300 hectares for cocoa, 25 hectares for spices, 300 hectares for pepper and 75 hectares for cut flowers under NHM in this block.

- *Fund can be used to meet cultivation expenses such as preparation of lands, pitting*
- *A huge stretch of cultivable waste land brought under horticultural crops cultivation*

MADURAI, February 15, 2012

Farmers demand Rs. 3,000 for a tonne of sugarcane

SEEKING MORE:Members of Tamil Nadu Cane Growers' Association being arrested when they tried to lay siege to the Madurai Collectorate on Tuesday.— Photo: G. Moorthy

Scores of sugarcane farmers were arrested when they tried to lay siege to the Collectorate demanding the Centre to give up its proposal to withdraw the government control over sugar. They also demanded the State government to fix the procurement price of Rs. 3,000 a tonne of cane.

Addressing the farmers, the State president of Tamil Nadu Cane Growers' Association, N. Palanichamy, alleged that the Centre was planning to withdraw the control after the elections to the Assembly of five States.

The move would lead to escalation of the price of sugar, he said.

Mr. Palanichamy flayed the Chief Minister, Jayalalithaa, for the State government fixing the price of sugarcane at Rs. 2,100 a tonne. “There was no tripartite meeting with the officials, farmers and sugar mill owners,” he said.

The All India Anna Dravida Munnetra Kazhagam, in its election manifesto, had promised to give Rs. 2,500 a tonne of cane. “Ms. Jayalalithaa should give at least Rs. 2,500 a tonne which she had promised if not Rs. 3,000 that we have been demanding,” he said.

The president of Cane Farmers' Development Association, National Cooperative Sugar Mills, Alanganallur, N.N. Nallamani; Tamil Nadu Farmers' Association, Madurai district president, K. Devaraj; and of Mullaiperiyar Irrigation Farmers' Association, M. Buthisigamani, were among those who took part in the protest.

NAGAPATTINAM, February 15, 2012

Irrigation equipment for small and marginal farmers at 100 % subsidy

The administration has proposed to issue precision irrigation equipment for small and marginal farmers at 100 per cent subsidy. The programme also envisages issue of precision irrigation equipment at 75 per cent subsidy to other eligible farmers.

Precision irrigation systems and sprinklers irrigation systems are proposed to be provided for cultivators of horticultural crops and cane for the current crop season, jointly by the departments of agriculture, horticulture and sugarcane mills.

Farmers seeking 100 per cent subsidy should fulfil the following criterion: farmers with small or marginal holding, preference for women, adi dravidars, scheduled tribes, ex-servicepersons, and differently abled; and should possess adequate water harvesting facilities.

Applications shall be submitted to the Assistant Directors of Agriculture and Horticulture respectively; Assistant Executive Engineer (Agricultural Engineering Department), and Cane Development Officers as the case may be.

Duly filled and submitted applications will be considered on first come first served basis. In the event of excess submissions, preference will be given to women, small and marginal holders, and also on the basis of order of names in the list of submissions.

A quota of 16 per cent has been allocated for Adi Dravidars and eight per cent for Scheduled Tribes.

The extent of subsidy will be up to Rs.43,816 for precision irrigation systems. Those eligible farmers seeking to avail the subsidy are required to submit following documents: Duly filled-in and completed application; testimony from Tahsildar attesting the holding pattern of the farmer; computerised sitta, duly attested by the Tahsildar; duly attested documents stating the crop of the previous season and the crop proposed for cultivation, by the village administrative officer; draft drawing of the field; and a copy of the lease agreement in case of leased land. According to a release, eligible farmers are permitted to choose from among authorised dealers allocated for the district.

VELLORE, February 15, 2012

Horticultural marketing

Different concepts, techniques and problems pertaining to horticulture marketing were discussed by T.M. Gajanana, Principal Scientist, Indian Council of Agricultural Research, Bangalore, during a talk on ‘Agricultural Marketing: Special Focus on Horticulture Marketing' under the auspices of the Postgraduate and Research Department of Economics of Sacred heart College at the college in Tirupattur on Monday.

MYSORE, February 15, 2012

14,948 farmers get benefits of Suvarna Bhoomi scheme

As many as 14,948 farmers in the seven taluks of Mysore district have received benefits under the Suvarna Bhoomi scheme, in the first instalment.

The scheme aims to boost agricultural income by giving a fillip to dryland farming among low income groups.

A sum of Rs. 10,000 is given in two equal instalments to each beneficiary with a holding of less than two acres of farmland.

As many as 1,042 farmers have been given the second instalment as on January 31, 2012, according to information gathered by *The Hindu* here.

Sectors

Among the seven activities covered under the scheme, farmers from Mysore district have sought the money for agriculture, horticulture and, to an extent, sericulture. There were not many takers under biofuels, organic farming, beekeeping and fisheries.

A total of 1,817 organic farmers received subsidy to the tune of Rs. 77.88 lakh in the district as part of the first instalment, Joint Director of Agriculture K.R. Krishnaiah said.

Taluk-wise numbers

Mr. Krishnaiah said 17,146 farmers were initially selected as beneficiaries, of whom 14,948 were found eligible for subsidy.

Among these, 2,208 were from H.D. Kote taluk (including 631 Scheduled Castes and 423 Scheduled Tribes farmers), 2,428 from Hunsur taluk (666 SC and 489 ST), 1,703 from K.R. Nagar taluk (587 SC and 218 ST), 2,261 from Mysore taluk (688 SC and 459 ST), 2,463 from Nanjangud taluk (692 SC and 487 ST), 2,210 from Periyapatna taluk (626 SC and 448 ST), and 1,675 from T. Narsipur taluk (571 SC and 184 ST).

A sum of Rs. 5.6 crore had been credited into farmers' accounts as first instalment, Mr. Krishnaiah said.

Second instalment

A sum of Rs. 40 lakh had been given out as as second instalment until January 31, 2012.

The process of disbursing second instalment to farmers in Hunsur, Mysore, Nanjangud and Periyapatna taluks would be completed in a few days, Mr. Krishnaiah said.

- *1,042 farmers have got the second instalment*
- *Incentive sought for agriculture, horticulture and sericulture*

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hindustantimes
Wednesday, February 15, 2012

Press Trust Of India

New Delhi, February 14, 2012
First Published: 14:09 IST(14/2/2012)
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Inflation still not at acceptable level, should fall more: FM

Even as inflation dipped to a 25-month low of 6.55% in January, finance minister Pranab Mukherjee said the rate of price rise is "still not at acceptable level" and hoped for further moderation.

"I think it (inflation) should be further reduced since it is still not at acceptable level. I do hope (further) moderation will come," Mukherjee told reporters.

His comments came after headline inflation fell to 6.55% in January on account of cheaper food items. Inflation, measured by Wholesale Price Index (WPI), had stood at 7.47% in December 2011.

The latest numbers are the lowest since December 2009 when headline inflation was at 7.15%.

As per the official data released on Tuesday, food inflation in January stood at negative zone registering (-)0.52%. It was 0.74 in December.

Food articles have a 14.3% share in the WPI basket and experts attributed the moderation in inflation to cheaper food articles.

However, inflationary pressure continued in manufactured items, which which have a weight of around 65% in the WPI basket. Prices of manufactured products, went up by 6.49% year-on-year in January, as against 7.41% in the previous month.

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.

RBI, however, has put a pause to its rate hike policy since November last year and hinted that it may start loosening its tight monetary policy if inflation falls. It had projected inflation to fall to 7% by March this year.

http://www.hindustantimes.com/StoryPage/Print/811207.aspx

THE TIMES OF INDIA

Inflation rate falls to 6.55% in January

India's inflation rate, based on wholesale price index, fell to 6.55% in January 2012, compared to 7.47% in December 2011, strengthening the argument for the easing of monetary policy amid slowing economy.

Sidhartha, TNN | Feb 14, 2012, 12.19PM IST

NEW DELHI: India's inflation rate, based onwholesale price index, fell to 6.55% in January 2012, compared to 7.47% in December 2011, strengthening the argument for the easing of monetary policy amid slowing economy.

The inflation rate was estimated at 9.47% in January 2011.

The moderation in January 2012 was led by a fall in food inflation with prices in the manufactured and primary segment falling due to good harvest.

Manufactured products, however, saw higher inflation. Inflation in the segment was at 6.49% in January 2012, compared to 5.32% a year ago.

Within this segment, price pressure was higher in case of iron (18.5%), metals (12%), chemicals, edible oil and beverages and tobacco (9%) each.

Inflation in the fuel and power segment was at 14.21% in January 2012. The sticky inflation in the non-food segment has prompted the Reserve Bank of India against deciding on a rate cut immediately.

Published on *Deccan Chronicle* (http://www.deccanchronicle.com)

Inflation still unacceptably high: Mukherjee

Headline inflation fell to an over two-year low of 6.55 per cent in January on cheaper food items, which may prompt the Reserve Bank to cut policy rates in the coming months. Headline inflation, as measured by the Wholesale Price Index (WPI), had stood at 7.47 per cent in December 2011. It was 9.47 per cent in January last year. The latest numbers are the lowest since December 2009 when headline inflation was at 7.15 per cent. On inflation, Finance Minister Pranab Mukherjee said that the rate of price rise was still not at an acceptable level and should fall further. "I think it (inflation) should be further reduced since it is still not at acceptable level. I do hope (further) moderation will come," Mukherjee told reporters. As per the official data released on Tuesday, food inflation was (-) 0.52 per cent in January against 0.74 per cent in December. Vegetables were cheaper by 43.13 per cent and wheat by 3.48 per cent on an annual basis. Potato and onion prices also fell by 23.15 per cent and 75.57 per cent year-on-year in January. Food articles have 14.3 per cent share in the WPI basket and experts attributed the moderation in inflation to cheaper food articles. Prices of manufactured items, which have a weight of around 65 per cent in the WPI basket, went up by 6.49 per cent year-on-year in January, as against 7.41 per cent in the previous month. Inflation in manufactured items has been high since February 2011, when it crossed the 6 per cent mark. Among manufactured items, iron and semis grew dearer by 18.46 per cent and edible oil prices rose by 9.59 per cent. The cost of tobacco products moved up by 9.36 per cent and basic metals became 11.99 per cent expensive year-on-year. Inflation in overall primary articles stood at 2.25 per cent in January, compared to 3.07 per cent in December, as per today's data. Non-food primary articles, which include fibres and oilseeds also showed moderation to 0.55 per cent in January, compared to 1.48 per cent in the previous month. Inflation in the fuel and power segment stood at 14.21 per cent on an annual basis in January, against 14.91 per cent in the previous month. Meanwhile, inflation for November 2011 has been revised upwards to 9.46 per cent from provisional estimate of 9.11 per cent. Experts said that the moderation in inflation will give more leeway to RBI to consider cuts in interest rates in the next few months. 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. India Inc has said the string of rate hikes, which have raised the cost of borrowing, have acted as a dampener to fresh investment and hindered growth. As per the advanced estimates, Indian economy is projected to grow by 6.9 per cent this fiscal, lowest in three years, on account of slowdown in manufacturing and agriculture.

Source URL: http://www.deccanchronicle.com/channels/business/news/inflation-still-unacceptably-high-mukherjee-023

Smart tomatoes can survive drought

With climate change affecting important vegetable crops, researchers from Kakatiya and Osmania Universities have successfully developed tomato varieties that outsmart the global warming and withstand the onslaught of various pests.

Climate change is turning semi-arid areas into arid zones affecting productivity of vegetable and fruit that are sensitive to drought and pests. Applying transgenic technology, researchers from Kakatiya University, Warangal, have produced a variety of “smart” tomatoes that can survive in drought conditions and in soils affected by salinity. Mr N. Rama Swamy, working with the Kakatiya University, teamed up with M. Praveen, from the Ohio State University, Ohio, USA, to develop salt tolerant tomatoes.

Thanks to persistent drought and the indiscriminate use of chemical fertilisers and pesticides, fields in many places have turned either saline or alkaline.

The climate change has only added to the problem, affecting the overall production of horticultural crops. They selected the tomato crop because it is a model species for introduction of important agronomical genes. It contains Vitamin A, rich in Vitamin C and a source of lycopene, which is the most powerful antioxidant that could fight cancers.

As vegetable and medicine, the crop cannot be grown in drought prone areas. The researchers induced salt tolerance in tomato after molecular cloning, making the tomato variety capable of growing in saline and drought prone areas. In a separate research, a team comprising S. Anil Kumar, P. Hima Kumari and P. B. Kavi Kishor from the department of genetics, of the Osmania University, developed the variety that can effectively resist various fungal pathogens.

Tomatoes are usually attacked by various fungal pathogens causing it to wilt early. They used Osmotin and Chitinase genes to make the tomato resistant to pests, which reduces the use of artificial pesticides.

Source URL: http://www.deccanchronicle.com/channels/sci-tech/others/smart-tomatoes-can-survive-drought-228

Cashew apple can juice out money

February 15, 2012

Smart tomatoes beat drought

Cashew apple, the fruit, which is usually thrown away after taking the nut, can be converted into value added products that can generate good income with minimal investment.

“On an average, 35 tonnes of cashew apple are wasted every year. We can produce about 8 lakh litres of alcohol worth Rs 1,000 crore. The alcohol can be used as substitute for oil imported into the country,” said V.P. Poty, principal scientist, CEPC Laboratory and Technical Division to *DC.*

The apples can be converted into flakes by drying them in direct sun. If the apples are cut into small pieces and dried for about 48 hours, the dark stiff pieces have no water but are full of alcohol. A fine paste can then be made with machines, and in 24 hours, can be dried to become flakes, he added.

A minimal investment in the sector can make a mobile distillery unit which can supply all time alcohol for industry purposes. State government is looking forward to use the technology for cashew farmers and self help groups of areas where cashew is cultivated.

One litre of cashew alcohol can be made by spending less than Rs 20. At present, under proof alcohol (up to 45 % alcohol) costs around `500.

Cashew apple juice is used to make value added products like jam, jelly, wine, squash and candies. These flakes can bring more money since alcohol is a major constitute of the plastic industry, distilleries, the pharmaceutical industry and to make bio diesel.

The CEPC, in association with the Kerala Agricultural University and Special Office for Cashew, Kollam is organizing a two day training program on Value Addition of Cashew Apple at Cashew Bhavan, Kollam on February 16 and 17 for farmers and SHG members.

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the pioneer

Inflation still not at acceptable level, should fall more: FM

TUESDAY, 14 FEBRUARY 2012 14:05

PTI | NEW DELHI

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"I think it (inflation) should be further reduced since it is still not at acceptable level. I do hope (further) moderation will come," Mukherjee told reporters here.

His comments came after headline inflation fell to 6.55 per cent in January on account of cheaper food items. Inflation, measured by Wholesale Price Index (WPI), had stood at 7.47 per cent in December 2011.

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Food articles have a 14.3 per cent share in the WPI basket and experts attributed the moderation in inflation to cheaper food articles.

However, inflationary pressure continued in manufactured items, which which have a weight of around 65 per cent in the WPI basket. Prices of manufactured products, went up by 6.49 per cent year-on-year in January, as against 7.41 per cent in the previous month.

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.

RBI, however, has put a pause to its rate hike policy since November last year and hinted that it may start loosening its tight monetary policy if inflation falls. It had projected inflation to fall to 7 per cent by March this year.

Foresters facing climate change challenges

TUESDAY, 14 FEBRUARY 2012 22:45

PNS | DEHRADUN

Foresters must face various tough challenges in the current scenario of global climate change, Forest Survey of India director general AK Wahal said while chairing the valedictory session of a two-day workshop on Reducing Emissions from Deforestation and Forest Degradation plus (REDD +) for Indian Forest Service officers organised by the Indian Council of Forestry Research and Education (ICFRE) on Tuesday.

Addressing the gathering on the occasion, Wahal elaborated the role of Forest Survey of India in creating a forest inventory which will help in developing REDD+ projects. The current report of FSI contains forest carbon estimates which will help the authorities to project REDD+ strategies. Foresters will have to learn new techniques, adapt and capitalise on available resources to meet challenges facing them due to the global climatic changes, he added.

The State Principal Chief Conservator of Forests, Raghu Bir Singh Rawat, said that the conservation of forests in India can be facilitated more effectively by efficient execution of REDD+ projects. Pointing at the changing scenario, Rawat exhorted foresters to be part of the dynamic process to keep abreast of what is happening at the global level. “We have our commitments to international agreements and need to formulate our national strategy accordingly,” he stressed.

Most participants were of the opinion that REDD+ is a new concept in forestry and there is need for a capacity building programme at all levels of the forest hierarchy to ensure the desired implementation of this concept. ICFRE, DDG (Education) Omkar Singh, DDG (Research) Sandeep Tripathi, and ICFRE Climate Change division head Renu Singh took part in the panel discussion. The workshop held at Forest Research Institute sponsored by the Ministry of Environment and Forest was attended by 20 IFS officers from different States.

Business Standard

Wednesday, Feb 15, 2012

Spices Board steps in to empower farmers

BS Reporter / Mumbai/ Pune February 15, 2012, 0:08 IST

The Spices Board of India has been undertaking programmes throughout the country especially in the states of Gujarat, Rajasthan, Madhya Pradesh, and Andhra Pradesh to effectively link the spices farmers of these states to the supply chain linked to exports.

These efforts had so far helped the farmers engaged in farming of spices like cumin, fennel, fenugreek, dill, coriander, mustard, chillies and turmeric the cause of farmers of cardamom, pepper and nutmeg.

"The Indian spice industry will take up a quality capacity building exercise jointly with USFDA (US Food and Drug Administration) enabling every segment of the spice industry to face the challenges of international trade and commerce in spices. This will start right from the spices growers across the country," said A Jayathilak, chairman of the Spices Board India. He was speaking at the concluding session of the 11th World Spice Congress in Pune on Tuesday.

He added, "The Spices Board will also set up task forces for various spices to address all the issues of quality, linkages and sourcing. The Board has proposed plans for the programmes in the next plan period to focus attention on export oriented production of ten spices like nutmeg, chilli, mint, cumin, fennel, coriander, fenugreek, black pepper, turmeric, ginger.

Cardamom is already a focus commodity. The farmers in the remote growing villages will become part of the international link and this will be an effective and great link in the supply chain ensuring traceability."

Also, Spices Board is initiated 'Sugandha Sangams' programme in the country where the focus is on to bring into the fold the farmers, traders, processors, exporters, scientists, officials of the Departments of Agriculture and Horticulture besides the agriculture and horticulture universities of the States.

All the quality labs of the Spices Board will soon be accredited for the very latest certifications for international acceptability.

Pepper up 1.6% on firm spot demand

Press Trust of India / New Delhi February 14, 2012, 15:59 IST

Pepper prices gained Rs 475 to Rs 29,585 per quintal in futures trading today as speculators enlarged their positions on a firming spot market demand.

At the National Commodity and Derivatives Exchange, pepper for delivery in February rose by Rs 475, or 1.63%, to Rs 29,585 per quintal, with an open interest of 3,099 lots.

March pepper moved up by Rs 410, or 1.39%, to Rs 30,000 per quintal, with trading volume of 3,159 lots.

Market analysts said increased buying by speculators on the back of a rising demand in the spot market due to marriage season mainly pushed up pepper prices at futures.

Groundnut oil prices touch all-time high

Crosses Rs 1800 per 15 kg tin level

Vimukt Dave / Mumbai/ Rajkot February 15, 2012, 0:05 IST

In spite of lower demand, groundnut oil prices reached an all time high of Rs 1,810 per 15 kg tin on Tuesday, on grounds of poor availability of groundnut for crushing. Rajkot, which happens to be one of the major production centres for groundnut oil in Gujarat, saw prices of around Rs 1,805-1,810 per 15 kg tin.

Similarly, loose groundnut was traded at Rs 1,070-1075 per 10 kg. Apparently, groundnut oil's low availability saw the commodity gaining about Rs 130 per 15 kg tin in the past one month.

"Demand in retail is below normal as prices has gone up since last one month. As of now, buyers have resorted to need-based purchase of oil. However, if prices decline in near future, more buyers may begin coming to the market," said Rajkot based retailer.

Prices of groundnut oil constantly increased since mills had not been able to source the crop for crushing. Arrivals of groundnut declined in past few weeks as most of the farmers were also busy with religious activities in and around the Saurashtra region.

Arrival of groundnut came down almost 50 per cent to 5000-6000 bags from 10,000-12,000 bags in the past couple of weeks. Groundnut prices also increased in this time as export demand re-opened. During February groundnut prices increased over Rs 40 per 20 kg. Groundnut bold was traded on Rs 755-905 per 20 kg while groundnut small's prices stood at Rs 740-865 per 20 kg on Tuesday.

"The prices have increased primarily because millers are facing a shortage of groundnut for crushing. Most of the groundnut is absorbed in exports at present. Moreover, farmers are holding on to the crop as they want higher prices for the same," said Samir Shah, president, Saurashtra Oil Mills Association (SOMA).

According to another Jamnagar-based miller, it is very crucial year for millers as they don't have enough stock of groundnut for crushing.

"Most of the groundnut oil mills have cut down working hours as they have no groundnut stocks for crushing," added Shah.

Meanwhile, the Indian Oilseed and Produce Export Promotion Council (IOPEPC) stated that India has exported 350,000 tonne groundnut during April-September 2011. In 2010-11 country's total groundnut export was stood on 419,000 tonne.

Mentha oil turns weak on profit-booking

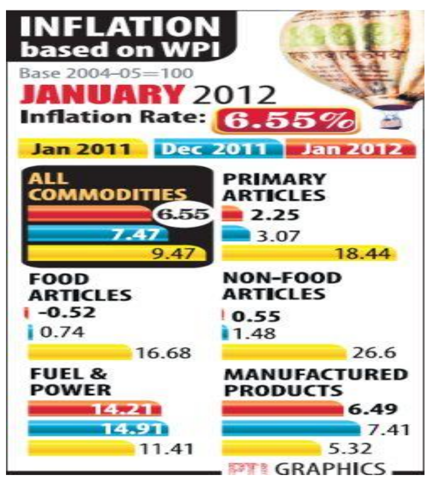
Press Trust of India / New Delhi February 14, 2012, 13:37 IST

Mentha oil turned weak and prices fell by 0.28% to Rs 1,557.20 per kg in futures market today as speculators indulged in booking profits at existing higher levels. At the Multi Commodity Exchange, mentha oil for delivery in March lost Rs 4.40, or 0.28%, to Rs 1,557.20 per kg, with a business turnover of 279 lots.The February contract shed Rs 2.60, or 0.17%, to Rs 1,542 per kg in 1,302 lots.Market analysts said besides profit-booking by speculators at prevailing higher levels, fall in demand in the spot market also kept pressure on mentha oil prices at futures trade.

THE HINDU Business Line

Inflation dips to 2-year low, down to 6.55% in January

Shishir Sinha



New Delhi, Feb 14:

Giving some relief to the Government, headline inflation for January has come down to a two-year low of 6.55 per cent. With this, the Government expects to end the fiscal with an inflation rate close to 6 per cent.

According to the new monthly inflation numbers, the first after weekly data was discontinued, the wholesale price index (WPI) stood at 6.55 per cent compared with 9.47 per cent last year. This number was 7.47 per cent in December 2011.

Commenting on the new data, the Finance Minister, Mr Pranab Mukherjee, expressed confidence that moderation in inflation would continue in the coming months. However, softening in prices of manufactured goods, despite the rapid decline in non-food primary inflation, might be more gradual.

The Finance Minister also said that the main worry going forward is on edible oils, milk and some animal proteins which may continue to threaten food inflation, as the required institutional reforms in agricultural marketing and improvement in storage and cold chains will operate with a lag.

Moreover, these are areas where States have to take a lead and take advantage of Central Government initiatives announced in the last two Union Budgets, he added.

Meanwhile, the Deputy Chairman of the Planning Commission, Mr Montek Singh Ahluwalia, claimed that the Government's effort to check inflation is showing good results.

“I had said that if inflation does not come down in January, then people can legitimately criticise the Government. It has come down in January so it does show that we knew what we were doing,” he added.

Monthly inflation for food articles has turned negative. The new data say it stood at -0.52 per cent for January from a high of 16.68 per cent in January 2011. Four key items in the list of food articles, wheat (-3.48 per cent), vegetables (-43.13 per cent), potato (-23.15 per cent), and onion (-75.57 per cent) have seen prices going down.

However, the concern is that inflation in manufacturing is still higher than last year. WPI for manufacturing has been recorded at 6.49 per cent while it was 5.32 per cent last January. Here cement and lime (8.16 per cent) along with basic metal alloys and metal products (11.99 per cent) and iron and semis (18.46 per cent) have seen significant increase.

Karnataka tobacco auctions to close by March 15

Bangalore, Feb. 14:

The Tobacco Board, after marketing 75 per cent of the authorised tobacco crop in Karnataka, has allowed entry of unauthorised crop grown by registered growers on to the auction platforms from Monday (February 13).

The board is also planning to close tobacco auctions in the State by March 15.

According to Mr K.N. Vishakantaiah, Regional Manager, Tobacco Board-Karnataka, “Unauthorised crop grown in Karnataka by registered growers which is estimated to be around 20-25 million kg (mkg) has been allowed to enter the auction platforms. This we have done after major portion of authorised tobacco got sold in over 110 days of auctions.”

Varieties

Tobacco prices have stabilised in the last one month. At the end of 113 days of auctions (on February 13), the board has marketed 76.45 mkg (7.18 lakh bales) of FCV tobacco variety with an average price realisation of Rs 96.90 a kg.

Of the 76.45 mkg marketed, Bright grades comprised of 22.86 per cent (17 mkg) traded at an average price of Rs 119.23 a kg. Medium grade 54.22 per cent (41 mkg) traded at an average price of Rs 102.24 a kg and Low grades 17 mkg traded at an average price of Rs 62.81 a kg.

Auction prices

Following are platform-wise auction details as on February 13:

Hunsur-III 49.69 lakh kg sold (at an average price Rs 101.37 a kg), Ramanathpura-I 76.78 lakh kg (Rs 90.95/kg), H.D.Kote 71.40 lakh kg (Rs 96.07/kg), Hunsur-II 64.06 lakh kg (Rs 92.81/kg), Periyapatna-II 81.86 lakh kg (Rs 99.50/kg), Kampalapura-I 71.09 lakh kg (Rs 99.22/kg), Ramanathpura-II 67.64 lakh kg (Rs 92.06/kg), Kampalapura-II 59.86 lakh kg (Rs 96.87/kg), Hunsur-I 44.90 lakh kg (Rs 97.22/kg), Periyapatna-I 96.51 lakh kg (Rs 99.34/kg), Periyapatna-III 80.69 lakh kg (Rs 100.10/kg).

Pepper prices move up

G. K. Nair

Kochi, Feb. 14:

Pepper prices, both futures and spot, moved up on Tuesday, on reports of steady-to-firmer trend in other origins and bullish activities. All active deliveries moved up and closed above the previous day's closing.

There was liquidation as investors did not seem to be interested to carry forward as the closing of the financial year is nearing, the trade said. But, activities were limited. Reported direct buying by inter-State dealers from major growing areas in Idukki at terminal market prices, has squeezed the arrivals here. This phenomenon indicated of a hike in domestic demand and that in turn also aided the bull operators to push up the market, market sources told *Business Line.*

February contract on the NCDEX increased by Rs 390 to close at Rs 29,500 a quintal.

March and April contracts went up by Rs 390 and Rs 335, respectively, to close at Rs 29,980 and Rs 30,280 a quintal.

Total turnover dropped by 358 tonnes to close at 3,124 tonnes. Total open interest fell by 211 tonnes to close at 7,801 tonnes.

February open interest dropped by 208 tonnes to close at 2,993 tonnes while Mar was down by 40 tonnes to 3,188 tonnes. April open interest was up by 35 tonnes to 774 tonnes.

Spot prices moved up by Rs 300 to close at Rs 29,900 (ungarbled) and Rs 31,400 (MG 1) a quintal on limited availability and in tandem with the futures market trend.

Indian parity in the international market was at $6,400 - $6,450 a tonne (c&f) Europe and $6,750 a tonne (c&f) USA.

According to an overseas report Vietnam was steady/firm today and indications for nearby positions were: FAQ min 500 G/L $5,950- $6,000 a tonne (fob) HCMC; FAQ min 550 G/L $ 6,250 - $6,300 and white pepper double washed was at $9,375 - $9,400 a tonne.

Brazil was also steady with B Asta at $6,500 a tonne (fob) Victoria/Belem; B 1 560 GL $6,350 a tonne and B2 at $6,250 a tonne.

India may replace China as world's largest soya oil importer: US

Washington, Feb 15:

India is expected to replace China as the world's largest soyabean oil importer, the US Department of Agriculture said and projected India can become the third largest rice exporter by 2012.

"India is projected to replace China as the world's largest soyabean oil importer. In the projections, India's soyabean oil imports climb 28 per cent to 1.2 million tonnes," it said.

Factors that contribute to the continued growth of the country's soyaoil imports include burgeoning demand for vegetable oils and a limited capacity to expand domestic oilseed production.Low yields, associated with excessive monsoon rainfall and low input use, also inhibit growth of oilseed production, the report said.

Noting that in 2008, in response to high world prices, India cut its edible oil import tariffs to zero, the USDA said it is assumed that during the next decade, India's soyabean oil tariff will gradually return to its previous rate of 45 per cent and tariffs for the other major imported oils — palm and sunflower — will remain below their historical highs of 75 to 85 per cent.The USDA said by 2021, India is expected to be the third largest rice exporter of the world.

"India's rice exports are projected to rise to about 4.8 million tonnes by 2021, making it the third-largest exporter," it said.

India's rice export levels it said have been volatile, primarily due to fluctuating stock levels and Government policies.

Experts voice concern over farm sector situation

Thiruvananthapuram, Feb. 14:

Experts taking part in pre-Budget consultations convened by the State Finance Minister has expressed concern over the state of the agricultural economy.

The Finance Minister, Mr K. M. Mani, told newspersons after the consultations here on Tuesday that the State had logged an abysmal 0.64 per cent growth in the sector during the last year.

This compared with the 6.12 per cent growth in the secondary sector and 11.57 per cent in the tertiary sector, Mr Mani said.Earlier in the day, Mr Pulapre Balakrishnan, Director, Centre for Development Studies (CDS), an autonomous think-tank, said that the crying need for public investment in the agricultural sector needed to be attended to on a war-footing.According to him, the local self-government bodies have a leading role to play in promoting investments in the sector.But it was regrettable that they tend to project an image that they exist merely for the purpose of receiving funds in the thousands of crores that the Government transfers from the Budget every year.

ECONOMIC INTELLIGENCE

They need to be mandated with what Mr Balakrishnan described as ‘serious responsibilities' in the agricultural sector. The previous Government had in fact initiated some steps in this direction.He was also of the view that the Department of Commercial Taxes must improve on its economic intelligence and find new ways of new resources from among a legion of new opportunities in the trade and services sector.

Mr Balakrishnan did not see why agricultural income tax should not be imposed on certain sub-sectors, especially plantation sector.Similarly, high-spending sectors such as construction must be subjected to varying tax given that they are promoting consumptive assets in domestic housing in an environment where land resources are spread thin and are priced inordinately high.

Non-basmati rice exports may be allowed through non-EDI ports too

The government is pushing for allowing exports of non-basmati rice through ports that are not connected via Electronic Data Interchange (EDI).

New Delhi, Feb. 14:

The Commerce Ministry is pushing for allowing exports of non-basmati rice through ports that are not connected via Electronic Data Interchange (EDI).

In September last year, the Government had allowed exports of all varieties of non-basmati rice out of privately held stocks only through Custom EDI ports.

However, citing demand from non-EDI ports in the eastern border and in Gujarat, the Ministry is keen that non-basmati rice exports are allowed through them also, official sources said.

The condition for allowing exports only through EDI ports is in place to facilitate easier and quicker capturing of data by the Customs Department, but it is adding to transportation costs of certain exporters.

Data from non-EDI ports usually take longer to reach Directorate-General of Commercial Intelligence and Statistics (DGCIS), the nodal Government body which collects trade statistics.

“Ports at the Indo-Bangladesh border and some private ports in Gujarat, which are not on the EDI mode, want the relaxation. Therefore, we are now working out a mechanism to ensure that data through non-EDI ports can also be collected quickly and without any errors,” a senior official said.

Directions may be given to Customs officials to send the manual data/hardcopy of the data statement of exports as soon as possible to the DGCIS, the sources said. However, a final decision in this regard will be taken only by an Empowered Group of Ministers because non-basmati rice is a ‘politically sensitive' item, the sources said.

When the Government allowed non-basmati rice exports in September last year after a three-year ban, it did not mandate any quantitative restriction or Minimum Export Price explicitly.

But the Food Ministry is monitoring the exports and if it is found to cross a certain limit, which will have an impact on the stocks meant for local distribution, it might trigger export restrictions.

The exporters have been demanding that the Government should allow further exports. It is learnt that during the recent EGoM meeting, the Government had decided to allow further exports of non-basmati rice and review the situation after six weeks.

Since September 2011, around 2.3 million tonnes (MT) of non-basmati rice has been exported.

Rice production in 2011-12 is set to touch an all-time high of 102.75 MT as against last year's 95.98 MT. The International Grains Council recently projected that rice exports from India, which is the world's second largest producer of the item, would increase by 32 per cent to 5 MT in the current year.

Basmati exports are projected to touch 2.5 MT in the current year, up from 2.18 MT in 2010-11.

Cashew sees revival on fresh buying

G.K. Nair

Kochi, Feb. 14:

The cashew market witnessed some revival last week in its activity with broken grades which were in the dumps for the last few weeks gained.

Overall, there was not much change in prices - range of trades/offers were W240 from $3.85 to $3.90, W320 from $3.30 to $3.45, W450 & SW320 from $3.15 to $3.30, Splits & Butts from $2.20 to $2.40, Pieces from $2.10 to $2.25 per lb (f.o.b). There is some interest for April forwards but no significant trades reported as buyers' ideas are at the lower end of the range.

Indian market was reasonably active but there was no increase in prices as buyers were only plucking the low-lying fruit – as there is no supply concern, there is no pressure to build inventory and they continue to buy “when needed”, according to Mr Pankaj N. Sampat, a Mumbai-based dealer.

First arrivals

After good activity at the end of January, the Raw Cashew Nut (RCN) market has become quiet again. Most shellers are waiting for indication of new crop pricing plus kernel demand for second quarter shipments before making any large purchases. There are some reports of trades for Benin around $1,050 and Ivory Coast (IVC) around $975 (c&f).

"In our view, these are speculative trades and we have to wait until March/early April to get a realistic idea of West African RCN pricing," he said. The traditional interest for "first" arrivals and the additional interest from Brazil might keep the opening prices high.

If the pattern of periodic kernel buying continues for the next three-four months, prices will continue to move in the current range. If there is reduced activity during February-April, shellers will be slow in RCN purchases and this could lead to lower RCN prices when arrivals are in full swing.

Kernel market

Large buying for April-September delivery in the next six-eight weeks would result in a firming of kernel prices because at the current levels, shellers are unlikely to sell forwards at a discount in view of the uncertainty of RCN pricing. Unless the kernel market is very slow till April/early May, there are not much chances of a big decline in RCN prices.

The current market has factored in lower usage due to the high prices and the prospects of better supplies in this year compared to last year. Any deviations from this will affect the movement of the market. Asian usage can be expected to be better than last year with the current prices.

"Our feeling is that total 2012 usage cannot be lower than 2011 unless there is some dramatic development in external factors. Supply – as usual – will be uncertain until middle of the year," he said

"We can expect market to move in the current range in the first half with a possibility of some softness in April/May if the crops are normal and the kernel demand is slow. Unless the RCN prices come down substantially, the downside in kernel prices is not much. We can also expect a gradual upward movement in kernel prices in the second-half of this year," Mr Pankaj said.

Overall, the coming year is going to be an interesting one, every year is different.

Spice Board, USFDA join hands for quality building exercise

C. J. Punnathara

Kochi, Feb. 14:

The Indian spice industry will take up a quality capacity building exercise jointly with the United States Food and Drug Administration, (USFDA) which would enable every segment of the spice industry to confront the diverse global challenges in spices trade.

This will start right from the spices growers spread across every part of the country, Dr A.S. Jaythilak, Chairman of the Spices Board India, said.

Addressing the concluding session of the 11{+t}{+h} World Spice Congress in Pune, he said that the Spices Board has been undertaking programmes throughout the country especially in Gujarat, Rajasthan, Madhya Pradesh and Andhra Pradesh to effectively link the spices farmers of these States to the supply chain linked to exports.

Mr Bruce Ross, India country director of the USFDA, who was present at the Congress, suggested that initiatives on such a massive scale will be supported by USFDA since similar initiatives on aquaculture in Bangladesh had yielded promising results.

The proposed programme on spices in India could take shape very easily as the Spices Board is already on the job, Dr Jayathilak said and promised wholehearted support to the offer since the farmer stood to benefit ultimately.

Focus commodities

The Spices Board has proposed to include 10 spices which have high export potential –nutmeg, chillies, mint, cumin, fennel, coriander, fenugreek, black pepper, turmeric and ginger – as focus commodity in the next Plan. Cardamom is already a focus commodity.The farmers in the remote growing villages will become part of the international link and this will be effective in the supply chain, ensuring traceability. The Spices Board is already on the job through initiatives called “Sugandha Sangams,” where the focus is on to bring into the fold farmers, traders, processors, exporters, scientists, officials of the Departments of Agriculture and Horticulture.

The agriculture and horticulture universities of the States, besides the Spices Board, would also have the single minded objective of promoting exports of quality spices while meeting the various standards of different countries.The Congress also paved the way for a series of interactions with international quality regulators from the US, European Union, Canada and Japan. It culminated in taking multifarious decisions which were also subscribed by delegates from other spice producing countries.The buying countries impose different standards for quality regulations which often results in hampering smooth trade and commerce.

It was decided that efforts are to be taken up for harmonising standards, residue limits and regulatory issues. Almost all spices producing countries are facing issues of low productivity due to poor quality of planting and seed materials and shortage of labour. The need for research and effective schemes for soil management were also called for.

Growers' societies

One of the highlights of the congress was the need to take up on an urgent basis the formation of spices growers' societies that could result in empowering farmers for better practices and direct involvement in the supply-demand chain.Dr Jayathilak assured that the recommendations of the Congress will be taken up very seriously and action plan will start in the next two months.

The link from the farmer to the Government, regulatory agencies and the industry would be strengthened for knowledge dissemination and better productivity.

US buyer turns to ‘spicy' Indian onion

M. R. Subramani

Chennai, Feb. 13:

Indian onion may be considered pungent than the ones grown elsewhere in the world. Some even term it ‘spicy' onion.

But it is the pungency that has turned a US buyer towards it.

“We have got enquiries from a US buyer for our onion. We have been asked to send a sample consignment,” said Mr Rupesh Jaju, Director of Nashik-based United Pacific Agro Pvt Ltd.

Asked what made the buyer look to Indian onion, he said: “It is because of our pungency”.

Indian onion, however, is unlikely to be sold in the US. “The buyer has said there will be no need for quarantine or other certification process. It will be stored and processed in a warehouse,” he said.

New markets?

The onion, most probably, could find its way into markets such as Mexico or Panama around the US. Or it could even be processed into a value-added product for sale in the US itself, according to trade sources.

“Indian onion cannot get into the US as it is a large producer,” said Mr Jaju.

According to the Food and Agricultural Organisation, the US is the third largest producer, after India, producing over three million tonnes of onion.

More than that, the US has stringent quarantine norms in place that could make it difficult for Indian onion to enter that country.

“The US buyer will test the sample consignment and after that could place order for one or two containers. It will be a breakthrough if we get orders since we have never exported onion to the US,” said Mr Jaju.

During April-January period of the current fiscal, 11.98 lakh tonnes of onion were exported at a unit price of Rs 12,500 a tonne. In the previous fiscal, totally 13.40 lakh tonnes were shipped out of the country at a unit price of Rs 16,103 a tonne.

Exports mainly go to the Gulf, Malaysia, Singapore and Europe. If the US buyer comes forward to buy Indian onion, it will be first time that the vegetable will cross the Atlantic Ocean.

Project to study impact of climate change on diseases, insect pests

Our Bureau

Mr William Dar

Hyderabad, Feb. 14:

How does climate change impact diseases and insect pests? What is the potential damage it can do to the crops?

These will be some of the questions that will engage a new Centre of Excellence on Climate Change Research for Plant Protection that was launched at the International Crop Research Institute for Semi-Arid Tropics (ICRISAT) here.Funded by the Department of Science and Technology, the DST-Climate Change Programme is for a three-year period. The overall goal is to establish facilities and provide opportunities for Icrisat and partner institutes to conduct research-for-development initiatives on climate change and its impact on diseases and insect-pests of legumes in the semi-arid tropics.Diseases and insect pests cause crop losses of over $8.48 billion annually, and these losses are likely to increase by at least four folds under the climate change scenario, according to a release from Icrisat.The Icrisat Director-General Mr William Dar, in his address during the project launch, said the partnership will have a major bearing on environment-friendly, pest mitigation strategies for the sustainable production of grain legumes and in increasing food security in the dryland areas.Dr Akhilesh Gupta, Advisor, DST Climate Change Programme said it is the only project among the 147 qualified under the programme that received full support after a long and stringent process of approval.Global warming and climate change will lead to emergence of more aggressive pest and pathogen populations, resulting in heavy losses by pest and disease epidemics particularly in grain legumes such as chickpea and pigeonpea.

The efforts at the new centre could serve as a platform to conduct targeted research to understand and mitigate the effects of climate change on plant and pest diseases.