

Published: January 6, 2012 00:00 IST | Updated: January 6, 2012 04:31 IST

## **Pudukottai farmer reaps record harvest of alkaline samba paddy**

M. Balaganessin

*Registers per hectare yield of nine tonnes against the usual four*



**BUMPER CROP:**Farmer A. Krishnamurthy, centre, displaying his produce to agricultural scientists in Mazhavarayanpatti village  
**PHOTO:** R.M. RAJARATHINAM

A farmer of Pudukottai district has registered a record yield in the 'TRY (R) 3' paddy variety, normally raised in the coastal belts and alkaline fields across the State.

The farmer, A. Krishnamurthy (42), has shown the path to all the paddy growers cultivating late 'samba' in the district, by adopting the System of Rice Intensification (SRI) technique in his one acre.

### **Experts observe**

Scientists and agricultural experts observed during the course of the harvest on Tuesday at his fields in Mazhavarayanpatti village that every aspect of paddy cultivation technique and its growth was higher than what could be achieved through conventional practice.

The farmer had registered a per hectare harvest of 9 tonnes (against the usual 4 tonnes); the crop had 35 to 45 tillers (against 10 or 12); Each tiller contained 250 grains (against 80 to 150 in the conventional method).

Speaking at a function to mark the harvest, P. Kalaiselvan, director, Extension Education, TNAU, Coimbatore, said that the farmer had set a trend in the district.

Though the medium duration variety of 135 days was evolved by the TNAU's Agricultural college and research institute near Tiruchi to cater to the needs of the coastal farmers and those in alkaline belts, Mr. Krishnamurthy had raised it in this interior part of the district during the 'Purattasi' pattam as a late samba variety, sensitising the farmers of the district about the practical benefits of the variety.

Pointing out that the variety had bold grains, he said that the merchants should come forward to fix a fair price, as the paddy was rich in flour content.

S. Geetha, professor and head, Krishi Vigyan Kendra, said that the farmer understood the benefits of the variety during the course of the training imparted by the kendra about a year ago.

The variety was intended for alkaline soil of Manikandam block in Tiruchi district – accounting for about 5,000 hectares with alkaline soil fields in which the college is located.

P. Emperumal, joint director of agriculture, appealed to farmers of district to emulate the success story of this farmer. R. Suresh and S.K. Natarajan, both assistant professors of the Kendra, P. Udhyakumar, and A. Periyasamy, assistant directors of agriculture; and K. Balan, deputy director, spoke.

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### **Food inflation in negative territory**

For the first time in nearly six years, food inflation entered negative territory, plunging to (-) 3.36 during the week ended December 24 from 0.42 per cent in the previous week, mainly owing to a sharp dip in prices of onions, potatoes and other seasonal vegetables.

The slump into the negative zone for the first time as per the available WPI (wholesale price index) food inflation data with 2004-05 as the base year appears to have paved the way for a much-awaited cut in key rates by the Reserve Bank of India during its next monetary policy review slated for January 24.

### High base effect

This is despite the fact that the sharp decline is partly owing to the effect of a high base as food inflation during the like week in 2010 was at a high of 21 per cent. Nevertheless, enthused by the respite from high food prices, Finance Minister Pranab Mukherjee said: "There has been substantial improvement. Food inflation has turned negative for the first time in the recent memory."

The figures speak for themselves.

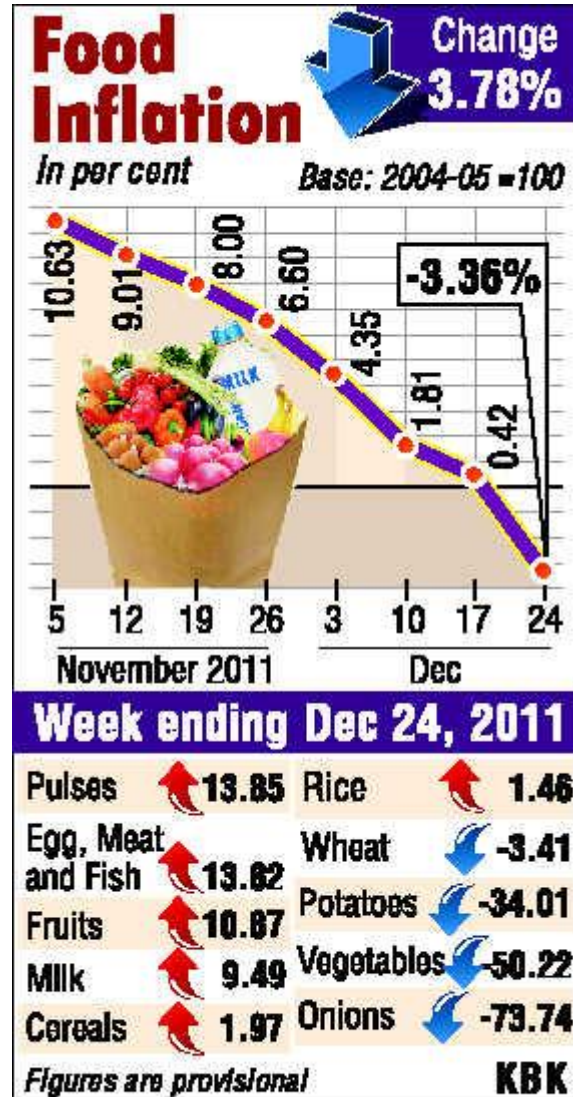
As per the official data released here on Thursday, onion prices slumped by 73.74 per cent during the week while potatoes also turned cheaper by 34.01 per cent on a year-on-year basis.

Prices of vegetables, on the whole, fell by 50.22 per cent, as did wheat by 3.41 per cent.

Compared to prices of edibles during the first week of November when food inflation stood pegged at double digits, the slide in prices has been substantial.

### Policy stance

Commenting on the WPI data, Prime Minister's Economic Advisory Council (PMEAC) Chairman C. Rangarajan said: "The environment appears to be in favour of the RBI reversing its monetary policy stance."



Dr. Rangarajan viewed that the decline in food inflation would also help bring down headline inflation — which factors in manufactured items, fuels and non-food primary articles — to below 7 per cent by March this year.

Evidently, having hiked interest rates 13 times since March last year, followed by a pause in December, the stage is set for the Reserve Bank of India to cut its key policy rates so as to induce overall consumer demand and spur industrial growth.

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## Drought caused kharif damage in 85.6 lakh acres

B. Chandrashekhar

*About 51.54 lakh ryots lost investments*

Crop-wise damage in 2011 kharif		
Crop	Area (In lakh acres)	Affected ryots (In lakhs)
Cotton	34.13	20.47
Groundnut	22.26	8.91
Paddy	8.30	3.32
Maize	7.19	2.88
Redgram	6.03	2.41
Castor	4.79	1.92



Farmers in the State have suffered crop damage in a whopping 85.6 lakh acres during the 2011 kharif season, 44 per cent of the total 1,94,65,000 acres area cultivated.

About 51.54 lakh farmers, including 48.33 lakh small and marginal ones, have lost the investment almost completely.

In a report submitted to the State government recently, the Department of Agriculture has put the requirement of input subsidy, compensation for lost inputs like seed, fertilizer and pesticide, at Rs. 1,886 crore.

The agriculture authorities said that prolonged dry spells and severe power cuts were reasons for the extensive damage of food and commercial crops across Andhra Pradesh.

The damage was estimated at 70 per cent and above in most of the districts.

“Except in Nellore, West Godavari, Prakasam and Nizamabad, the damage caused by the nature and power cuts in 17 districts was massive,” a senior official of the department told *The Hindu*.

Crops like cotton, groundnut, paddy, maize, redgram and castor bear the brunt mostly.

### **Crop holiday**

Farmers in East Godavari district, however, voluntarily went on a crop holiday protesting lack of remunerative price to their produce, particularly paddy produced in the previous season.

Even at conservative estimates, the loss of investment (input costs and labour charges) at Rs. 15,000 per acre would be over Rs. 17,100 crore. “The production loss is two to four-fold to the investment,” the official explained.

Based on the department's report, the State Government was learnt to have sought about Rs. 3,000 crore as assistance from the Centre to help the farmers in distress.

### **Worst-hit districts**

The districts which suffered maximum crop damage include Anantapur (18.19 lakh acres), Mahabubnagar (14.04 lakh acres), Adilabad (8.1), Kurnool (7.72), Nalgonda (5.83), Medak (5.63), Warangal (4.89), Khammam (4.69), Ranga Reddy (3.2), Chittoor (3.16) and Karimnagar (2.92).

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### **Foodgrains production to touch 115 lakh tonnes this year**

Special Correspondent

Foodgrains production in the State is expected to vault to 115 lakh metric tonnes this year as against 76.6 lakh metric tonnes last year due to various initiatives taken by the All India Anna Dravida Munnetra Kazhagam government.

Chief Minister Jayalalithaa said in a statement here on Thursday that as soon as she took over, she launched a number of constructive steps. For the first time, the Mettur dam was thrown open for irrigation on June 6.

Under the System Rice Intensification method, additional area of 60,000 hectares was covered. The government introduced a number of modern techniques, including precision farming,

suitable crop management practices for pulses and oilseeds production, raising vegetables under the precision farming method and cluster approach for horticultural crops.

In addition, she said that in a bid to promote micro irrigation, she ordered disbursement of a subsidy of 100 per cent for the small and marginal farmers and 75 per cent for other farmers.

Similarly, she allocated Rs.12.93 crore for implementing Sustainable Sugarcane Initiative project, a new scheme for improving sugarcane production. This would help the farmers get better yield with less number of seedlings and less water.

As cultivation expenses are going up, all the 400 primary agricultural co-operative societies have been granted subsidy of Rs.20 lakh each for purchase of farm equipment. This would help avoid slump in food production and at the same enable farmers produce more from less area.

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## Fog dims bright prospects of drumstick farmers

L. Renganathan



Heavy overnight and early morning fog in the past few days in the Aravakurichi and Pallapatti regions of Karur district is wreaking havoc on drumstick growers. Sprouts and flowers have been blighted in the chilly weather to the worry of the farmers who fear a steep drop in the output of the crop in the season ahead.

In the past couple of weeks unseasonal rain and seasonal fog had swathed Aravakurichi . This has adversely affected the famed drumstick cultivators of the area. Drumstick crop is usually raised in more than 20,000 acres of land in the arid and dry region spread over Aravakurichi, Pallappatti, Venjamangudalur, Esanatham, Sendamangalam, Periya Manjuvali, Ammapatti, Kotthapalayam, Kovilur, Nagampalli, Kurumbapatti, Pungambadi.

Scores of lorry-loads of the crop are being dispatched everyday to destinations in Delhi, Andhra Pradesh, Karnataka, Maharashtra, Gujarat, Kerala and Puducherry besides several centres in Tamil Nadu.

Normally the drumstick plants germinate flowers and display primary sprouts in November and the harvest of the crop peaks in March and April.

Rain and gales during sprouting period has dampened the hopes of farmers who were looking up to the crop for their sustenance in the arid zone of Karur district. The crops that escaped the rain during flowering stage have got caught in the fog that descended during the sprouting stage, thereby increasing the woes of growers in Aravakurichi.

"We thought the crops might overcome rain during flowering stage. But fog has almost put paid to our hopes of salvaging a decent harvest in the summer months as the chilly weather nip the buds and cause stunted growth," points out K. Palanisamy of Zameen Alamarathupatti village and a drumstick grower.

It is estimated that drumstick crop is raised in more than 20,000 acres in the region and most of the crop raised in Aravakurichi area is brought to special drumstick shandies that are being temporarily established at Aravakurichi, Esanatham, Indra Nagar, Pallappatti, Andipattikottai and Malaikovilur where traders buy, pack in lorry loads and transport them to various destinations. Around 25 lorry loads are being carted away a day from the region, drumstick traders observe.

## **Share**

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Published: January 6, 2012 00:00 IST | Updated: January 6, 2012 04:31 IST

## **Mettur level**

The water level in the Mettur dam stood at 99.58 feet on Thursday against its full level of 120 feet. The inflow was 2,687 cusecs and the discharge, 6,043 cusecs.

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## Nestle opens coffee demonstration farm

Staff Correspondent



**A NEW LANDMARK:**Coffee Board chairman Jawaid Akhtar (third from right) at the inauguration of the coffee demonstration farm at seventh Hoskote near Sunticoppa in Kodagu on Thursday.

A coffee demonstration farm, said to be the first in the country, to popularise coffee farming, production techniques, among others, was opened at a private coffee plantation (Bindhu Estate) at 7th Hoskote, near Sunticoppa town, in Somwarpet taluk of Kodagu on Thursday.

Coffee Board chairman Jawaid Akhtar inaugurated the farm.

The farm is part of the Nescafe Plan in India by Nestle India. The plan aims at bringing under one umbrella the company's commitment on coffee farming, production and consumption, which would in turn help Nestlé to optimise its coffee supply chain. The coffee demonstration farm is expected to help farmers improve quality, productivity, and sustainability. Nestle India is assisting coffee farmers in Karnataka, Kerala and Tamil Nadu to develop their agricultural practices. Through the initiative, the company seeks to source coffee sustainably by working closely with Indian coffee farmers and ensuring competitive prices and transparency.

Expressing happiness at the development, Mr. Akhtar said that he hoped the Nescafe Plan launched in India would provide coffee farmers with the right technology and best practices for sustainable production of high quality coffee apart from improved access to markets. At present, the Coffee Board of India assists in research, development, extension, quality checks, market information and the domestic and external promotion of coffee from India. Twenty farmers who were trained under the Nescafe Plan were felicitated on the occasion.

Nandu Nandkishore, Nestlé Executive Vice President and Zone Director for Asia, Oceania, Africa, and West Asia, who released a training manual 'Nescafe--Better Training Practices', said Nescafe, as the world's leading coffee brand, had the responsibility to continue to supply good



quality coffee to consumers. It endeavoured to ensure that coffee farming remained attractive and sustainable to farmers.

The Nescafe Plan demonstrated the commitment of the company to working with tens of thousands of farmers around the world, including in India, to provide training and technical assistance, he said. Nestlé India had been doing extensive work to improve penetration of its high quality Nescafe instant coffee amongst consumers and expand the market.

Antonio Helio Waszyk, Chairman and Managing Director, Nestlé India, said that Indian coffee quality was good and currently rated one of the best in the world. The company would want to use its own expertise in coffee to help it retain its excellence in the future as well. The company aimed at working with coffee farmers as well as experts, Mr. Waszyk said.

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## **Inspects crop loss**

Staff Reporter

Secondary Education Minister K. Parthasarathy has assured the farmers that the necessary steps would be taken to purchase the discoloured paddy, and also pay compensation to farmers who lost their pulses crops in recent rains, he said.

The minister visited Movva, Challapalli, Ghantasala and other mandals in the district to extent of crop loss in the district, on Thursday. The farmers told him that the crop and yield was good this year. The heavy rain on December 31 resulted in heavy losses as the paddy sprouted, and black gram crop was completely damaged. The water did not flow freely due to poor maintenance of drains, they said, and urged the minister to repair the drains under delta modernisation works.

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Last Updated: 02:13 IST(6/1/2012)

## Food inflation rate turns negative

India's food inflation rate contracted sharply to -3.36% during the week ended December 24 against a 0.42% growth in the previous week, continuing the dramatic fall during the last nine weeks.



The reason cited was a combination of fresh arrival of seasonal vegetables and a high base last year. The inflation rate was 20.84% during the corresponding week last year.

"There's been substantial improvement. Food inflation has turned negative for the first time in the recent memory," finance minister Pranab Mukherjee said.

Onion prices crashed by 74% during the week compared to last year when its prices skyrocketed to record levels because of speculative hoarding and unseasonal rains. Thus, this year's normal

onion prices magnified the fall from last year's unusually high prices.

### FRESH ARRIVALS BRING DOWN PRICES

Negative growth in food inflation rekindled hopes that the battle between inflation and sliding growth may finally end soon

**-3.36%** food inflation rate for week ended **December 24**

■ This is the first time in almost six years that food price growth has shown a decline on an annual basis

<b>73.74%</b> fall in onion prices during the week	<b>34.01%</b> drop in prices of potatoes	<b>50.22%</b> fall in prices of vegetables	<b>3.41%</b> drop in prices of wheat
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**Why are prices sliding?**

- Combination of last year's high-base and arrival of fresh crop of vegetables
- Same period last year, onion price was ₹60 a kg

**Protein items still costlier**

- Focus is shifting from rice and coarse grains to protein
- Wholesale prices of egg, meat, fish rose by 9.25%, milk by 13.82% and pulses by 13.85%

Prices of potato and other vegetables also dropped sharply during the week from last year's levels, bringing down food inflation, though protein-rich items, such as pulses, milk, meat and fish, continued to grow at a fast clip.

Economists expect the Reserve Bank of India to slash interest rates later this month in its monetary policy review, signalling a reversal of a 22-month cycle when it had raised rates to cool prices.

<http://www.hindustantimes.com/StoryPage/Print/791442.aspx>

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## THE ECONOMIC TIMES

### Commodities

6 JAN, 2012, 02.38AM IST, BLOOMBERG

#### **Cotton harvest may miss target on lower yield**

MUMBAI: Cotton production in India, the world's second-biggest grower, will be less than forecast after unseasonal rains cut yields, a textile-mill group said.

The harvest may reach 32.5 million bales to 33 million bales of 170 kg each in the year that started on October 1, DK Nair, secretary general of the Confederation of Indian Textiles Industry, said in a phone interview from New Delhi. That compares with 35.6 million bales estimated by the Cotton Advisory Board on November 15 and 34.5 million bales predicted by the US Department of Agriculture on December 31.

A smaller Indian crop may support prices, which slumped 56% from a record \$2.197 per pound on March 7 in New York on expectations of bigger global harvests. Global production will be a record 123.42 million bales of 218 kilograms each this crop season, the USDA said on December 9.

"Although the area is higher, yields have come down because of bad weather," Nair said on Wednesday. "There has been some crop loss in Andhra Pradesh because of rains and there were problems in Maharashtra." The area under Cotton climbed 9.9% to 30.1 million acres from a year earlier, according to the board. Maharashtra and Andhra Pradesh states are the second- and third-largest growers.

"Prices will see some upside on lower Indian output but gains will be capped as production globally is on the higher side," Vandana Bharti, vice-president for research at SMC Comtrade, said by phone from New Delhi.

Cotton for March delivery was little changed at 95.80 cents a pound on ICE Futures US in New York at 3:03 pm in Mumbai. Futures slumped 37% last year, the most since 2004. Overseas sales may be about 8 million bales this year, 14% higher than a year earlier, after the government freed exports, Nair said. "There is good export demand from China as it's building reserves," he said. Exporters may have registered with the trade ministry to ship 4.4 million bales since October 1, he said. China's imports may climb to 3.3 million tonne in the year ending July 31 from 2.7 million tonne a year earlier, Terry Townsend, executive director of the International Cotton Advisory Committee, said on November 7. "China is looking to build its reserves in most commodities and may boost Indian purchases when the new crop arrivals pick up around March-April," Vimala Reddy, analyst at Karvy Comtrade, said from Hyderabad. A decline in the Indian currency to a record last month may keep some buyers away, she said. India's rupee was Asia's worst performer last year, reaching a record low of 54.305 a dollar on December 15.

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**express**  
buzz

*By PTI*

*05 Jan 2012 12:54:17 PM IST*

### **Food inflation turns negative**



NEW DELHI: Food inflation entered the negative zone at (-) 3.36 per cent for the week ended December 24 as prices of essential items like vegetables, onion, potato and wheat declined.

"There has been substantial improvement. Food inflation has turned negative for the first time in recent memory," Finance Minister Pranab Mukherjee told reporters here.

This is the first time in almost six years, for which data with base year 2004-05 is available, that food inflation has shown a decline on an annual basis.

Food inflation, as measured by Wholesale Price Index (WPI), stood at 0.42 per cent in the previous week. It was almost 21 per cent in the corresponding week of 2010.

According to the official data released today, onion became cheaper by 73.74 per cent year-on-year during the week under review, while potato prices were down by 34.01 per cent.

Prices of wheat also fell by 3.41 per cent.

Overall, vegetables became 50.22 per cent cheaper during the week ended December 24.

The fall in the rate of price rise of food items has been substantial since the first week of November, when it stood at double-digit.

Experts feel that the decline in food inflation will be a major incentive for the Reserve Bank to look at the option of key interest rate cuts at its next quarterly monetary policy review later this month.

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### **Food inflation dips to low of minus 3.36 percent**

THURSDAY, 05 JANUARY 2012 16:17

IANAS | NEW DELHI



India's annual food inflation slipped into negative for the first time in "recent memory" as prices of vegetables, onions and potatoes fell sharply, official data showed Thursday. The annual food

inflation fell to -3.36 percent for the week ended Dec 24, as compared to 0.42 percent in the previous week and 20.84 percent during the corresponding week of last year.

"There has been substantial improvement. Food inflation has turned negative for the first time in recent memory," Finance Minister Pranab Mukherjee told reporters while reacting on the weekly data.

Prices of vegetables are less than half during the week under review when compared to the price during the corresponding week of last year.

Onions became cheaper by 73.74 percent while price of potatoes dropped by 34.01 percent year-on-year, according to data released by the ministry of commerce and industry.

Food inflation has dropped for the ninth consecutive week. After remaining stubbornly near double-digit for almost two years, food inflation has dropped sharply in the last two months.

Food inflation came down to single-digit in the second week of November and has dropped consistently since then. It was recorded at 10.63 percent for the week ended Nov 5.

Inflation in overall primary article, which has 20.12 percent weight in the wholesale price index, also dropped sharply to 0.10 percent for the week ended Dec 24 as compared to 2.70 percent in the previous week and 22.68 percent in the corresponding week of last year.

However, fuel and power inflation rose marginally to 14.60 percent during the week under review as compared to 14.37 percent in the previous week.

The recent drop in food inflation and easing in overall inflationary pressure may prompt the central bank to cut interest rates.

The Reserve Bank of India last month kept policy rates unchanged after hiking the key rates 13 times since the beginning of 2010.

The headline inflation based on the wholesale price index was recorded at 9.11 percent in

November, according to the latest available data.

The following are the yearly rise and fall in prices in the week under review of some main commodities that form the sub-index for food articles:

**Onions:** (-) 73.74 percent

**Vegetables:** (-) 50.22 percent

**Fruits:** 10.87 percent

**Potatoes:** (-) 34.01 percent

**Eggs, meat, fish:** 13.82 percent

**Cereals:** 1.97 percent

**Rice:** 1.46 percent

**Wheat:** (-) 3.41 percent

**Pulses:** 13.85 percent

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### **Fodder scam verdict on January 16**

THURSDAY, 05 JANUARY 2012 23:29

PNS | RANCHI

Final hearing in the case number RC52A/96 of Animal Husbandry was completed on Thursday and the judgment will be awarded by the Special CBI Judge Prabhash Kumar on January 16.

In this case, Rs. 14.56 crore were illegally withdrawn from the Chaibasa Treasury on the basis of 335 fake allotment letters for which the real allotment was only of Rs. 3 lakh.

Total of 73 people were chargesheeted and 1000 documents had been exhibited during the hearing and 80 witnesses were examined.

The prominent names includes then Deputy Animal Husbandry Officer, Jamshedpur, Ram, Prakash Ram, then Regional Director, Ranchi K N Jha, then Regional Director of Ranchi Junul Bhengraj, the then Regional Director, Ranchi, K M Prasad and Assistant Director of Ranchi K M Jha.

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### **NABARD to assess success of new paddy growing technique**

THURSDAY, 05 JANUARY 2012 22:49

SANTOSH NARAYAN | RANCHI

Launched on a pilot basis in Jharkhand couple of years back, the System of Rice Intensification (SRI) is slated to undergo an assessment.

A meeting of senior officials including Development Commissioner and Agriculture secretary has been called on Friday which would also see agriculture scientists and progressive farmers take part and discuss the way ahead.

Informed sources say that the technique has paid dividends. National Bank for Rural and Agriculture Development (NABARD) had more than 7,000 farmers of the State adopt the intensive paddy growing technique. The pilot project even attracted the attention of the State Government when it planned to bring about 1.63 lakh hectares of paddy land under the technique during this kharif season.

The technique is being implemented in 22 districts of the State where project implementing agencies in the form of NGOs have made inroads. "Last year, the productivity of rice went up by more than double despite drought-like conditions prevailing in the State. It is particularly successful in rain-fed areas like Jharkhand as the paddy grown using this technique requires less water and ripe quicker," said Ranajee Mehta of NABARD.

The bank is still compiling data collected from various parts of the State and a separate report would be published to reveal the exact position about the technique. "We have brought in more than 7,000 farmers into the scheme being run on a pilot basis. Full grant of Rs 5 crore has been given for its promotion. It has been very successful so far and we are expecting similar success rate in the days to come," the official said.



The technique involves special seed treatment and a different replication method that boosts the productivity of paddy.

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# Business Standard

Friday, Jan 06, 2012

## **Oilmeal exports increase 24% in December**

**BS Reporter / Mumbai January 06, 2012, 0:44 IST**

The shipment of oilmeals, a major animal and bird feed, jumped 24 per cent in December on better availability supported well by rapidly growing demand from overseas.

The rise in oilmeal exports indicates an increase in the expenditure on birds and animals — on a recovery in economic activity.

Data compiled by the Solvent Extractors' Association (SEA) show oilmeal exports jumped to 953,526 tonnes in December 2011 as compared to 765,954 tonnes in the corresponding month last year. During the first nine months of the current financial year, Indian traders managed to ship 38,68,831 tonnes of oilmeals — a rise of 23 per cent from 31,47,512 tonnes during the same period of last year.

Better kharif soybean crop, fall in rupee and positive crushing parity boosted processing and export of oilmeals during the third quarter of the current fiscal year, which witnessed four per cent growth in the shipment. During the last quarter of 2011 ending December, total shipment was recorded at 18,34,714 tonnes, as compared to 17,71,303 tonnes in the corresponding quarter of the previous year.

So far this financial year, October 2011 was the first month, when overall oilmeal exports contracted — by 31 per cent to 353,300 tonnes, as compared to 512,609 tonnes in the same month last year.

Oilmeals exporters are going to benefit from both sides. Not only has there been a boost in realisation — it shot up by 15 per cent last calendar year — the depreciation in rupee has also offered tremendous profits.

As a consequence, traders shipped the maximum quantity of oilmeals during the last quarter. The Indian currency has fallen from the average level of 45.35 against US dollar in January 2011 as against 52.38 in December 2011.

Meanwhile, average soybean meal price surged to \$408 a tonne from \$334 a tonne last year. Similarly, rapeseed meal and groundnut meal prices jumped to trade at an average \$229 and \$329 a tonne in December from \$181 and \$297 a tonne in January respectively.

Oilmeal exports to Japan during April-December 2011 reported at 938,317 tonnes as compared to 849,370 tonnes last year consisting of 908,809 tonnes of soybean meal and 29,508 tonnes of rapeseed meal.

Vietnam imported of 700,472 tonnes compared to 542,676 tonnes last year comprising 538,602 tonnes of soybean meal, 36,245 tonnes of rapeseed meal and entire quantity of 125,625 tonnes of rice bran extraction. South Korea imported 553,795 tonnes compared to 360,172 tonnes of last year while. China managed to buy 344,140 tonnes compared to 313,029 tonnes. Europe and others have imported 170,863 tonnes compared to 140,083 tonnes during the last year.

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### **Coconut production to rise 10%**

**George Joseph / Kochi January 6, 2012, 0:19 IST**

Coconut production is expected to be robust this year due to good demand for tender coconut and coconut oil across the country. The main production season is from January till March. In Kerala, the normal annual production is around six billion nuts and is likely to go up 10 per cent



this year, according to growers' estimates from various centres.

As the average price of tender coconut has increased to Rs 20 each, farmers are active in producing this commodity, especially in Karnataka and Tamil Nadu.

Traders told Business Standard production would be higher in Tamil Nadu this year as the acreage had increased. The area under cultivation has increased to 390,000 hectares from 367,000 hectares last year.

Likewise, acreage has increased in Andhra Pradesh and Karnataka during the past three-four years. Tamil Nadu has the highest productivity (nuts produced per hectare) in India at 13,771 nuts. In Andhra, this is 9,327, while in Kerala this is 7,365 nuts only, though Kerala tops the chart with 790,000 hectares in area under cultivation.

As the production is on a rise, coconut oil is on a downward mode. The wholesale price is steady since the last few days at Rs 7,650 a quintal here. Market experts do not view an upward swing in the price line, but expect a reduction due to the seasonal increase in production.

Coconut oil peaked to an all-time high of Rs 10,400 a quintal in May, finding a southward route after that. According to the data by the Cochin Oil Merchants Association (COMA), the market touched the lowest at Rs 7,500 a quintal in October, peaked to Rs 8,400 a quintal in November and Rs 8,300 a quintal in December. As the supply from Tamil Nadu increased and due to a sharp fall in demand, the market plunged below Rs 8,000 a quintal mark in the last week of December. On December 27, price fell to Rs 7,750 a quintal and then to Rs 7,650 a quintal.

According to Thalath Mohamed, president, COMA, the fall in demand from north India had affected prices in December. He added that according to the current parameters, the price might move on a rather steady note, with minor fluctuations. As supply from Kerala increases, market experts see a further downward movement of prices when summer season starts.

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### **Centre decides to discourage cotton, jute sowing**

**Anindita Dey / Mumbai January 6, 2012, 0:32 IST**



Technological missions for both to end in next five-year Plan, though existing allocations to specific states to continue.

To give priority to foodgrain production, the Union ministry of agriculture has decided to discontinue the technological missions for cotton and jute in the 12th five-year plan, to

commence from April 1.

Officials said existing allocations for specific states would continue. "Gujarat, Maharashtra and Andhra Pradesh heavily depend on cotton and, similarly, the eastern states for jute. Therefore, while there will be no further allocation from the central government directly, states will continue to get their individual allocation, depending on the requirement," said one.

Sources said the move was partly prompted by farmers growing more and more cash crops, much beyond domestic demand. "In cotton, the acreage has gone up sharply year over year in most states, in anticipation of higher prices. However, industrial domestic demand is not much. Now producers eye the export market and there is no reason why the government will fund a crop to meet overseas demand," was the explanation.

State governments had also been advised to ensure development of genetic varieties in home-grown (desi) cotton. Also, to ensure availability of at least one genetic variety of desi cotton before they allow seed companies to sell. "We have asked states to have it as a mandatory requirement during the seed certification process," said officials. "Most of the output is the Bt (genetically modified) variety —extra long staple. It is good for export and not for the general domestic demand. We do not have enough cotton for denim, babyware, towels, etc, which need the desi (and less costly) variety." Also, to address the agitations on falling cotton prices in various states, the central government has advised states to encourage intercropping of foodgrain between two cash crops. This could help the farmers recover some of the losses they face in growing cotton or jute. Beside helping to meet foodgrain demand, to grow manifold in the wake of passage of the Food Security Bill. Cotton prices, which were soaring as 2011 began, have been falling. The benchmark Sankar-6 variety rose to a high of Rs 67,000 a candy (356 kg) in March. It is now quoted at Rs 34,500 a candy. The Cotton Advisory Board estimates the sown area during the 2011-12 season was up at 12.2 million hectares compared with 11.1 mha in the previous one. Output for the year has been pegged at 35.6 million bales (a bale is 170 kg), compared with 32.5 million last season, the CAB said.

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## **Guar gum trade: Notices to 35 entities**

**BS Reporter / January 06, 2012, 0:21 IST**

The Forward Markets Commission has issued showcause notices to five members active in futures trading in guar gum and seeds based on findings of an interim report.

FMC said in a note: "The Commission has issued showcause notices to five members, and notices for appearance and production of additional documents have been issued to 30 other entities, clients as well as non-clients." FMC had launched an investigation as prices of these two commodities had risen 150 per cent in just nine months.

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# THE HINDU **Business Line**

## **Food inflation turns negative after nearly six years**

Our Bureau

New Delhi, Jan. 5:

Food inflation entered the negative territory for the first time in nearly six years, raising hopes that the RBI might ease back on lending rates soon. The wholesale price index for food articles plunged to -3.36 per cent as on December 24, on the back of a sharp fall in the price of mass consumption vegetables such as onions and potatoes, as well as moderate easing in wheat and some other non-pulses food articles.

(This article was published in the Business Line print edition dated January 6, 2012)

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## **Jeera may perk up on export demand**



Rajkot, Jan. 5:

Jeera fell on Thursday as investors booked profits after a recent rally in prices.

However, export demand is likely to keep it firm in the medium term, said a Kedia Commodity report.

The spice dropped by Rs 402 a quintal on the National Commodity and Derivatives Exchange (NCDEX) for January delivery to Rs 16,400 with an open interest of 7,347 lots, while it was down Rs 347 to Rs 16,891 with an open interest of 15,537 lots for February.

On the spot market, jeera decreased by Rs 70-75 to Rs 2,400-2,915 for 20 kg here. In Unjha, rough seeds were offered at Rs 1,750-1,850 for 20 kg, foreign-quality at Rs 2,750-2,850 and the NCDEX quality at Rs 2,975-3,075. while 5,000-6,000 bags arrived, 8,000-9,000 were traded.

Syrian and Turkish seeds quoted at \$3,400 and \$3,000 a tonne (f.o.b.), while Indian seed quoted at \$3,025 (c & f) in Singapore.

Till January 3, jeera was reported to be sown in around 2.82 lakh hectares, up around 2,38,100 hectares last year in the same period.

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### **Spot rubber drops on buyer resistance**

Our Correspondent

Kottayam, Jan. 5:

Spot rubber declined on Thursday. According to observers, the prices fell sharply on buyer resistance following the weak trend on NMCE.

There was visible selling from dealers and certain growers and the sentiments were still bearish.

The gap between the domestic and international markets was wide enough to trigger another selling spree, an analyst told *Business Line*. The trend was mixed.

Sheet rubber moved down to Rs 192.50 (195.00) a kg according to traders.

The grade fell to Rs 194.50 (195.50) a kg both at Kottayam and Kochi as reported by the Rubber Board.

The January series dropped to Rs 193.50 (195.60), February to Rs 196.50 (198.04), March to Rs 200.99 (202.10), April to Rs 206.00 (207.50) and May to Rs 209.85 (211.52) while the June

series improved to Rs 208.10 (207.50) a kg for RSS 4 on National Multi Commodity Exchange (NMCE).

RSS 3 (spot) weakened to Rs 177.68 (178.31) a kg at Bangkok. The January futures increased to ₹ 250.0 (Rs. 172.33) from ₹ 247.5 a kg during the day session and then slipped to ₹ 248.0 (Rs. 170.95) in the night session on Tokyo Commodity Exchange (TOCOM).

The physical rubber rates/kg were RSS-4: 192.50 (195.00); RSS-5: 187.00 (190.00); Ungraded: 180.00 (182.00); ISNR 20: 186.00 (186.00) and Latex 60 per cent: 108.00 (108.00)

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### **Vannamei shrimp, falling rupee boost seafood exports**

C J Punnathara

*Volume rises a meagre 3%; realisation up in \$ terms*

Kochi, Jan. 5:

Year 2011 has been good for the Indian seafood export industry aided by a falling rupee and surging unit value realisations.

While total value realisations increased almost 25 per cent, the volume of exports was up tersely at 2-3 per cent.

The unit value in dollar terms was higher, said Mr Anwar Hashim, Vice-President of the Seafood Exporters Association of India (SEAI).

This was accompanied by increased demand from overseas markets such as South-East Asia and China.

Also, farmed shrimp production witnessed substantial growth as more areas were brought under the highly productive vannamei cultivation. While shrimp exports continue to dominate India's export basket, the current surge in shrimp exports was made possible through increased production of the vannamei variety, Mr D. B. Ravi Reddy, President of SEAI said.

Year-on-year, there was a 17-18 per cent depreciation in the value of the rupee enabling the seafood exporters to reap rich rewards.

While all seafood exporters stood to gain, it was the exporters who took the least forward cover in dollar in the currency futures markets who made the most significant gains, Mr Hashim said.

### **Rupee fall**

Going by the present trend he said that the fall in the value of the rupee is likely to persist into March – the end of the current fiscal. Recalling the experience of Thailand and Indonesia where their currency had plunged sharply couple of years ago, he said currencies made good gains but were never able to recover their previous levels. This is likely to be the case in India as well.

India's seafood export has gained considerable mileage on account of the large size of the new vannamei shrimp.

Being still early days for vannamei production in India, the nutrient rich soil and water had aided in reaping a rich and large-sized crop.

To maintain the crop productivity and size, sufficient nutrients will have to be added before the ensuing seasons. The large size also kindled increased demand for the Indian shrimp. The productivity of vannamei crop is substantially higher than tiger shrimp cultivation, bringing more profits to farmers and shoring up volumes for exports.

### **Sustainability**

Strides in aquaculture have always been accompanied by the call for sustainability, Mr Ravi Reddy said.

The effect of fish farming on the environment has to be acceptable in both the short and long term. As the seafood industry in India is about to witness yet another year of growth and success, the industry's commitment to sustainability remains as strong as ever.

The India International Seafood Show 2012, which is to be organised jointly by the Marine Products Export Development Authority and SEAI, from February 29 to March 2 in Chennai will highlight the potential of the Indian marine industry in achieving sustainability, Mr Ravi Reddy said.

Going by current trends, the ambitious seafood export targets set for the year seems to be within reach.



Aided by a significant marine catch and increased aquaculture production, ASSOCHAM's prediction that India's seafood industry, both domestic and exports, would reach Rs 67,800 crore from the current level of Rs 53,000 crore also seems possible.

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## **Fear of buyers' resistance keeps egg static**

Our Bureau



Chennai, Jan. 5:

After touching a record high last week, egg prices remained firm this week at Rs 3.20 a piece owing to fears that buyers may resist further hike.

The cold wave in the North and intensification of Thane in the South had pushed up poultry prices.

Mr P. Selvaraj, Zonal Chairman of the National Egg Coordination Committee (NECC), Tamil Nadu, said the onset of cold wave in North India was the main reason for the price hike as 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 consumer resistance and hence we have not raised the prices further," he added.

But prices are still at their low in the South at Rs 3.20 in Chennai and Bangalore, compared with Rs 3.40 in Mumbai and Delhi and Rs 3.43 in Kolkata.

Industry sources told *Business Line* that short supplies and high prices of vegetables have made way for eggs that are seen as the only balanced diet at a lower price. With the *Pongal Sankranti* season ahead, the industry foresees lower possibilities of a drop in price.

Meanwhile, NECC has slashed the price of layer birds to Rs 38 a kg (Rs 41) while the Broiler Coordination Committee's rate for cull birds is down by Rs 4 a kg to Rs 41.

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### **Sugar turns bitter on selling pressure**

Our Correspondent



Mumbai, Jan. 5:

Sugar prices continued their downward trend for the fifth consecutive day on Thursday this month on increased selling pressure at producers level.

Spot prices on the Vashi terminal market eased further by Rs 5-7 a quintal while naka rates lost Rs 10-20 for S-grade and Rs 10-30 for M-grade on increased resale. With carryover from last month, mills are under pressure to sell the one lakh tonnes of free-sale quota before the January 15 deadline. Tender rates declined by Rs 20 a quintal. Volumes were higher in the physical market but ample supplies kept volumes bearish, said traders.

Mr Jagdish Rawal, a wholesaler, said that despite lower sale quota, the market continued to witness a bearish trend on less-than-expected demand and ample supplies from mills. Prices in other producing centres, including Uttar Pradesh, ruled weak due to limited demand. Hence, there is no active buying from neighbouring States in Maharashtra since last month. Currently, it seems that producers are under pressure to sell before due dates. Increased selling by mills put

more pressure on naka rates while its effect in the physical market is small due to local demand which is high because it is the beginning of the month, he said.

Local freight charges were unchanged. Arrivals were 55-56 truckloads and local dispatches were around 50-51 truckloads. On Wednesday, about 12-14 mills offered tender and sold about 40,000-45,000 bags in the range of Rs 2,770-2,830 (Rs 2,770-2,850) for S-grade and Rs 2,850-2,930 (Rs 2,870-2,950) for M-grade. In the world market, March-12 futures was up by \$2.50 to \$632.20 (\$629.70) and May-12 futures increased by \$2.40 to \$618.00 (\$615.60) on Wednesday.

**Bombay Sugar Merchants Association's spot rates:** S-grade Rs 2,906-3,000 (Rs 2,910-3,005) and M-grade Rs 2,996- 3,096 (Rs 2,996-3,102).

**Nakadelivery rates:** S-grade Rs 2,860-2,900 (Rs 2,870-2,920) and M-grade Rs 2,960-3,020 (Rs 2,970-3,050).

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### Lack of orders turns edible oils bearish

Our Correspondent



Mumbai, Jan. 5:

Though palmolein supplies remained tight on the spot market, edible oils turned bearish on Thursday as stockists refrained from placing new orders. Besides, palm oil dropped on the futures market here and in Malaysia as investors booked profits.

Palmolein, sunflower expeller refined and rapeseed refined oil declined by Rs 5 each, cotton refined oil by Rs 7 and soya refined oil by Rs 10 for 10 kg each. Local soya oil futures have lost more than Rs 22 for 10 kg in the last two days.

In contrast, groundnut oil continued to rise by Rs 5 for 10 kg in absence of sales. Crude palm oil (CPO) futures closed lower on the Bursa Malaysia Derivatives exchange on profit-booking amid broad weakness in equities and commodities due to renewed worries over the euro-zone sovereign-debt crisis. Weak projections for the Chicago market also weighed on the market sentiment.

Resellers offered palmolein at Rs 607-608. Liberty quoted palmolein at Rs 612 for January and at Rs 610-611 for February delivery, and super palmolein at Rs 635. Ruchi offered palmolein at Rs 607. Allana quoted palmolein at Rs 607. In Saurashtra and Rajkot, cotton oil was quoted at Rs 647-648 and groundnut oil at Rs 1,610 (Rs 1,610) for a *teliatin* and at Rs 1,050 (Rs 1,050) for loose (10 kg).

**Malaysia's BMD CPO's** January contracts settled at MYR3,200 (MYR3,223), February at MYR3,200 (MYR3,223) and March at MYR3,190 (MYR3,225) a tonne. Soya oil for January delivery dropped to Rs 742.70 (Rs 752) and for February to Rs 732 (Rs 738) on the National Board of Trade in Indore.

**Bombay Commodity Exchange spot rates (Rs/10 kg):** groundnut oil — 1,020 (1,015), soya refined oil — 705 (715), sunflower exp. ref. — 665 (670), sunflower ref. — 735 (735), rapeseed ref. oil — 840 (845), rapeseed expeller ref. — 810 (815), cotton ref. oil — 668 (675), and palmolein — 608 (613).

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## **Turmeric gains lustre ahead of market holidays**

Our Correspondent



Erode, Jan. 5:

Spot turmeric increased by Rs 200 per quintal on Thursday as traders were buying to meet pending orders ahead of market holidays.

Mr R.K.V. Ravishankar, President, Erode Turmeric Merchants' Association said, "For the first time, 2,278 bags of turmeric arrived and went for auction the same day at the Regulated Marketing Committee on Thursday. Sales were also very encouraging, as the market will remain closed from Friday to Sunday."

The market will be closed on Friday following the death of an association member.

"Traders with good orders from north Indian towns have purchased heavy stocks for immediate despatch. They quoted higher price for the commodity," Mr Ravishankar said. Some traders preferred the hybrid variety and bought it by quoting a higher price. The Salem Hybrid variety increased by Rs 380. All 350-odd bags sold.

Mr Ravishankar said over 200 bags of fresh, unpolished Mysore crop, a low-variety crop with reasonable curcumin content, arrived on Thursday and sold below Rs 3,500. The buyers will polish and despatch them to meet pending orders in Kerala, Bihar and other places.

**Salem crop:**the finger variety sold at Rs 4,831-5,411, the root variety Rs 4,491-4,611. About 1,723 bags arrived, 1,023 sold.

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## Mills' buying pushes up Dara wheat

Our Correspondent



Karnal, Jan. 5:

The wheat market witnessed a mixed trend on Thursday. Dara wheat and flour increased further on domestic demand coupled with low availability, while desi wheat varieties continued to rule flat on their previous levels amidst slack buying.

Mr Sewa Ram, a wheat trader, told *Business Line* that increased off-take by flour mills to meet domestic demand, mainly pushed Dara prices up. Low stocks and increased demand pushed flour prices up by Rs 25-30 for a 90-kg bag over the last two days, he said. The Dara variety was up Rs 5-10 a quintal and quoted at Rs 1,180-1,190 a quintal. On the physical market, around 70 tonnes of Dara variety arrived from Uttar Pradesh and stocks were directly offloaded at the mills. Mill delivery was at Rs 1,180-1,190 a quintal while delivery at *chakki* was at Rs 1,195 a quintal. On the other hand, prices of desi wheat remained almost unchanged. Samrat was quoted at Rs 1,880 a quintal while Red Rose was trading at Rs 2,200 a quintal.

On the National Commodity and Derivatives Exchange, wheat for January delivery increased by Rs 4 to Rs 1,240 quintal. On the MCX, wheat spot prices increased by Rs 6.3 to Rs 1,233.8 a quintal.

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