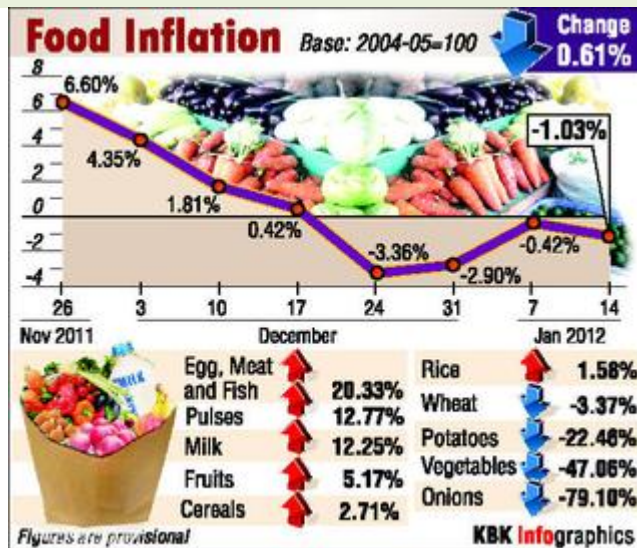


NEW DELHI, January 28, 2012

Food inflation stays in negative zone



A sharp drop in prices of vegetables, especially potatoes and onions, facilitated an extended stay for food inflation in the negative zone at minus 1.03 per cent for the week ended January 14 even as prices of other edibles continued to rule at higher levels.

The official data released here shows that food inflation, as measured by the wholesale price index (WPI), has moved deeper into negative territory from (-) 0.42 per cent in the previous week ended January 7. However, statistically, much of the decline in the price spiral was owing to the effect of a high base as food inflation during the like week in January 2011 was at a high of over 17 per cent.

Ostensibly, it is on account of the high base effect that food inflation is expected to remain in negative zone for some more time during the current fiscal and contribute to the anticipated decline in headline inflation to 7 per cent by the end of March. Once the base effect impact on the inflation data wears off some time by the end of February, food inflation is likely to bounce back to positive territory.

However, such seven-day comparisons in food inflation will soon not be feasible any more as the government has decided to do away with the practice of releasing weekly WPI data on primary food articles and fuel as the numbers were not presenting a “holistic” picture of the price scenario. With the Union Cabinet opting for a switch to the earlier system, the government will continue to release only a monthly WPI headline inflation data containing the break-up for all segments of goods, including food and non-food articles, fuel and manufactured items.

The change, however, is in keeping with global norms. “Doing away with the weekly inflation data would mean that the volatility associated with week-on-week variations would cease to cause concern. Globally also, it is the norm to give inflation numbers on a monthly basis,” Crisil's chief economist D. K. Joshi said.

Especially owing to a drop in food prices, headline inflation in December slipped from near double-digit levels during the major part of 2011 to a two-year low of 7.47 per cent in December.

As per the weekly data, the maximum fall was in the prices of onions by 79.10 per cent year-on-year, followed by potatoes which turned cheaper by 22.46 per cent even as the decline in prices of vegetables overall was to the extent of 47.06 per cent.

Wheat prices were also down 3.37 per cent. Other edibles, however, continued to cost more.

ERODE, January 28, 2012

Turmeric auction resumes



Back in action:Turmeric auction resumed in the Erode markets on Friday after three days of boycott by the farmers demanding better price for the produce. -PHOTO: M.GOVARTHAN

Turmeric auction in all four markets in Erode district resumed on Friday after the three-day boycott called by farmers demanding better price for the produce affected trading since January 24.

Turmeric growers boycotted the auction in response to the nation-wide protest called by Turmeric Farmers Association of India urging the Central and State governments to provide a minimum support price of Rs. 10,000 a quintal of yellow spice.

When the markets re-opened on Friday, farmers brought over 8,000 bags of turmeric, including 5000 bags of new crop. There was a general expectation among farmers that the prices would increase significantly. But the prices remained largely unchanged. While the old stock of turmeric fetched around Rs. 4,000 a quintal, the new crop was offered Rs. 3,000 to Rs. 3,700 a quintal.

Traders claimed that there were very little chances for the prices of the yellow spice to go up owing to the increased production of turmeric in the country.

“We expect that the production will cross 100 lakh bags this year. Of which, the Erode region alone is expected to account for around 70 lakh bags.

But the total consumption in the country is around 55 lakh bags. As a result, there will be excess in the supply and we don't expect a significant increase in the prices in the near future,” Erode Turmeric Merchants Association President R.K.V. Ravishankar said.

Traders also dismissed the claims of the farmers that they had formed syndicates to keep the prices low. “Turmeric prices are purely based on the supply and the demand,” traders said.

Meanwhile, association all-India president P. K. Deivasigamani expressed hope that the government would come to the rescue of the turmeric growers in the country very soon. “The nation-wide boycott was total. We will take up more efforts to attract the attention of the government on this issue and urge it to ensure a remunerative price for the turmeric. A massive procession will be held in March this year in support our demands,” Mr. Deivasigamani said.

Farmers learn how to identify starch content in tapioca

Officials demonstrate the process using a 'Point Balance' machine

A demonstration was held for farmers on how to identify the starch content in tapioca, at the Collectorate here on Friday.

Meeting

Farmers who participated in the grievances meeting held in December had appealed to the Collector to instruct the officials to demonstrate how to carry out this process.

In continuance of their request, E. Selvam, Deputy Director, Agriculture Marketing, explained the procedure with the 'Point Balance' machine.

District Collector R. Lilly said that the maximum content of starch in tapioca is 28 point. The content of starch is being calculated on point basis from 10 to 30.

Doubts

Farmers could clear their doubts with the officials and this would help the farmers get good price for their produce from merchants.

Manoharan, Joint Director, Horticulture; Saravanan, Assistant Professor, Krishi Vignan Kendra (KVK), Papparappatti; and Chinnasamy, President, Tamizhaga Vivasayigal Sangam, among others, were present on the occasion.

At the grievances meeting, the Collector instructed officials to attend the meeting with ready reply for the petitions with a note for follow up action.

Awareness should be created among the farmers on the usage of micro fertilizer.

She also said that farmers seeking compensation for crop loss should apply along with the certificate from the Village Administrative Officers and Agriculture Officer concerned.

Special protection measures would be taken to prevent Red Sandal trees being removed from Reserve Forests in the district. She also instructed the tahsildhars to evict the encroachments in water bodies.

-
- *Farmers at the grievances meeting in December had asked for a demonstration*
 - *The procedure will help farmers know the value of their produce and get a good price*
-

'Enhance subsidy for drip irrigation systems'

The farming community has asked the State government to enhance the subsidy being given to install drip irrigation systems.

Many farmers, who spoke at the grievance redress meeting held here on Friday, wanted the government to give clear information about the scheme for extending subsidy to install micro irrigation systems.

It was announced that a maximum subsidy of Rs. 43,800 would be provided for installing the drip irrigation systems for the small and marginal farmers. The amount would not be adequate for the farmers to cover all the area, if they decided to take up closer-spacing crops, Thadapalli Arakkankottai Farmers Association President Subhi Thalpathi, who raised the issue in the meeting, said.

It was said the government would provide subsidy for 1,500 farmers including 300 farmers with large land holdings, this year. The government should make clear the procedures involved in the scheme, and take steps to enhance the subsidy amount, which would benefit a large number of farmers, Mr. Thalpathi said.

The farming community also wanted primary agricultural cooperative credit societies to purchase modern cultivation equipment and rent them out to farmers.

ERODE, January 28, 2012

Farmers seek paddy procurement centre



Pasuvapatti farmers staging a protest, seeking a paddy procurement centre.-PHOTO:M. GOVARTHAN

A group of farmers from Pasuvapatti near Chennimalai staged a protest here on Friday, urging the Tamil Nadu Civil Supplies Corporation to open a paddy procurement centre in their village.

Farmers claimed that they were currently taking their produce to a centre in K.G. Valasu, which was located 15 kilometres away from their village, spending significant amount for transportation.

Forced to sell

Many farmers in the village and nearby areas, who came under the Lower Bhavani Project ayacut, were forced to sell their paddy to private buyers, as the transportation cost was huge.

The private buyers offered low price for the produce.

Assurance

Agitators claimed that they had already brought the issue to the notice of Collector, who had assured them that steps would be taken to open a procurement centre in the village.

But the officials in the Corporation were yet to make any efforts to open the centre.

Farmers also threatened that they would resort to road blockade on the Chennimalai–Kangayam Road, if the Civil Supplies Corporation failed to fulfil their demand immediately.

Published: January 28, 2012 00:00 IST | Updated: January 28, 2012 04:18 IST

'Farm mechanisation vital for increasing productivity'

Staff Reporter

Efficient farm mechanisation techniques hold the key to increase in productivity with minimal labour and related costs, said speakers at a training workshop on farm machinery and bio inputs production, organised jointly by Krishi Vigyan Kendra, Puzhutheri, and Indian Overseas Bank Rural Self Employment Training Institute (IOB RSETI) at the Puzhutheri centre. The three-day programme concluded on Wednesday.

Increased productivity, reduced unit cost of production, and lesser drudgery, were the hallmarks of mechanisation. Farmers would do well to capitalise on the modern techniques, and adopt mechanised processes to achieve increased productivity, pointed out Director, IOB RSETI, K.Chandrasekaran. He spoke on bank credit support and mode of finance for agricultural machinery.

Gender-friendly tools

Programme coordinator (in-charge) R. Anitha emphasised on gender issues in crop production, and appropriate technologies for farm women, difficulties the farm women face in paddy, sugarcane and banana crop production, and gender-friendly manually-operated farm tools and implements.

Subject matter specialist D. Dhanasekar spoke on 'importance of farm implements in agriculture' covering ploughing implements to harvest equipment. He also spoke on maintenance of farm machinery.

Subject matter specialist (plant protection) S. Vijay dwelt on bio pesticides, and their demonstration covering mass production of trichogramma sp. egg parasitoids, bio pesticides such as pseudomonas fluorescens, trichoderma viride, and beaveria bassiana, production of neem seed kernel extract, and neem oil 3 per cent.

In addition to the production methods, application of bio pesticides was taught to the trainees, and demonstration was given on power weeder, power tiller, and tractor in the concept of 'seeing by learning'.

NABARD assistant general manager A. Parthiban, farmers, and farm technicians, participated in the deliberations during the valediction.

Published: January 28, 2012 00:00 IST | Updated: January 28, 2012 04:18 IST

Marginal increase in procurement price upsets sugarcane farmers

Dearth in farming equipment with department raises concern



NOT SWEET TIDINGS:A section of the farmers at the grievances day meeting in Nagapattinam on Friday.

Expressing dissatisfaction over the procurement price for sugarcane announced by the State government recently, farmers have sought a hike in its procurement price. This was among the multiple demands which hogged the monthly farmers grievances day meeting held at the Collectorate here on Friday.

The marginal increase in the procurement price by Rs.100 per tonne, recently announced by the Chief Minister has evoked disappointment for farmers, who had been demanding Rs.3,000 per tonne.

Speaking at the grievances day meeting, Alexander, a progressive farmer from Mayiladuthurai, called upon the government to have the procurement price increased to Rs.2,500 per tonne.

Mr. Alexander also alleged that direct procurement centres were collecting Rs.20 as miscellaneous charges for a 40-kilo bag. According to him, the charges were claimed to be adjusted against various heads, fleecing farmers.

Inadequate agricultural equipments with the agricultural engineering department was another contention with the farmers. According to farmers, sugarcane harvesters were being hired at a cost of Rs.2,500 per hour from private dealers, while the hire charges were only Rs.1,300 last year. There was also dearth of equipment with the agricultural engineering department, allowing farmers to be fleeced at the hands of private dealers. The department owned a single cane harvester and that has been dysfunctional awaiting repair, complained a farmer. The meeting was presided over by Collector T.Munusamy, in which officials of various government departments participated.

Published: January 28, 2012 00:00 IST | Updated: January 28, 2012 04:18 IST

Training for jasmine farmers

The Krishi Vigyan Kendra at Vaamban near here will conduct a programme to impart training to jasmine flowers farmers on latest cultivation techniques and post harvest techniques at its premises from 10 a.m. to 5 p.m. on January 31. Jasmine flowers are cultivated in 28 hectares in the district and the annual turnover was 56 metric tonne of flowers. The flower production could be increased by adopting improved technologies. Improved post-harvest technologies will help in improving the standard of the flowers, a release from Collector B.Maheswari issued here on Friday said.

Published: January 28, 2012 00:00 IST | Updated: January 28, 2012 04:26 IST

Collector inspects cocoa farm

Beans to be supplied to Cadbury Ltd.



choco treat:Jayashree Muralidharan, Collector, along with G. Sekar, left, Joint director of Agriculture, andG. Gnanasekaran, third from right, deputy director of Horticulture, having a look at the cocoa plant in Kuzhumani on Friday.

Collector Jayashree Muralidharan visited the cocoa farm developed under the National Horticulture Mission in Kuzhumani village on Friday and got first hand information about the implementation of the project from the horticulture department officials and farmers.

Cocoa crop has been raised in about one acre in the farm belonging to M. Nagarathinam. G. Gnanasekaran, deputy director of Horticulture and G. Jaya Gopinath Kumar, assistant director of Horticulture, Anthanallur block, explained to the Collector about the mission that was introduced in the district way back in 2005.

Under the programme, a farmer was sanctioned a subsidy of Rs. 4,800 per acre during the first year and Rs. 1,600 in the second year. The crop will start bearing cocoa beans from the third year onwards. However, the commercial yield could be expected from the sixth year and it will be continued till 35 years. Each tree will yield two kgs of cocoa beans per month, the officials informed the Collector.

MoU

The Department has entered into a MoU with Cadbury India Limited and the cocoa beans will be directly supplied by the farmers to the company. G. Sekar, joint director, Agriculture, was also present on the occasion.

Published: January 28, 2012 00:00 IST | Updated: January 28, 2012 04:26 IST

Mettur level

The water level in the Mettur dam stood at 86.73 feet on Friday against its full level of 120 feet. The inflow was 651 cusecs and the discharge, 8,000 cusecs.

ELURU, January 28, 2012

Turmeric farmers stage protest

Turmeric farmers held up traffic on the Bhimadole-Dwaraka Tirumala road at Tirumalampalem under Dwaraka Tirumala mandal on Friday in protest against the price crash.

The price of turmeric crashed to Rs 3,500 due to the market vagaries this year.

B. Balaram of the Andhra Pradesh Rytu Sangahm which led the programme said the crop was not viable for the growers if the price was less than Rs 15,000 per quintal.

The cultivation cost had crossed Rs 1 lakh -1.5 lakh per acre.

Market intervention

There is an urgent need for market intervention by the government to stabilise prices, Mr. Balaram said.

He batted for establishing turmeric board on the lines of the tobacco board for the welfare of the growers.

SRIKAKULAM, January 28, 2012

Emu farming gaining popularity

K. SRINIVASA RAO



A family engaged in Emu birds farming in Srikakulam.—Photo: Basheer

Emu birds farming is gaining popularity in Srikakulam district, thanks to heavy demand for the Australian bird's eggs and meat. It is said that the bird's meat is sold for a high price in the market. Taste and nutritional values are good in Emu's meat, making many people to purchase it at any cost. Emu oil and the bird's skin are also in heavy demand.

Emu is a flightless bird like the ostrich and kiwi and mostly seen in Australia.

The Australian government encouraged its farming to provide income to farmers. On the same lines, many people in India are actively involved in the business. However, huge farmland is required for their growing since Emu bird moves very fast. It can run up to 40 km per hour.

One month old bird costs around Rs.4,000 and it is valued up to Rs.25,000 after one year when it is fully grown. The bird has more than 20 years of life span. It can lay eggs after attaining two and half years. The birds eat insects and small vertebrates when they are easily available. The large bird's height will be around 150 to 190 centimetres and weighs up to 48 kg.

A family in APHB colony of Srikakulam is growing Emu birds in their home. Another family is involved in the activity near Ragolu. "My husband R.Annadurai brought these Emu birds one year ago from Vijayawada. We purchase feed from the same city. It gives us lot of pleasure in growing them. We hope that the Emu birds would fetch supplementary income for our family in future since the demand is there for Emu's meat," said Arul Jyothi, a house wife in the APHB colony.

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Food inflation stays in negative zone

Agencies Posted online: Fri Jan 27 2012, 13:53 hrs

New Delhi : Food inflation remained in the negative zone for the fourth week in a row, at (-)1.03 per cent for the week ended January 14, on account of cheaper vegetables.

Food inflation, as measured by the Wholesale Price Index (WPI), was at (-)0.42 per cent in the previous week. It was above 17 per cent in the corresponding week of 2011.

According to the official data released today, onion prices fell steeply by 79.10 per cent, year-on-year, for the week under review, while potato prices were down 22.46 per cent. Prices of wheat also fell by 3.37 per cent.

Overall, vegetables were 47.06 per cent cheaper during the week under review, from the same period last year.

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

Pulses prices were 12.77 per cent higher, while milk grew dearer by 12.25 per cent. Eggs, meat and fish prices were up 20.33 per cent year-on-year.

Fruits also became 5.17 per cent more expensive on an annual basis, while cereal prices were up 2.71 per cent.

Inflation in the overall primary articles category stood at 1.89 per cent for the week ended January 14, as against 2.47 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 or overall inflation in December, will be a major incentive for the Reserve Bank to look at the option of cutting key interest rates in the near future.

At its third quarterly monetary policy review earlier this week, the Reserve Bank of India had injected Rs 32,000 crore into the system by lowering the Cash Reserve Ratio (CRR) by half-a-percentage point to 5.5 per cent but kept the short-term lending rate unchanged.

Inflation in the non-food primary articles segment, which includes fibres and oilseeds, was recorded at 0.56 per cent for the week ended January 14, against 1.84 per cent in the previous week.

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

Headline inflation, which also factors in manufactured items, fell to a two-month low of 7.47 per cent in December.

According to experts, the moderation in both overall inflation and food inflation will allow the RBI to look at the option of reversing its tight monetary policy in near future.

In its review, RBI had however said inflation remains a concern in view of volatile crude prices in international markets and widening fiscal deficit.

Attributing the decline in food inflation mainly to seasonal factors, the central bank said the impact of good vegetable output will remain limited in the absence of effective measures to address supply-side bottlenecks.

RBI had hiked interest rates 13 times between March 2010 and October 2011 to curb demand and tame inflation.

The apex bank, which has pegged the year-end inflation at 7 per cent, said the revision in domestic-administered prices would add to inflationary pressures.

DECCAN Chronicle

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

Food inflation in negative zone for fourth consecutive week

January 27, 2012



Food inflation remained in the negative zone for the fourth week in a row, at (-)1.03 per cent for the week ended January 14, on account of cheaper vegetables. Food inflation, as measured by the Wholesale Price Index (WPI), was at (-)0.42 per cent in the previous week. It was above 17 per cent in the corresponding week of 2011. According to the official data released today, onion prices fell steeply by 79.10 per cent, year-on-year, for the week under review, while potato prices were down 22.46 per cent. Prices of wheat also fell by 3.37 per cent. Overall, vegetables were 47.06 per cent cheaper during the week under review, from the same period last year. However, other food products, led by protein-based items, became more expensive on an annual basis. Pulses prices were 12.77 per cent higher, while milk grew dearer by 12.25 per cent. Eggs, meat and fish prices were up 20.33 per cent year-on-year. Fruits also became 5.17 per cent more expensive on an annual basis, while cereal prices were up 2.71 per cent. Inflation in the overall primary articles category stood at 1.89 per cent for the week ended January 14, as against 2.47 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 or overall inflation in December, will be a major incentive for the Reserve Bank to look at the option of cutting key interest rates in the near future. At its third quarterly monetary policy review earlier this week, the apex bank had injected Rs 32,000 crore into the system by lowering the Cash Reserve Ratio (CRR) by half-a- percentage point to 5.5 per cent but kept the short-term lending rate unchanged. Inflation in the non-food primary articles segment, which includes fibres and oilseeds, was recorded at 0.56 per cent for the week ended January 14, against 1.84 per cent in the previous week. Fuel and power inflation stood at 14.45 per cent, same as in the previous week. Headline inflation, which also factors in manufactured items, fell to a two-month low of 7.47 per cent in December. According to experts, the moderation in both overall inflation and food inflation will allow the RBI to look at the option of reversing its tight monetary policy in near future. In its review, RBI had however said inflation remains a concern in view of volatile crude prices in international markets and widening fiscal deficit. Attributing the decline in food inflation mainly to seasonal factors, the central bank said the impact of good vegetable output will remain limited in the absence of effective measures to address supply-side bottlenecks. RBI had hiked interest rates 13 times between March 2010 and October 2011 to curb demand and tame inflation. The apex bank, which has pegged the year-end inflation at 7 per cent, said the revision in domestic-administered prices would add to inflationary pressures.

Source URL: <http://www.deccanchronicle.com/channels/business/news/food-inflation-negative-zone-fourth-consecutive-week-372>

THE TIMES OF INDIA

Food inflation remains in negative zone

PTI | Jan 27, 2012, 05.08PM IST

New Delhi: Falling cost of vegetables like potatoes and onions kept food inflation in the negative zone for the fourth consecutive week at (-)1.03 per cent as on January 14.

Experts said that food inflation is likely to remain in the negative terrain for some more time and this could help the Reserve Bank go for rate cut in its next mid-quarterly review in March.

Food inflation, as measured by the wholesale price index (WPI), stood at over 17 per cent in the corresponding week of the previous year. It was (-)0.41 per cent in the previous week ended January 7.

The maximum drop was witnessed in prices of onions, which became cheaper by 79.10 per cent year-on-year, while potatoes became 22.46 per cent less expensive. Overall, vegetables became 47.06 per cent cheaper, while wheat prices fell by 3.37 per cent.

"Food inflation may remain in the negative zone for some more time. The RBI has already cut the Cash Reserve Ratio (CRR) and the continuing moderation in inflation may prompt it to go for interest rate cuts in next mid-quarterly review," Crisil Chief Economist D K Joshi said.

He also said that the fall in food inflation numbers will help keep headline inflation at moderate levels.

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

At its third quarterly monetary policy review earlier this week, the apex bank had injected Rs 32,000 crore into the system by lowering the CRR by half-a-percentage point to 5.5 per cent but kept the short-term lending rate unchanged.

The government, meanwhile, has decided to stop the practice of releasing the food inflation data on weekly basis.

"Cabinet decisions need some time to be implemented," government spokeswoman Neelam Kapur.

28 JAN, 2012, 06.06AM IST, BLOOMBERG

Soyabean prices rise, corn pares gains

Soyabeans rose to a two-week high on speculation that commodity demand will increase as low interest rates bolster prospects for economies. Corn pared gains as US farmers increased sales.

The S&P's GSCI Spot Index of 24 raw materials climbed as much as 1.5%. On Thursday, the Federal Reserve said its benchmark rate probably will stay close to zero percent at least until late 2014.

Brazil's central bank said that there is a "high" chance its key rate will decline. Soyabean futures for March delivery rose 0.8% to close at \$12.2275 a bushel at 1:15 pm on the Chicago Board of Trade.

Earlier, the price reached \$12.31, the highest for a most-active contract since January 11. Corn futures for March delivery were unchanged at \$6.345 a bushel. Farmers boosted sales from inventories after the grain climbed as much as 1.8% to a two-week high of \$6.4575.

Food inflation in negative zone for fourth consecutive week

FRIDAY, 27 JANUARY 2012 21:12

PNS | NEW DELHI

On account of cheaper vegetables, food inflation remained in the negative zone for the fourth week in a row, at (-)1.03 per cent for the week ended January 14.

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Overall, vegetables were 47.06 per cent cheaper during the week under review, from the same period last year. However, other food products, led by protein-based items, became more expensive on an annual basis.

Pulses prices were 12.77 per cent higher, while milk grew dearer by 12.25 per cent. Eggs, meat and fish prices were up 20.33 per cent year-on-year.

Fruits also became 5.17 per cent more expensive on an annual basis, while cereal prices were up 2.71 per cent. Inflation in the overall primary articles category stood at 1.89 per cent for the week ended January 14, as against 2.47 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 or overall inflation in December, will be a major incentive for the Reserve Bank to look at the option of cutting key interest rates in the near future.

Business Standard

Saturday, Jan 28, 2012

Jeera declines on higher output hopes

Press Trust of India / New Delhi January 27, 2012, 15:11 IST



Jeera futures prices traded 0.71% lower at Rs 15,715 per quintal today, with speculators reducing their positions, triggered by hopes of higher output following increased sowing in the current rabi season.

At the National Commodity and Derivatives Exchange, jeera for delivery in February drifted by Rs 113, or 0.71%, to Rs 15,715 per quintal, with an open interest of 13,986 lots.

The March contract lost Rs 110, or 0.68%, to Rs 16,041 per quintal, with an open interest of 10,797 lots.

Analysts said trimming of positions by speculators, following higher output hopes on the back of increased sowing in the current season, mainly led to the fall in jeera prices at futures market.

THE HINDU Business Line

Masoor dips on low mill offtake

Indore, Jan. 27:

Masoor declined as demand from millers dropped even as arrival remained weak on Friday. On the spot market, masoor (bold) declined by Rs 25 at Rs 3,000 a quintal, while masoor (medium) quoted at Rs 2,750-2,800. Despite adequate carryover stock of imported masoor, masoor may rise temporarily and fall again according to demand and supply. However, in the long run, masoor is likely to be bullish due to weak crop prospects this year. Besides lower acreage, deficient rains in some masoor-growing regions will lead to a lower masoor output. Though the minimum support price was raised by Rs 550 last year for masoor, farmers are uninterested in

sowing masoor because of poor returns, said Mr Sanjay Bansal, a pulse trader here. Masoor dal was unchanged, with masoor dal (average) being quoted at Rs 3,425-3,450, masoor dal (medium) at Rs 3,525-3,550 a quintal.

(This article was published in the Business Line print edition dated January 28, 2012)

Pepper gains on buying support

G.K. Nair

Kochi, Jan. 27:

Pepper futures moved up on Friday on buying support coupled with bullish sentiments. All contracts gained.

Apprehensions of a possible squeeze in arrivals based on the current thin arrivals, on the one hand, and an indication of good domestic demand, on the other, aided bull operators to push up the market.

Stocks held in the upcountry consumer markets and also in five major centres in North India are said to have exhausted and consequently the demand started picking up. Currently, many are buying hand to mouth, hoping the prices would fall to around Rs 250 a kg and the situation could change in the coming days once the buyers become aggressive, market sources told *Business Line*.

They said nobody knows whether the arrivals would pick up to match the domestic demand.

February contract on the NCDEX increased by Rs 570 to Rs 32,635 a quintal. March and April went up by Rs 385 and Rs 205 respectively to Rs 32,550 and Rs 32,600 a quintal. Total turnover increased by 3,770 tonnes to 6,162 tonnes. Total open interest increased by 419 tonnes to 9,559 tonnes. February open interest moved up by 17 tonnes to 6,283 tonnes.

(This article was published in the Business Line print edition dated January 28, 2012)

Mixed trend in rubber market

Kottayam, Jan. 27:

Spot rubber prices witnessed a mixed mood on Friday. The market appeared to grieve the demise of the Kerala Governor, Mr M.O.H. Farooq. There were no fresh enquiries from any

major consuming industries and selected counters made marginal variations amidst scattered transactions.

Sheet rubber dropped to Rs 191 a kg from Rs 191.50 and Rs 192 respectively, according to traders and the Rubber Board.

Meanwhile, the key TOCOM rubber futures slipped below the psychological level of ¥ 320 on early trades as profit-taking set in after the recent rises due to seasonal drop in supplies and Thailand's plans to intervene in rubber markets, analysts said. In futures, the February series closed at Rs 193.90 (193.84), March at Rs 197.84 (197.76), April at Rs 204.30 (204.05), May at Rs 207.32 (206.75), July at Rs 207.90 (206.99) and June at Rs 209.81 (207.45) a kg on the National Multi Commodity Exchange.

RSS 3 (spot) increased to Rs.204.54 (203.57) per kg at Bangkok. The February futures declined to ¥ 298.5 (Rs 191.25) in the night session on the Tokyo Commodity Exchange.

Spot rubber rates (Rs/kg) were:RSS-4: 191 (191.50); RSS-5: 186.50 (188); Ungraded: 181 (182); ISNR 20: 190.50 (190.50) and Latex 60 per cent: 111 (110.50).

(This article was published in the Business Line print edition dated January 28, 2012)

Tea body organises road show

Kolkata, Jan. 27:

With a view to improving the interaction between tea producers and buyers and to understand the dynamics of the regional markets, the Indian Tea Association (ITA) plans to organise the "India Tea Road Show" in key domestic markets.

The road show will be conducted in two phases. The first phase, to be held between February 14 and 17 will cover Hyderabad, Mumbai, Ahmedabad and Jaipur. In the second phase, to be held between February 28 and March 1, Amritsar, Delhi and Kanpur will be covered .

According to a press statement issued by ITA, the road show will provide an opportunity to build and intensify contacts with regional blenders in the chosen markets. The road show will also include a tea tasting session showcasing the leading brands of that region for participants to understand the requirements of the local trade.

(This article was published in the Business Line print edition dated January 28, 2012)

Spices exports up in value, down in volume



Kochi, Jan. 27:

Spices exports increased by 43 per cent in value during the first eight months of the current fiscal. In terms of dollar, exports were up by 40 per cent during the same period. While the unit value realisation and demand for most spices improved in the international markets, volume registered a fall of five per cent.

The country exported 3,51,900 tonnes (3, 72,010 tonnes) of spices during April-November and earned Rs 6,209 crore (Rs 4,336 crore). The foreign exchange realisation was \$1,332 million (\$948 million).

STAR PERFORMER

Cardamom was one of the star performers in the exports basket. Cardamom exports rose by 443 per cent to 3,100 tonnes (570 tonnes), while realisation increased by 289 per cent to Rs 253 crore (Rs 65 crore). Pepper also showed tremendous growth. While the unit value of pepper exports surged from Rs 183 to Rs 305 a kg, volumes were up from 11,850 tonnes to 17,000 tonnes. Earnings almost doubled from Rs 217 crore to Rs 518 crore against the corresponding period this year.

Export of pepper, cardamom, cardamom (large), ginger, turmeric, cumin, celery, fenugreek, nutmeg and mace and other spices such as tamarind and asafoetida increased in volume and

value compared with April-November 2010. The export of value added spices such as curry powder/paste also increased in volume and value.

In the case of chilli, spice oils and oleoresins and mint products, the increase was in value only. The export of other spice items declined in volume and value compared with last year. Turmeric was another important component of the export basket registering growth of 63 per cent in volume and 15 per cent in value. Turmeric exports were up at 58,000 tonnes realising Rs 571 crore.

Export of value-added spices such as curry powder and curry paste grew 11,500 tonnes (9,875 tonnes) during the period realising Rs 164 crore (Rs130 crore). Export of value added spices such as curry powder/paste, spice oils and oleoresins forms a most significant component in the country's spices export basket. Spice oils and oleoresin exports increased by 33 per cent in value, while mint and mint product exports gained by 51 per cent.

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MP, Rajasthan drive up wheat acreage

New Delhi, Jan. 27:

Sowing of wheat has exceeded last year's acreage on increase of about a million hectares area in States such as Madhya Pradesh and Rajasthan. As rabi sowing has almost come to an end, the total acreage of wheat has increased 3.67 lakh hectares (lh) over previous year, according to latest estimates.

The Government is targeting production of 84 million tonnes in the current year and a higher acreage could possibly result in an increased output.

Madhya Pradesh has registered an increase of 6.02 lh under wheat, the main foodgrain crop in the rabi season. Rajasthan has witnessed an additional area of 3.11 lh, whereas in Jharkhand sowing has taken place in about 0.65 lh more. However, the increase in sowing in these States has been offset by decline in acreage in Maharashtra (4.39 lh), Karnataka (0.56 lh) and Uttar Pradesh (0.53 lh), mainly due to scanty rain during the North-East Monsoon.

Continuing its sluggish trend, sowing of oilseeds dropped by 8.8 lh compared with last year. Higher sowing has been witnessed in Tamil Nadu (1.04 lh), Jharkhand (0.63 lh) and Uttar Pradesh (0.51 lh). However, a major decline in mustard acreage of 6.04 lh has been in

Rajasthan, where harvest is set to begin in a couple of weeks. Maharashtra, Andhra Pradesh and Karnataka have seen a dip in oilseeds coverage.

The total acreage under pulses is also marginally lower than last year, on account of lower sowing of gram. The acreage under gram was lower at 89.57 lh against 93.41 lh in the last year. Maharashtra, Karnataka and Andhra Pradesh have reported lower area under pulses, that has been offset to an extent by higher sowings in Madhya Pradesh, Chhattisgarh and Gujarat.

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Share

High level panel set up to study sugar decontrol

Dr C. Rangarajan to head 6-member committee; sector stocks soar



New Delhi, Jan. 27:

Indicating its seriousness on decontrolling the sugar sector, the Union Government has set up a high-level expert committee under Dr C. Rangarajan, Chairman, Prime Minister's Economic Advisory Council (EAC), to examine related issues.

The six-member committee will look into all issues relating to de-regulation of the sugar sector. It has been asked to give its recommendations to the Prime Minister at the earliest. Other members on the panel include the Chief Economic Advisor, Dr Kaushik Basu; the Chairman of Commission for Agricultural Costs and Prices, Dr Ashok Gulati; Secretaries of Agriculture, Food and Public Distribution, Secretary EAC, Dr K.P. Krishnan; and the former secretary of Food and Public Distribution, Mr Nanda Kumar, currently a member of National Disaster Management Authority.

The Committee has been empowered to involve such experts, academics as required as special invitees. The Ministry of Consumer Affairs, Food and Public Distribution has been requested to provide the necessary support to the Committee in discharging its functions, a statement from the Prime Minister's Office (PMO) said.

Following the announcement, almost all sugar stocks surged on the bourses to end with significant gains at the end of the day. Triveni Engineering and Industries Ltd gained maximum of around 12 per cent to close at Rs 20.29. Shree Renuka ended higher by 6.66 per cent at Rs 39.25, Balrampur Chini gained 6.5 per cent at Rs 47.65 among others.

The Indian Sugar Mills Association (ISMA) welcomed the PMO's move and hoped that the panel would submit its report quickly. "I hope this committee will give positive recommendations for the benefit of industry as well as farmers," said Mr Abinash Verma, Director General, ISMA.

The sugar industry has been demanding decontrol of the sector for some time now including doing away with the obligation to sell the sweetener at lower rates through the public distribution system. The industry has also asked the Government to approve further exports of the commodity to take advantage of the high global prices.

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Cotton falls on tepid Chinese buying



Rajkot, Jan. 27:

Lower Chinese demand because of holidays on account of New Year there pulled down cotton by Rs 500 a candy of 356 kg on Friday. Local demand was limited, too, as prices were high, a Rajkot-based trader said.

The Sankar-6 variety decreased by Rs 500 to Rs 36,100-36,200 a candy. During the week, cotton has shaved off almost Rs 1,200 a candy due to low demand. *Kapas* raw cotton was down Rs 20-25 to Rs 970-890 for a *maund* of 20 kg here and to Rs 900-910 for delivery at Kadi. Maharashtra cotton sold at Rs 850-875 for a *maund*. About 700-800 trucks arrived in Gujarat from Maharashtra.

The April *kapas* contracts declined by Rs 37 to Rs 889.50 for a *maund* on the National Commodity and Derivatives Exchange, with an open interest of 10295 lots.

About 69,000 bales of 170 kg each arrived in Gujarat, while 2.23 lakh bales arrived in rest of the country.

In North India, where 28,000 bales arrived, higher selling following sharp losses on the ICE in London and weak *kapas* futures dragged down cotton. A weak yarn market and strong rupee also weighed on the market. Ready delivery cotton traded at Rs 3,800-3,840 a quintal in Punjab, at Rs 3,730-3,750 in Haryana and at Rs 3,735-3,750 in Rajasthan.

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Sugar firms up as millers hold back stocks



Mumbai, Jan. 27:

Sugar prices at Vashi market were firm on Friday. In the spot market, prices strengthened by Rs10 a quintal on improved local demand and lower selling interest by producers. Traders expect possibilities of a lower free sale quota for next month, considering the steady price trend on limited demand and ample supply.

Naka rates were up by Rs 10, while mill tender rates were expected slightly higher compared with Wednesday. Volumes increased as market was closed on Thursday. As millers are not

very keen to sell at lower prices and there is no burden or pressure for selling current month's quota, there is ample supply.

Market players are now waiting for the announcement of new month's free sale quota. Sugar prices after gaining by Rs 350 in November, declined by Rs 250 in December. This month, it has dropped by Rs 50. If the world market improves, exports factor will lead the market trend, sources said.

As sugar production is on peak level and expectation of higher production this year will lead producers to avoid building up stocks. Meanwhile, arrivals in the Vashi wholesale market were 50-52 truckloads and local dispatches were around 52-53 truckloads. On Wednesday evening, only a few mills offered to sell in tender. Some 16-17 mills sold about 35,000– 40,000 bags in the range of Rs 2,730-2,800 (Rs 2,720-2800) for S-grade and Rs 2,810-2,910 (Rs 2,800-2,900) for M-grade. Fine quality sold Rs 5-10 higher.

The Bombay Sugar Merchants Association's spot rates: S-grade Rs 2,881-2,942 (Rs 2,881-2,932) and M-grade Rs 2,951- 3,072 (Rs 2,951-3,072).

Nakadelivery rates: S-grade Rs 2,830 - 2,890(Rs 2,820 - 2,880) and M - grade Rs 2,920-3,020 (Rs 2,910-3,020).

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Turmeric drops despite demand, low arrivals



Erode, Jan. 27:

Despite demand for new turmeric and lower arrivals at Erode markets, turmeric prices dropped on Friday.

“Operations resumed at Erode turmeric markets on Friday after three days closure. As expected arrivals were low on Friday, as farmers decided to bring their produce on Monday. However,

prices decreased by Rs 100 a quintal,” said Mr R.K.V. Ravishankar, President, Erode Turmeric Merchants Association.

He said that out of 8,200 bags arrived for sale, only 60 per cent of the stocks were sold. Mr Ravishankar said that out of the total arrival, over 5,000 bags were new crop from Gundelpet and some other Mysore areas and also from Erode taluk arrived. Traders who did not receive fresh orders from north Indian merchants, purchased the new crop paying Rs 3,200 a quintal for Mysore crop and Rs 2,800 for the Number 8 variety.

Bulk buyers said that they have sent samples to the north Indian merchants and are waiting for fresh orders. They said that even the Hybrid Salem crop fetched low price due to poor quality. At the Erode Turmeric Merchants Association sales yard, the finger variety was sold at Rs 2,589-4,166 a quintal, the root variety Rs 2,424-4,049.

Salem crop:The finger variety was sold at Rs 3,739 to Rs 4,700 and the root variety Rs 3,650. Totally, 2,641 bags arrived for sale, 1,238 were sold.

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