

## Workshop on micro-watersheds at TNAU tomorrow

COIMBATORE, January 20, 2012

A workshop on “Delineation and Codification of Micro-Watersheds” will be held at Tamil Nadu Agricultural University here on January 21.

According to a release, Agriculture Minister S. Damodaran will release the Micro-Watershed Atlas of Tamil Nadu on the occasion.

S.N. Das, Chief Soil Survey Officer, and Head, Soil and Land Use Survey of India, Government of India, will deliver the keynote address. Sandeep Saxena, Agricultural Production Commissioner and Secretary to Government, Agriculture Department, Government of Tamil Nadu, will be present.

K. Murugesu Boopathi, Vice-Chancellor of the university, will preside.

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## 'Thane' wreaked havoc on poultry farms CUDDALORE, January 20, 2012

Poultry farms in Tamil Nadu and Puducherry bore the brunt of cyclone 'Thane' with over 1450 farms fully destroyed and several lakh broiler chicken killed within hours.

The losses will run into crores of rupees, according to G. Latha, former MLA and president of the Tamil Nadu Broiler Growing Farmers' Association (TNBGFA).

Ms. Latha told *The Hindu* that the affected farms are in Cuddalore, Villupuram, Kancheepuram and Vellore districts and Puducherry.

Each farm had been raising 10,000-20,000 birds. The fragile thatched sheds housing the birds were no match for the strong winds and collapsed killing them en masse.

Ms. Latha said that the farmers had invested Rs.10 lakh to Rs.30 lakh raised through loans, on these farms. What was saddening was that the Central team led by Lokesh Jha that assessed the damage did not lend its ear to the woes of the poultry farmers on the specious plea that they were “owners and, therefore, could live through the losses.”

Ms. Latha said that the farmers were not “owners” but only “growers.” As many as 57 big companies running large hatcheries in Tamil Nadu supplied chicks and feeds to the farmers to raise them into full-grown birds, for which they were given remuneration.

These companies would pay on the basis of weight of the birds and the payment was just in the range of Rs.1.75 to Rs.2.50 a kg. For getting the contract, the farmers had to enter into an agreement with the companies. She alleged that these companies would not give any compensation to the poultry farmers for damage to their property or for loss of human life.

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### Renovation of tank gives fillip to cultivation

Staff Reporter

*Farmers expand area under cultivation; get better yield*



At an advantage:Collector K.S. Palanisamy (left) inspecting Goundenkulam tank at Perumalgoundenpatti near Theni on Thursday; (on right) raised bunds of the tank.— PHOTOS: G. KARTHIKEYAN

After a gap of two decades, farmers of Sillamarathupatti have not only expanded the area under cultivation but got better yield also this season, thanks to rehabilitation of the traditional Goundenkulam tank at Perumalgoundenpatti and linking it with the 18th channel.

Water released through 18th channel was let into Suddha Gangai Odai to fill the tank for irrigation. Though the tank does not have direct ayacut, sufficient storage in the tank recharges groundwater and many irrigation wells at the village. Bund height was increased by 1.5 metres.

“After 20 years, we saw water in the tank; groundwater level increased substantially,” said J. Parameswaran, president of Water Users' Association-IV of Theniyar sub-basin.

“We used to struggle to raise even a single crop fully. One-fourth of the total agriculture land was under cultivation and the rest was kept idle. We depended on seasonal rain. If there was no rain, our standing crop would wither,” K. Easwaran, member, Territorial Constituency-IV, said.

Now, the trend has changed. People who used to depend on dry crops like maize and millet (cumbu) have started cultivating wet crops like banana and vegetables like ladies' finger, beetroot, chillies and cotton.

Sufficient storage in the tank has increased the water level to 40 feet from 10 feet. Wells have comfortable storage almost throughout the year, said V. Cherumalai, an old farmer.

Bunds of the tank have been strengthened and all supply channels renovated at a cost of Rs. 10 lakh under the World Bank aided Irrigated Agriculture Modernisation and Water Bodies Restoration and Management Project (IAMWARM) in Theniyar sub-basin under Vaigai Basin Division in Bodi, Theni, Uthamapalaym and Chinnamanur blocks. An Anaicut across Vazhaiyaru odai was being executed at a cost of Rs.55 lakh.

When contacted here on Thursday, Collector K.S. Palanisamy said the main objective of the project was to revive irrigation structure, restore surface and groundwater potential and propagate modern agriculture practice to boost productivity.

Besides, repairing and reconstructing of 11 tanks and eight supply channels stretching to 17.5 kilometres and standardising bunds of 11 tanks, reconstruction of six sluices were taken up at an estimated cost of Rs.6.55 crore. All works would be over by this year end, he added.

Public Works Department (Water Resources Organisation) Executive Engineer A. James Lourdusamy said that work on skin wall concrete for body wall of the anicut and upstream and down stream apron concrete would be taken up.

Retaining walls would be constructed for arresting the flow of floodwater to nearby lands.

## Farmers paid a pittance despite high price of red gram

S. Rajendran

*They are paid about Rs. 3,500 a quintal while the price of the produce in the retail market is Rs. 7,000*



Red-faced: While the cultivation cost of red gram has doubled, the failure of rain has added to the misery of farmers.

Red gram, known in local parlance as tur dal, costs around Rs. 7,000 a quintal in the retail market, and shockingly the growers are paid a mere 50 per cent of that price at the farm gate leading to the demand that the State Government step in announce a support price for the produce similar to the announcement made for paddy about a month ago.

Sources in the State Government told *The Hindu* here that the authorities are aware of the low price for red gram and are contemplating stepping in with a minimum support price and possibly even an incentive to the farmer that could ensure price stability. Reports have it that the farmers are paid as low as Rs. 3,500 a quintal by mills in the Hyderabad Karnataka region.

The State accounts for 20 per cent of the area under red gram cultivation in the country, and while it was a bumper crop last year, it is expected to be below normal this year.

Red gram is a major cash crop and is extensively grown in the districts of Gulbarga and Yadgir apart from the adjoining districts of Bijapur, Koppal, Raichur and Bidar. In the current season, the total area in the Gulbarga belt under red gram following the failure of monsoon in the region,

has resulted in a 30 per cent reduction in the area under cultivation and this is expected to result in a considerable decrease in production. However, this has not resulted in any benefit to the grower who is reportedly being paid the same amount as that of last year. The area under red gram cultivation is more or less the same as that of last year in Bijapur, Koppal and Raichur districts .

Secretary of the State unit of the Farmers Federation of India C. Narasimhappa told *The Hindu* that with an area of over three lakh hectares under red gram in the Gulbarga belt , the production is expected to be about one million tonnes. With the rising costs, the cost of cultivating red gram has nearly doubled and the failure of rains has further added to the misery of the growers.

### **Intervention sought**

In the view of Mr. Narasimhappa, “price stability, both from the farmers' point of view and from the point of view of consumer, is a must and this has to be ensured by only a healthy intervention by the Government. The Union Government has announced a support price of Rs. 3,200 a quintal which hardly covers the cost of cultivation. Hence, the demand that the State Government should immediately step in with a special incentive to the growers.”

Following the high output last year and to prevent gullible farmers playing into the hands of middlemen, the State Government for the first time last season decided to purchase 20,000 tonnes of tur dal for the midday meals programme through e-bidding by utilising National Commodities and Derivatives Exchange Ltd. (NCDEX) platform.

Prior to this, the Government was procuring red gram from mills and traders by inviting tenders.

According to Minister for Food and Civil Supplies Shobha Karandlaje, the Government saved around Rs. 20 crore by purchasing red gram through the e-tendering process.

The State spends, on an average, about Rs. 150 crore to procure 20,000 tonnes of red gram for the meals programme and e-tendering prevents a cartel of mill owners and traders rigging the prices.

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- *State Government urged to announce support price for the produce*
  - *Area under red gram has decreased by 30 per cent this year*
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Published: January 20, 2012 00:00 IST | Updated: January 20, 2012 04:29 IST

## **Rs. 2,800 cr. sought for agriculture**

Special Correspondent

Agriculture Minister Umesh Katti has sought an allocation of Rs. 2,800 crore for the agriculture sector in the State budget to be presented by Chief Minister D.V. Sadananda Gowda.

Disclosing this at the release of Agri Doctors' Diary-2012 and Agricultural Calendar-2012 brought out by the Agricultural Graduate Officers' Association here on Thursday, Mr. Katti said the allocation was being sought for agricultural sector, agricultural universities and Watershed Department put together.

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## **Farmers' association seeks ban on turmeric import**

Staff Correspondent

The Turmeric Farmers' Association of India has urged the Centre to ban the import of turmeric, including seed and unprocessed turmeric, to help farmers get remunerative price for their produce.

Deivasigamani, president of the association, said in a statement here on Thursday that Union Government must form a committee consisting of farmers, scientists and experts for better marketing of value-added products of turmeric.

Mr. Deivasigamani said farmers were currently getting an average price of Rs. 10,000 a quintal for turmeric, which was meagre.

The M.S. Swaminathan Commission had advised the Centre that a minimum support price (MSP) should be 50 per cent more than the prevailing price. (If it is Rs. 10,000 a quintal, MSP should be Rs. 15,000).

Import of turmeric had affected the prospects of Indian farmers, Mr. Deivasigamani said.

### **Demands**

The Government must instruct banking institutions to provide pledge (produce) loans at the rate of Rs. 10,000 a quintal and crop loans up to a maximum of Rs. 10 lakh without levying interest,

he demanded. The current storage capacity of turmeric in warehouses should be increased to 12 lakh tonnes in view of higher production, he added.

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### Seminar on global warming

BERHAMPUR, January 20, 2012

A seminar on global warming was held on Berhampur university campus on Thursday by the 'Earth Sciences and Technology Cell' and Department of Geophysics of the university. V.R. Nerrala, environmental scientist from Canada delivered the keynote address. Addressing the gathering, he said that warming of the earth's climate both due to natural and anthropogenic influences has already led to increase in mean temperature of the earth by 0.6 degree centigrade. According to him it is an irony that effect of global warming and vulnerability to it is more for developing countries in comparison to the developed countries, which are greatest contributors to global warming. Chairman of PG Council of the University P.K Biswasray presided the seminar.

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### Mettur level

The water level in the Mettur dam stood at 91.82 feet on Thursday, against its full level of 120 feet. The inflow was 882 cusecs and the discharge, 10,014 cusecs.

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**hindustantimes**



Thursday, January 20, 2012

New Delhi, January 19, 2012

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Last Updated: 12:37 IST(19/1/2012)

### Food inflation remains in negative for third week

Food inflation remained in the negative zone for the third straight week, at (-)0.42% for the week ended January 7, mainly due to fall in prices of onion and vegetables.

Food inflation, as measured by the Wholesale Price Index (WPI), was at (-) 2.90% in the previous week. It was above 16% in the corresponding week of 2011.

According to the official data released on Thursday, onion prices were lower steeply by 75.42% year-on-year during the week under review, while potato prices were down by 23.84%. Prices of wheat also fell by 3.57%.

Overall, vegetables were 45.81% cheaper during the week under review than in the same period last year.

Other food products, led by protein-based items, became more expensive on an annual basis.

Pulses prices were 14.27% higher during the week under review, while milk grew dearer by 11.48%. Egg, meat and fish prices were up 19.64% year-on-year.

Fruits also became 10.03% more expensive on an annual basis, while cereal prices were up 2.26%.

Inflation in the overall primary articles category stood at 2.47% during the week ended January 7, against 0.51% in the previous week. Primary articles have over 20% weight in the wholesale price index.

Experts feel that the decline in food inflation, along with moderation in headline inflation during December 2011, will be a major incentive for the Reserve Bank to look at the option of cuts in key interest rates in the near future.

<http://www.hindustantimes.com/StoryPage/Print/799228.aspx>

New Delhi, January 20, 2012

First Published: 00:15 IST(20/1/2012)

Last Updated: 02:30 IST(20/1/2012)

**Govt may seek corporate tips on food security bill**

India hardly pulls off a scheme without squandering money or time. So, food minister KV Thomas doesn't want to take chances, given that he could be squarely blamed if the expensive



food security bill becomes a reckless fiscal sop. Thomas is now likely to float a proposal to hire a top-rank consultancy firm to draw up a "corporate-style blueprint" to help the government get the food law's implementation right. The first backing for such a proposal, surprisingly, could come from the Planning Commission, which finds wasteful spending insufferable.

"We may employ a consultant for a blueprint and framing of rules for the food security law so that funds are efficiently spent," Thomas told HT. The food bill is currently being reviewed by a parliamentary standing committee, as is required under law-making.

Expanding food handouts to nearly 800 million people, under the bill, at less than half the market price undoubtedly entails a risk of its own. Amid a clear slowdown-industrial output has shrunk by 4.5%-the bill has drawn much criticism. Yet, India is one of the world's worst performers on hunger.

Thomas's proposal stems from concerns that the bureaucracy may lack the expertise needed to ensure that the world's largest food-guaranteeing law is resourcefully implemented.

The food ministry is likely to frame the "terms of references" for the proposed consultant soon. The consultant could also be asked to suggest ways to ensure which areas of the pilferage-prone food distribution chain needs to be fixed. It could also be asked to suggest a software-enabled book-keeping mechanism for delivering cash handouts, which the bill provides for.

Analysts say such consultancy is welcome, but getting India's "steel-frame" bureaucracy, especially in the states, to deliver could be easier said than done.

<http://www.hindustantimes.com/StoryPage/Print/799554.aspx>

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19 Jan 2012 01:04:12 PM IST

## Food inflation remains in negative zone



NEW DELHI: The falling cost of vegetables like potatoes and onions has put a lid on price rise, with food inflation confined to the negative zone for the third consecutive week at (-)0.42 per cent during the seven-day period to January 7.

However, experts feel that the decline in prices of food articles will not be enough to prompt the Reserve Bank to cut key interest rates at its forthcoming monetary policy review on January 24. Food inflation, as measured by the wholesale price index (WPI), stood at over 16 per cent in the corresponding week of the previous year. It was (-)2.90 per cent in the previous week ended December 31, 2011.

The maximum drop was witnessed in prices of onions, which became cheaper by 75.42 per cent year-on-year during the week under review, while potatoes became 23.84 per cent less expensive. Overall, vegetables became 45.81 per cent cheaper, while wheat prices fell by 3.57 per cent.

The decline in food prices since the first week of November has been substantial, with the rate of price rise plummeting into the negative zone from double digits.

"Food inflation may remain in the negative zone for another two weeks before turning positive to low single-digit," Crisil Chief Economist D K Joshi said.

However, the time is not yet right for the RBI to start loosening the monetary policy, he said.

"While food inflation has moderated, there are major components like manufactured products where prices continue to rise at a high level. We believe the RBI will wait for some more time before starting to cut rates," Joshi said.

General inflation stood at a two-year low of 7.47 per cent in December, mainly on account of falling food prices.

After raising interest rates by 375 basis points since March, 2010, the RBI took a pause on its hawkish stance in December. .

However, prices of other food items continued to go up. Prices of pulses were up 14.27 per cent, milk 11.48 per cent and eggs, meat and fish 19.64 per cent year-on-year during the week under review.

Experts attributed the decline in food inflation to the "high base" of the previous year and to good kharif output.

Food inflation stood at over 16 per cent in the same period last year.

"Once the impact of the favourable base effect wears off in February, 2012, food inflation is expected to rise to around 6-6.5 per cent in March, 2012," said ICRA Economist Aditi Nayar.

She also said: "The RBI is likely to attach greater importance to the elevated inflation related to non-food manufactured products and maintain policy rates at the current levels in next week's policy review."

Inflation in the overall primary articles category stood at 0.51 per cent during the week ended December 31, as against 0.10 per cent in the previous week, as per today's data.

Inflation in the non-food segment, which includes fibres and oilseeds, was recorded at 1.84 per cent for the week ended January 7, as against 1.29 per cent in the previous week.

Fuel and power inflation stood at 14.45 per cent, the same as in the previous week.

Finance Minister Pranab Mukherjee has said the moderation in food prices will help bring down headline inflation to 6-7 per cent by March, 2012.

## Starbucks closing in on retail deal with Tata Coffee



Starbucks Corp, the world's largest coffee company, is finalising its retail partnership with Tata Coffee Ltd and hopes to announce the deal by the end of this month, a senior official of the Indian company said on Thursday. In early 2011, the Seattle-based company signed a pact with the Tata group firm to buy coffee from India and explore opening retail stores in the country. "We are close to finalising it and are working on the final details. We hope to make an announcement very soon," MD Kumar, chief financial officer of Tata Coffee told Reuters.

Tata Coffee plans to open a Starbucks coffee shop by the end of this year, Managing Director Hameed Huq told reporters on the sidelines of the International Coffee Festival in Delhi earlier in the day. In India, where tea has long been the beverage of choice, an increasingly affluent and urban population with westernised tastes is embracing cafes, paying much more for a cup of coffee than at traditional restaurants.

The two companies had planned to open the first Starbucks outlet in India by mid-2011, but the plan was delayed on account of difficulties in acquiring real estate, Tata Coffee Chairman R.K. Krishnakumar had told Reuters in August.

**INSTANT COFFEE EXPANSION** Tata Coffee, which makes and exports instant coffee and plantation coffee, plans to invest \$10 million to increase its instant coffee capacity by 2,000 tonnes from the 6,500 tonnes, Kumar told Reuters.

"We will be adding capacity at our existing plant near Madurai... It should be operational by the third quarter of the next financial year," he said. Madurai is in the southern India state of Tamil Nadu, near where they also have plantations. Tata coffee exports 60 per cent of its instant coffee to Russia and the rest to Singapore and Japan.

Instant coffee division contributes about 50 per cent to its revenues and the company expects robust demand for instant and plantation coffee in FY13, despite sluggish consumer demand globally.

India, the world's fifth biggest producer, accounts for only 4.5 per cent of the world's output, but exports 70-80 per cent of its produce. "Our orderbook for the fourth quarter is full and we have been receiving good orders for the first quarter of next year," Kumar said.

The next fiscal year starts in March, 2012. However, Tata Coffee sees demand for its US coffee brand, Eight O' Clock Coffee, which has been hurt by rising raw material costs in the current quarter and the last, to improve as commodity costs have begun to ease.

Tata Coffee on Wednesday saw its consolidated net profit fall 34 per cent to 215.1 million rupees in Oct-December. Shares of the company ended 0.97 per cent up at 865.95 rupees in a firm Mumbai market on Thursday that closed at a 6-week high.

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**Source URL:** <http://www.deccanchronicle.com/channels/business/news/starbucks-closing-retail-deal-tata-coffee-027>

## Food inflation in negative zone for third consecutive week



Food inflation remained in the negative zone for the third straight week, at (-)0.42 per cent for the week ended January 7, mainly due to fall in prices of onion and vegetables. Food inflation, as measured by the Wholesale Price Index (WPI), was at (-) 2.90 per cent in the previous week. It was above 16 per cent in the corresponding week of 2011. According to the official data released on Thursday, onion prices were lower steeply by 75.42 per cent year-on-year during the week under review, while potato prices were down by 23.84 per cent. Prices of wheat also fell by 3.57 per cent.

Overall, vegetables were 45.81 per cent cheaper during the week under review than in the same period last year. Other food products, led by protein-based items, became more expensive on an annual basis. Pulses prices were 14.27 per cent higher during the week under review, while milk grew dearer by 11.48 per cent. Egg, meat and fish prices were up 19.64 per cent year-on-year.

Fruits also became 10.03 per cent more expensive on an annual basis, while cereal prices were up 2.26 per cent. Inflation in the overall primary articles category stood at 2.47 per cent during the week ended January 7, against 0.51 per cent in the previous week. Primary articles have over 20 per cent weight in the wholesale price index.

Experts feel that the decline in food inflation, along with moderation in headline inflation during December 2011, will be a major incentive for the Reserve Bank to look at the option of cuts in key interest rates in the near future.

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**Source URL:** <http://www.deccanchronicle.com/channels/business/market/food-inflation-negative-zone-third-consecutive-week-984>

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# Business Standard

Friday, Jan 20, 2012

**Food prices drop meat, milk, eggs, fish not on deflation diet**

**BS Reporter / New Delhi January 20, 2012, 0:10 IST**



Food inflation has remained in negative territory for a third week, though the rate of decline has slowed quite a bit in the first week of 2012. Though prices of most articles continued to fall, there was pressure from protein-based goods.

Food inflation was a negative 0.42 per cent for the week ended January 7, up from minus 2.9 per cent in the last week of December.

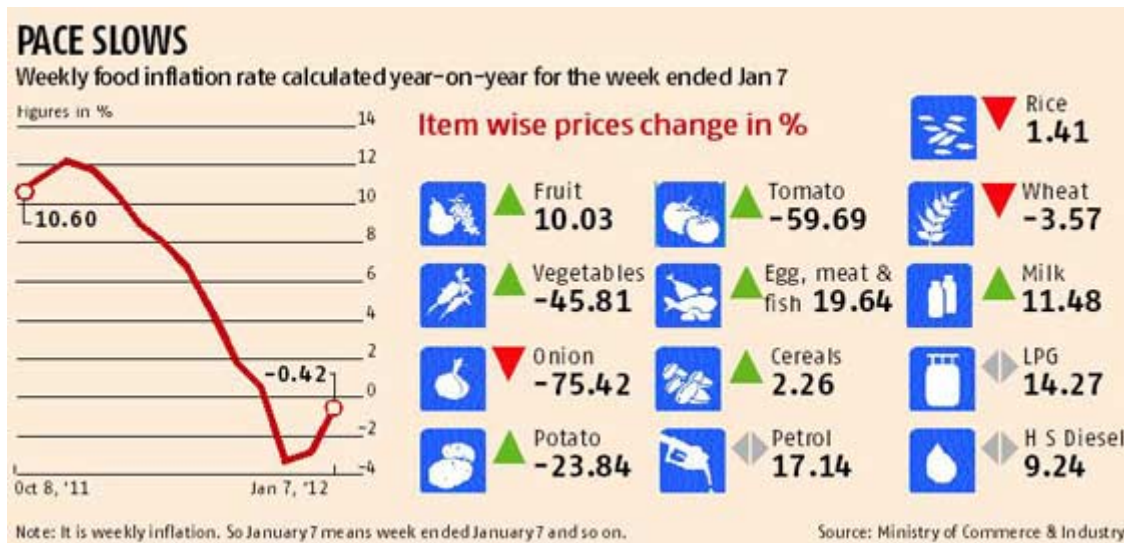
Vegetables and wheat continued to see a decline in prices. Analysts said this would not be enough for the Reserve Bank of India to cut key policy rates, since food inflation is seasonal and core inflation (the rate of price rise in manufactured products without processed food items) is still high.



Headline inflation was down for the first time in a year to below nine per cent, at 7.47 per cent in December, mainly on the back of the sharp decline in food inflation. The decline in the rate of fall in food prices for the first week of January can be partly credited to the base effect, as food inflation eased to 16.18 per cent in the corresponding week of last year from 19.09 per cent the previous week. Onions saw deflation down to 75.42 per cent from 74.77 per cent a week before. Potato inflation was minus 45.81 per cent, slightly up from minus 49.03 per cent a week before. Vegetables in general saw deflation rising to 23.84 per cent during the week ended January 7, from 31.97 per cent the week before. Protein-based items such as eggs, meat and fish continued to put pressure on inflation, mainly due to seasonal factors. Their rate of price rise was 4.42 percent up, to 19.64 per cent. Milk, too, saw inflation rising to 11.48 per cent from 10.79 per cent last week. Finance minister Pranab Mukherjee said last week that the moderation in food prices would help bring down headline inflation to six to seven per cent by March 2012.

Food products have a 14 per cent weight in the wholesale price index, the movement of which determines the inflation rate.

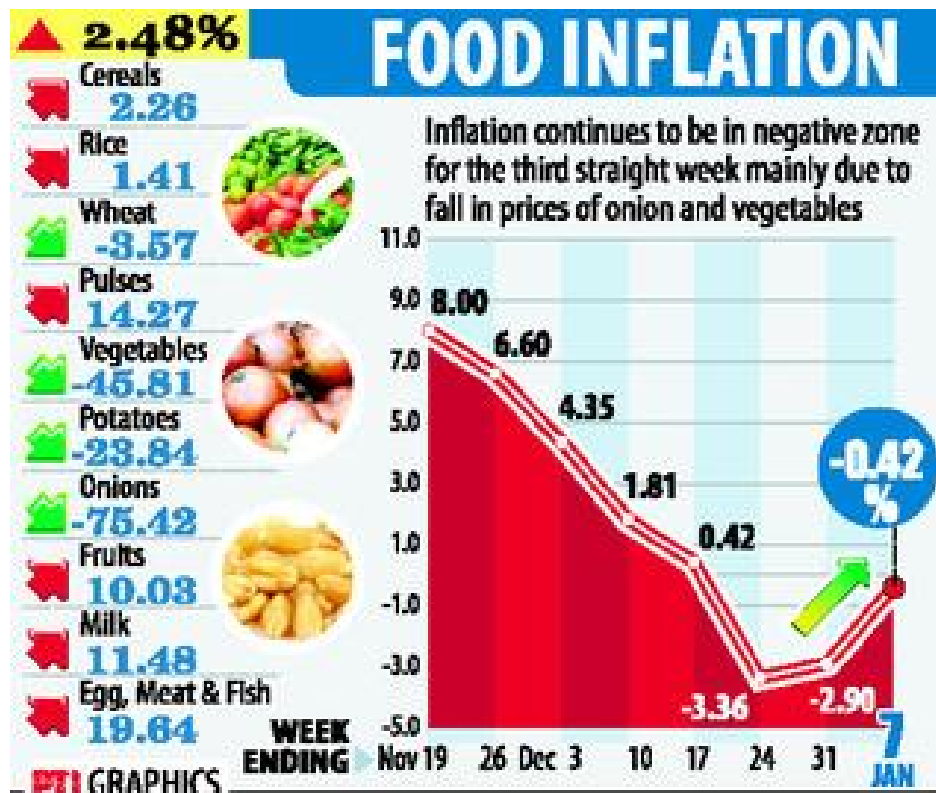
“Inflation will stabilise at the current level before taking an upward move in the second quarter of the current calendar year,” said Siddharth Shankar, director, KASSA.





# THE HINDU Business Line

Food inflation stays negative for third week in a row



New Delhi, Jan. 19:

Food inflation remained in the negative territory for the third week in a row at (-) 0.42 per cent for the week ended January 7. The main reason for the positive news on the food inflation front has been the falling onion and vegetable prices. For the corresponding week last year, food inflation was above 16 per cent. In the previous week, it was (-) 2.9 per cent. Onion prices were down 75.42 per cent year-on-year during the week under review, while potato prices were down 23.84 per cent, official data released today showed.

(This article was published in the Business Line print edition dated January 20, 2012)

## 'Coffee use not hit by Euro crisis'



New Delhi, Jan. 19:

The European economic crisis has not affected coffee consumption so far, said International Coffee Organisation's Executive Director, Mr Roberio Oliveira Silva.

For 2010, the organisation estimates global coffee consumption at 135 million bags of 60 kg each, a 2.4 per cent growth over 2009. The organisation is yet to finalise the consumption figures for 2011. "However, our internal estimates for 2011 have proved that consumption has been resilient," Mr Oliveira said.

Europe, where demand grew by 2.9 per cent in 2010 at 40 million bags, accounts for a third of global coffee consumption. It accounts for about 70 per cent of India's exports. For the 2011-12 crop year, Indian exporters have seen a sluggish order book as buyers in Europe have opted to buy as and when needed to cover for immediate requirements.

"At the same time, production is exactly what the market needs. So we haven't seen so far any problem with regard to production and consumption," Mr Silva said. The organisation on Monday revised up its global crop estimate by 3 per cent to 132.4 million bags from 128.6 million bags in December 2011. In a bid to boost consumption, the organisation plans to revive its promotional campaigns in emerging countries, such as Russia and China, and producing countries, like Indonesia, India and Africa.

"Our promotional campaigns were stopped for a while now. We are trying to reactivate them at our forthcoming meeting in March," Mr Silva said. The organisation sees a need to boost consumption in coffee-producing countries as it helps stabilise prices for the farmers, he said.

Total consumption in producing or exporting countries — including Brazil, Vietnam and India — grew at 4.2 per cent in 2010 at 41.33 million bags. In importing countries, growth in demand stood at 1.7 per cent at 93.7 million bags. [vishwa@thehindu.co.in](mailto:vishwa@thehindu.co.in)

(This article was published in the Business Line print edition dated January 20, 2012)

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### **Weak demand drags mustard oil**

Indore, Jan. 19:

Weak global cues and sluggish demand pushed down mustard oil by Rs 4 at Rs 712 for 10 kg on Thursday.

It declined by Rs 5-10 for 10 kg on weak demand in Madhya Pradesh, Gujarat and Rajasthan *mandis*. In Neemuch and Moorena in Madhya Pradesh, mustard oil was down by Rs 5 at Rs 705 for 10 kg. In Gujarat, it dropped by Rs 10 at Rs 700. In Rajasthan, it was down Rs 5 at Rs 720 in Kota, at Rs 733 and at Rs 720 in Ganganagar.

The oil will remain bearish as demand remains slack and arrivals rise, said Mr Pravin Agrawal, a trader. Currently, 500-700 bags arrive daily in Neemuch and Mandsaur in Madhya Pradesh.

Because acreage of mustard seeds has dropped this year by 5.3 per cent at 65.3 lakh hectares, production is likely to decline by 15-17 per cent at 55 lakh tonnes (64-65 lakh tonnes).

(This article was published in the Business Line print edition dated January 20, 2012)

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### **Spot rubber improves on short covering**

Kottayam, Jan. 19:

Domestic rubber prices were firm on Thursday. In spot, the prices strengthened as the international trend setters improved decreasing the gap between the domestic and global rates which in fact had visible pressure on buyers. The market made overall gains on fresh buying and short covering, as sellers stayed back expecting further highs in the coming days.

According to reports, the automobile industry had done better in November and December compared with the previous months that in turn helped the auto components sector to perform well. This might be the only reason behind the recent rise in the consumption of natural rubber.

But still, most of the rubber-based small and medium units are in trouble due to low import duty of finished goods and the high price of rubber.

Sheet rubber improved to Rs 192.50 (191.50) a kg, according to traders. The grade moved up to Rs 192 (191) a kg both at Kottayam and Kochi, according to the Rubber Board. The February series closed at Rs 197.20 (195.56), March at Rs 201.09 (199.42), April at Rs 207.40 (205.53), May at Rs 209.10 (209.40), June at Rs 207.01 (206.01) and July at Rs 205.51 (204.51) a kg for RSS 4 on the National Multi Commodity Exchange.

RSS 3 (spot) increased to Rs 188.54 (184.47) a kg at Bangkok. The January futures firmed up to ₹288.5 (Rs 189.34) from ₹283.5 a kg during the day session but then remained inactive in the night session on the Tokyo Commodity Exchange.

Spot rates were (Rs/kg): RSS-4: 192.50 (191.50); RSS-5: 187 (185); ungraded: 182 (180); ISNR 20: 189 (186.50) and latex 60 per cent: 107.50 (107).

(This article was published in the Business Line print edition dated January 20, 2012)

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### **'Small growers need more say on commodity boards'**

C.J. Punnathara

Kochi, Jan. 19:

Although the share of plantation crops in the country's merchandise export has declined to a little over 1 per cent currently from 20.8 per cent in 1950-51, it still remains a vital component in India's inclusive growth story.

The sector still provides livelihoods to a lot of people, especially women, and plays an important role in balanced regional development since plantations are most often located in backward areas.

Plantations are also crucial in facilitating ecological sustainability as they are often concentrated in ecologically fragile regions.

But the sector is plagued by varied spaces of exclusion and its impact is most felt by small and medium stakeholders, Dr K.J. Joseph, Centre for Development Studies, Thiruvananthapuram, said.

One major space of exclusion is the inadequate representation of small and medium holders on commodity boards.

This is a big anomaly since commodity boards were formed not only to increase production and productivity of specific plantation crops but also to promote the interest of small holders, Dr Joseph said.

Though the Spices Board is meant to promote the cultivation and marketing of 52 spices, most of the attention continues to be bestowed on cardamom and pepper.

Small holders still have limited access to the market. And they either do not have or have limited access to big auction centres.

Filling up these spaces of exclusion will not only augment India's inclusive growth story but also increase production and productivity of plantation crops, Dr Joseph said. It will also ensure better returns and improved cultivation practices by the small holder.

### **Implications**

The small holder's production and productivity will increase. In the case of rubber, the productivity boost will be significant since close to 85 per cent of rubber production in the country comes from small holders. And it will help arrest the divergence between production and consumption of rubber that has been widening in recent years.

The Spices Board had observed that while there is a significant growth in global demand for spices, Indian exports have grown significantly in value. But there has been no corresponding increase in export volumes.

Filling the spaces of exclusion is also expected to boost production and productivity of spices and result in increased volumes of exports as well.

### **SEMINAR**

It is against this backdrop that the Union Ministry of Commerce is conducting a National Research Programme on Plantation Development that is meant to undertake policy-oriented research related to India's plantation sector and organise various activities towards research capacity-building.

The Centre for Development Studies, which is spearheading the research programme, is organising a national seminar on 'Building Competitiveness in Globalised Era: Experience of India's Plantation Sector' during January 23-24.

Dr Joseph who is the coordinator for the programme said the seminar will be the culmination of a 21-day training programme on trade and development which began on January 4.

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### **Turmeric traders wait for arrivals to peak**



Erode, Jan. 19:

There is no major change in the price of both varieties of turmeric on Thursday.

“More than 500 bags of new Mysore variety turmeric arrived for sales on Thursday. The produce was brought from Gundelpet area in Mysore district, noted for its quality. So bulk buyers after inspecting the stock, quoted high price purchased the over 500-bags.

“The Mysore variety fetched Rs 4,000 a quintal. Similarly, from Chennampatty area in Bhavani taluk over 200 bags of new Number 8 variety turmeric arrived for sales and they were sold at Rs 3,000 a quintal. Sales were high, but arrivals were moderate of 6,300 bags. Nearly 70 per cent of the stocks were sold,” said Mr R.K.V. Ravishankar, President, Erode Turmeric Merchants Association.

The turmeric season is about to be over and harvest of Number 8 variety has begun in Gobichettipalayam and Bhavani taluks. Within three weeks, the new variety will arrive for sale and prices may decrease further.

Traders said that they have not received any upcountry demand and are buying to fulfil pending orders. They said the price of both varieties will decrease further, so they are buying limited quantity.

Sales at the Regulated Marketing Committee improved and 90 per cent stocks kept for sales were sold. But prices remain at Rs 4,100 a quintal.

Because of the arrival of medium variety Salem crop, prices improved by Rs 100 a quintal and the sale of Salem crop was also satisfactory as 70 per cent of the stocks were sold.

At the Erode Turmeric Merchants Association Sales Yard, the finger variety was sold at Rs 3,309-4,376 a quintal. The root variety was quoted at Rs 3,209-4,117.

### **Salem Crop**

The finger variety was sold at Rs 4,039-4,600 and the . The root variety at Rs 3,700-4,214. Of total arrival of 1,023 bags, 608 were sold.

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### **Buyer resistance crushes egg rates**



Chennai, Jan. 19:

After scaling to a record Rs 3.20 a piece in December last year, egg prices have cooled down.

To perk up poultry consumption, the National Egg Coordination Committee (NECC), Namakkal zone, has decided to slash the price of an egg by 25 paise to Rs 2.70.

Prices touched a record Rs 3.13 in December as the cold wave in the North and intensification of cyclone Thane in the South had pushed up poultry prices.



Industry sources attributed the price cut to buyer resistance as well as the clearing of stocks that piled up during *Pongal* season when usually stocks get accumulated (as schools remain closed for at least three days and fewer trucks ply between Tamil Nadu and neighbouring States). “We don’t want to pile up these perishable products and hence we have trimmed the prices to perk up consumption,” a source said.

Mr P. Selvaraj, Zonal Chairman, NECC, Tamil Nadu, said the onset of cold wave in North India was the main reason for record prices during the fag end of last year. The seasonal market attracted an average 25 lakh eggs a day of Namakkal’s average daily production of 2.75 crore eggs. “Consumption of eggs usually goes up in the winter. Apart from that the Christmas and New Year holiday season has also boosted the consumption of poultry products. But now, owing to higher retail prices we see a lag in offtake and hence we have slashed the prices,” he added.

Meanwhile, NECC has trimmed the price for layer birds to Rs 30 a kg (Rs 43) while the Broiler Coordination Committee’s rate for cull birds is down by Rs 4 a kg to Rs

46. [gayathri.gururajan@thehindu.co.in](mailto:gayathri.gururajan@thehindu.co.in)

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### Weak Malaysian cues drag edible oils



Mumbai, Jan. 19:

Barring groundnut oil, most edible oils fell on Thursday, tracking weak foreign markets and as millers sold more.



Local refiners reduced prices of palmolein and soya oil by Rs 5-10 for 10 kg, as palm oil and soya oil dropped on the futures market. Malaysian crude palm oil futures closed lower on profit-taking and easing worries about supplies amid softening export demand. In Mumbai, imported palmolein declined by Rs 7, soya refined oil by Rs 6 and cottonseed refined oil by Rs 6 for 10 kg. Sunflower oil and rapeseed oil eased by Rs 5 each for 10 kg on lack of demand in the ready market. As demand is usually low during mid-month, buyers are keeping away from new bets in the ready market even as they cover for later months in the forward market, a wholesaler said. Groundnut oil rose by Rs 10 for 10 kg, tracking improvement in Saurashtra where a *telian* and loose (10 kg) were up by Rs 15-10 for 10 kg. Arrivals of seeds in main producing centres is likely to improve. Demand, too, will go up during the upcoming marriage season. Resellers quoted palmolein at Rs 561-562. Liberty offered palmolein at Rs 573-575, super palmolein at Rs 605 and sunflower oil at Rs 715. Ruchi quoted palmolein at Rs 566, soya refined oil at Rs 665 and sunflower refined oil at Rs 695.

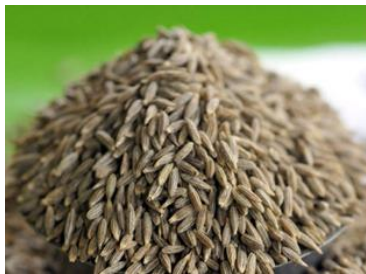
**Malaysian crude palm oil's** February contracts closed at 3,165 ringgits (3,190 ringgits), March at 3,164 ringgits (3,185 ringgits) and April at 3,157 ringgits (3,180 ringgits) a tonne. Soya refined oil for February delivery settled higher at 697.60 (Rs 692.50) and for March at Rs 683.50 (Rs 679) on the National Board of Trade in Indore.

**Bombay Commodity Exchange spot rates (Rs/10 kg):** groundnut oil — 1,020 (1,010), soya refined oil — 669 (675), sunflower seed exp. ref. — 630 (635), sunflower seed ref. — 715 (715), rapeseed ref. oil — 795 (800), rapeseed expeller ref. — 765 (770), cottonseed ref. oil — 634 (640) and palmolein — 573 (580).

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### Spot jeera falls on poor offtake



Rajkot, Jan. 19:

Lower demand pulled down spot jeera, while futures increased marginally.

Jeera's January contract gained Rs 73 at Rs 15,402 a quintal with an open interest of 1,485 lots on the National Commodity and Derivatives Exchange (NCDEX), the February contract increased by Rs 88 to Rs 15,880 with an open interest of 15,579 lots, and March was up Rs 50 to Rs 16,225 a quintal with an open interest of 10,116 lots.

The spice declined by Rs 30-35 to Rs 2,165-2,775 for 20 kg in *mandi* here, where about 500-600 bags (400-450 bags). It was quoted lower by Rs 25 for 20 kg in Unjha. Rough quality jeera was offered at Rs 1,650-1,750, foreign quality at Rs 2,650-2,750 and NCDEX quality at Rs 2,875-2,975 for 20 kg in Unjha. While 3,000 bags arrived, 5,000 were traded in Unjha.

Traders from Kolkata have bought jeera for Bangladesh traders. Production may be around 35 lakh bags of 60 kg each in Rajasthan and Gujarat on favourable weather (around 32 lakh bags last year).

Stocks in NCDEX-accredited warehouses rose by 12 tonnes to 8,365 tonnes.

Reports from the Gujarat Agriculture Department indicate more than a 50 per cent rise in sowing area at 1.13 lakh hectares from 50,000 hectares last year.

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## Lower physical demand drags sugar

Our Correspondent



Mumbai, Jan. 19:

Sugar prices on the Vashi wholesale market declined by Rs 5-10 a quintal on less than expected physical demand on Thursday.

Naka rates declined by Rs 10-30 for M-grade on selling pressure. Tender rates were up by Rs 5-10 for fine quality, while fair quality was unchanged with routine volume traders said.

Sugar futures continued their upward trend on expectation of decontrol of the sector in the near future. In the spot, demand was thin. Traders said that the current price has bottomed out, considering the cost of production of millers. Local demand is expected to improve from next week.

A wholesaler said that producers were getting need-based support from only local State-level buyers. Hence, they were forced to sell in the local markets, which lead to ample supply. Arrivals in Vashi market were 50-52 truckloads and local dispatches were around 48-50 truckloads. On Wednesday evening, a few mills offered tender and sold about 38,000- 40,000 bags in the range of Rs 2,755-2,850 (Rs 2,760-2840) for S-grade and Rs 2,840-2,930 (Rs 2,830-2,930) for M-grade.

**Bombay Sugar Merchants Association's spot rates:** S-grade Rs 2,892-2,966 (Rs 2,892-2,972) and M-grade Rs 2,951- 3,092 (Rs 2,961-3,092).

**Naka delivery rates:** S-grade Rs 2,850 - 2,900(Rs 2,850 - 2,900) and M - grade Rs 2,920-3,000 (Rs 2,930-3,030).

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### Local buying pushes up dara wheat, flour prices



Karnal, Jan. 19:

Good domestic demand pushed flour and dara prices up while desi wheat varieties remained unchanged on Thursday.

Increased offtake by flour mills to meet domestic demand mainly pushed dara wheat and flour prices up, said Mr Sewa Ram, a wheat trader. The domestic consumption of flour increases at this time of the year, he added.

In the physical market, dara prices increased Rs 5 a quintal and quoted at Rs 1,215-1,230. Around 850 quintals of dara variety arrived from Uttar Pradesh and stocks were directly offloaded at the mills. Mill delivery of dara was at Rs 1,215 a quintal.

Seed quality was ruling around Rs 1,225 while delivery at chakki was at Rs 1,230 a quintal.

Dara prices have increased Rs 40 a quintal over the last 10 days.

On National Commodity and Derivatives Exchange, wheat for January delivery increased Rs 17 to Rs 1,259 — it had touched a high at Rs 1,272 earlier on Thursday, while for February delivery increased by Rs 4 to Rs 1,264.

Flour went up Rs 10 at Rs 1,220 for a 90-kg bag. *Chokai* improved by Rs 10 at Rs 660 for a 49-kg bag.

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