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TNAU's apiary training in January

Special Correspondent

Coimbatore: Tamil Nadu Agricultural University will organise training on bee-keeping on January 6, 2011 at the Department of Agricultural Entomology. Interested candidates should pay Rs. 150 on the day of training.

For details, contact: Telephone number: 0422-6611214, email: entomology@tnau.ac.in

Date:29/12/2010 URL: http://www.thehindu.com/2010/12/29/stories/2010122963770300.htm

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Training at TNAU

Coimbatore: Tamil Nadu Agricultural University will organise apiary training on January 6, 2011 at the Department of Agricultural Entomology.

Interested candidates should pay Rs. 150 on the day of training.

The programme will be held from 10 a.m. to 5 p.m.

For details, contact: Professor and Head, Department of Agrl. Entomology, TNAU, Coimbatore – 641003. Telephone number: 0422-6611214, email: entomology@tnau.ac.in

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Set up farm machinery training institute at Gubbi, says MP

Special Correspondent

Basavaraj writes to Union Minister Sharad Pawar'The Centrally-funded unit will benefit many'

Bangalore: G.S. Basavaraj, MP from Tumkur, has urged the Union Government to set up a farm machinery training and testing institute at Gubbi in Tumkur district for promotion and strengthening of agricultural mechanisation through training and testing.

In a letter to Union Minister for Agriculture Sharad Pawar, Mr. Basavaraj said that the establishment of the Centrally-funded institute would benefit a large number of farmers cultivating paddy, ragi, coconut, groundnut and other commercial crops in the district as well in the State.

The Union Government has set up such institutes at four places — Budani in Madhya Pradesh, Hissar in Haryana, Biswanath Chariali in Assam and Garaldninne near Anantpur in Andhra Pradesh.

With over 70 per cent of the people of the State depending on the farm sector for their livelihood, Mr. Basavaraj said, the setting up of the institute would help farmers to increase farm productivity by adopting new technologies. The farmers who receive training in the institute would also be eligible to get stipend of Rs. 2,000 per month, he said.

In a letter to Union Minister of State for Textiles Panabaaka Lakshmi, Mr. Basavaraj has urged the Ministry to set up an integrated textile park in Tumkur. Already, one such integrated textile park has been set up at Doddaballapur in Bangalore Rural district.

The State Government has identified Tumkur as one of the apparel clusters under the recent Textile Policy and the establishment of the integrated textile park in the district would help many graduates to get employment, he said.

He said that Tumkur city is located close to Bangalore and embedded with social and physical infrastructure. There was no shortage of skilled labour and setting up of the park would fuel the economic growth of the district, he said.

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Onion prices still rising

Firoz Rozindar

Chitradurga: Though the Union Government has banned export of onions, it seems to have had little impact on prices as onion is still being sold at Rs. 40 to Rs. 50 a kg in the retail market.

Following crop loss in onion-producing regions such as Maharashtra and Karnataka, the cost of onion had escalated.

Onion was being sold at Rs. 60 to Rs. 80 a kg about a week ago.

In order to bring down prices in the domestic market, the Ministry of Agriculture banned export of onions on December 20.

“Forget the ban, even importing onions will not make much of a difference to prices for at least one month when there will be fresh arrivals at the markets,” said Mohammad Shafiq, a wholesale dealer of onions and potatoes.

He said that though prices had come down from Rs. 60 to Rs. 40 a kg, the difference was not considerable as onion was being sold for Rs. 20 a kg three months ago.

He added that prices came down after the ban for a couple of days, but the chief reason was because the stock was becoming old.

According to him, onion is still being sold at Rs. 4,500 to Rs. 6,000 a quintal in the wholesale market, depending on its quality and size.

Major share

Nurullah Sharif, another wholesale dealer, said that the major share was being purchased by traders from Maharashtra, Andhra Pradesh and Tamil Nadu, at Hubli which has a big market.

“The moment there are fresh arrivals at the market, the traders purchase it at higher prices. Local people don't buy onion at that cost,” he said.

He said that within the last couple of months, the wholesale price of onion had increased by Rs. 3,000 per quintal.

Sridhar Reddy, an onion grower from D.S. Halli, agreed. He said that the ban had not resulted in a considerable difference in prices. He said that prices would not come down till the end of January or beginning of February when the new onion crop would be harvested.

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Climate change affecting Assam tea growers

Amarjyoti Borah

Rising temperatures are reducing yields and altering the distinctive flavour of a popular beverage.

PHOTO: RITU RAJ KONWAR

ISSUE: The changing taste of Assam tea is something that concerns growers. Women workers in a garden near Guwahati, Assam.–

Climate change is affecting the cultivation of Assam tea, with rising temperatures reducing yields and altering the distinctive flavour of India's most popular drink, researchers say.

High hills and abundant rainfall make the north-eastern state of Assam an ideal place to grow tea, with 850 gardens over 3,20,000 hectares (5,93,000 acres) producing the majority of the country's harvest. But in the last 60 years, rainfall has fallen by more than a fifth and minimum temperature has risen by a degree to 19.5°C.

“This is clearly climate change, and it is bound to have major impact on the tea industry,” said Debakanta Handique, a climate scientist in Assam.

The Tea Board of India said it had recorded a steady decline in tea production in recent years. In 2007, Assam produced 5,12,000 tonnes of tea. By 2008 this had declined to 4,87,000 tonnes, with estimated production in 2009 down again to 4,45,000 tonnes. A further decrease is expected this year.

‘Serious threat'

Mridul Hazarika, director of Tocklai Tea Research, the oldest tea research station in the world, said rainfall and minimum temperature were two of the most important factors affecting both quality and quantity of harvests.

“The decline has been taking place although there has been an increase in the area of tea cultivation as new gardens have come up, and many gardens have added new areas for tea plantation. This is an indication of the seriousness of the threat,” said Hazarika. Efficient rainwater harvesting and new breeds of tea plants were needed to reverse the trend.

“Changes have already been observed in the flavour, but it is not possible to blame only climate change for this,” he said. “Other factors like the fertilisers used and cultivation methods might also be partly responsible.”

The changing taste of Assam tea is a serious concern for growers. Sudipta Nayan Goswami, an Assam-based planter, said subtle changes had already been observed: “The flavour has changed from what it was before. The creamy and strong flavour is no more. There is a huge demand for Assam tea abroad, and this is due to its strong, bright flavour. The changes will sharply hamper the demand for this variety of tea abroad."—

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Science awareness camps for SHGs and farmers

Staff Reporter

COIMBATORE: The Tamil Nadu State Council for Science and Technology (TNSCST) has chosen K.S.G College of Arts and Science at Singanallur here to hold science awareness camps for self- help groups, farmers and students.

As per the scheme, one college is chosen from each of the ten selected districts and the TNSCST will impart training to all the ten coordinator-colleges.

The college has said in a press release that 100 members from the self-help groups would be selected and trained in various disciplines such as mushroom culture, vermi-composting, gardening, cake and pickles production, first aid, computer applications, installing electronic security systems at offices and homes, embroidery and doll production.

In the second phase, 100 farmers would be selected and trained in drip irrigation, use of nano fertilizers, tissue culture, fish culture, water treatment and other modern farming techniques.

In the final phase, training in areas of modern science would be offered to selected Tenth and Plus-Two students. For details, contact R. Vinitha on phone: 98948-01082, 73735-44264, 2574913.

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Coconut sapling nursery planned at Inungur

Staff Reporter

KULITHALAI: Efforts would be taken to secure around 60 acres of government land at Inungur near here to create a coconut sapling nursery , said Chairman of the Coconut Growers Welfare Board S. Rajkumar Mandradiyar. This would address the continued demand for coconut seedlings for growers in the region, he observed.

Speaking at an interactive session for coconut growers arranged here on Tuesday under the auspices of the Board, Mr. Mandradiyar said the Board sought to dispel lingering doubts on a plethora of issues confronting the coconut growers and for that a series of meetings are being conducted in several districts. Already similar meetings have been conducted at Pollachi, Gobichettipalayam, Kangeyam, Udamalpet, Attur, Mettur and Karur .

Farmers raised the popular demand that the minimum number of trees be reduced from the existing 70 for enlistment with the Board for which Mr. Mandadiyar said the matter would be conveyed to the state government but there were practical difficulties in reducing the minimum number of trees, he added.

Also not many growers were aware of the subsidies and schemes being implemented for their welfare and the Board would strive to popularise the schemes, he observed.

With coconut having been brought under Horticulture category in the State, many farmers were concerned about the extension of free power scheme for coconut groves. Some aired anxiety over the lack of adequate manpower to climb trees and the sparse hydraulic climber that was cost prohibitive at Rs.16 lakh a piece. Mr. Mandradiyar said efforts would be taken to persuade the state government to make available one unit in every panchayat union.

Most importantly, Mr. Mandradiyar said the state government would be approached to secure 60 acres of government land at Inungur village for creating a coconut sapling nursery to meet the growing demands of the farmers for quality seedlings in the region. Once land was made available the farmers could get enough quality seedlings from the nursery, he pointed out.

Coconutgrowers from Kulithalai, Krishnarayapuram, Thogamalai and Kadavur blocks participated .

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“Price rise a major issue”

Special Correspondent

NEW DELHI: Finance Minister Pranab Mukherjee has admitted that price rise was a major problem confronting the United Progressive Alliance government in its second term.

In a book brought out by the Congress with Mr. Mukherjee as its chief editor, he has said: “Inflation based on high prices of foodgrains continues to be a challenge.” The book Congress and the Making of the Indian Nation was released at the just-concluded party plenary marking 125 years of the party. It praises Prime Minister Manmohan Singh for providing an “image of stability and sobriety” to the government. “This is vital for the Congress at a time when it is projecting itself as a party of responsible governance,” it says.

Noting with concern that containment of Maoist violence and external security threats were issues before the country, it says: “India's traditional enemy Pakistan is strengthened by being an ally of the U.S., in its ‘War against terror' in Afghanistan.”

Hails Sonia Gandhi

The book hails Congress president Sonia Gandhi for her decision to decline Prime Ministership after leading the UPA to power in 2004. “Not since the days of the freedom struggle was such a complete separation of the objective of personal power and the objective of achieving social ideals seen. People looked upon Sonia Gandhi's renunciation of power as reminiscent of the

Mahatma."The book said: "An able leadership of government was combined with the exemplary and selfless leadership of the party by Sonia Gandhi."

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This farmer doesn't give in to despair

S. Murali

Seethareddy determined to save his standing chilli crop against all odds

Joint effort:Seethareddy's daughter Ashwini assisting him at Krishnamrajuvaripalem village in Prakasam district.

ONGOLE: At a time when farmers are ending their lives out of despair, a strong-willed tenant farmer in Prakasam district, with support from his family members, is showing the way to others, fighting against all odds to overcome the most difficult situation ever faced with repeated rain in eight months ruining his crops.

Since the Laila cyclonic storm, the district had been battered by over five weather systems, damaging first blackgram and later ladies finger crops of the 48-year-old farmer, Tanuboothi Seethareddy of Krishnamrajuvaripalem village in Korispadu mandal.

Not losing hope, he grew chillies in three acres of leased land paying Rs. 12,000 per acre and spent so far Rs. 80,000. The excessive rain under the influence of cyclonic storm Jal and later due to depression in December had affected plants' growth and flowering. “But for the unseasonal rains, I should have got 10 to 15 quintals by now,” he says. He is not alone in his struggle for survival. His wife Venkaiamma (38) joins him in farm work, so also his 15-year-old daughter Ashwini, studying in ninth standard.

All of them, joined by the pair of Ongole bulls, known for adaptability to extreme of climatic conditions, are now leaving no stone unturned to save the standing crop. “I hope to get about 15 quintals per acre if pest attack due to the chill weather subsides,” he adds.

“With ever growing labour costs, my daughter also joins us during holidays and also before and after school hours in the farm,” the proud father says taking time off the farm work to talk to The Hindu.

“We need to sustain ourselves and meet the educational expenses of my son Omanchivaradha Reddy studying in a corporate college in Ongole,” adds the farmer.

He recalls that he had grown chilies in three acres last year and got on an average 30 to 40 quintals per acre.

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Centre releases extra foodgrains for PDS

Gargi Parsai

This allocation is in addition to 25 lakh tonnes of grains released for BPL population in August

Ban on export of pulses and permission to import pulses at zero duty to continue till March 2012

NEW DELHI: The Centre on Tuesday announced an additional allocation of five million tonnes of wheat and rice to States for distribution to the Below Poverty Line (BPL) and Above Poverty

Line (APL) beneficiaries through the Targeted Public Distribution System. This is in addition to the 25 lakh tonnes of grains released for the BPL population in August.

The government also extended the ban on export of pulses and the permission to import pulses at zero duty till March 2012. Stock holding limit on sugar will also continue for the next three months to keep prices in check. These decisions, taken at a meeting of the Empowered Group of Ministers (EGoM), chaired by Union Finance Minister Pranab Mukherjee, are meant to contain food inflation and keep prices of wheat, rice, pulses and sugar in check in the coming months.

Announcing the decisions, Union Agriculture Minister Sharad Pawar said: “The EGoM has decided to give additional 25 lakh tonnes of wheat and rice to States at BPL rates. Another 25 lakh tonnes of additional wheat and rice will be given to States at APL rates. Both these allocations will be over and above the normal quota.”

The grains for BPL will be sold at the public distribution system rate of Rs. 4.15 a kg for wheat and Rs. 5.65 for rice. For the APL, wheat will be available at Rs. 8.45 a kg and rice at Rs. 8.45.

The Minister said States could lift their additional quotas from Wednesday.

Food stocks are at 48 million tonnes and with the new crop coming in, the government needs to create storage space. Apart from this, the step to release additional grains is also seen as a measure to rein in food inflation. Food inflation increased to 12.13 per cent for the week ending December 11.

‘Comfortable position'

On sugar, Mr. Pawar said the country was in a “comfortable position” with expectations of about 245 lakh tonnes of production this year, against the demand of about 220 lakh tonnes.

The issue of raising the central issue price of levy sugar sold to BPL in the TPDS was not discussed.

On the rising prices of onions, tomatoes and garlic, the Minister said it was outside the purview of the EGoM.

A meeting of the Committee of Secretaries earlier reviewed the rising prices of food items including vegetables.

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News that is not so sweet

Staff Reporter

Use of calcium carbide to artificially ripen fruit a health risk

— FILE PHOTO

BAD NEWS:Chronic exposure to the chemical could lead to peptic ulcers, the research warns.

Bangalore: Just when consumers make a conscientious effort to stave off junk food pangs and reach for some wholesome fruit, here comes news that is distinctly hard to swallow.

A deadly chemical, calcium carbide, is used widely across the country to artificially ripen fruit, risking the health of consumers, cautions a study published in the latest issue of Current Science.

Mangos, bananas, apricots, papayas, and plums were found to have been treated with calcium carbide (CaC_2), which contains traces of arsenic and phosphorous, say authors Md. Wasim Siddiqui and R.S. Dhua, who are scientists at West Bengal's Bidhan Chandra Krishi Viswavidyalaya.

Although banned, the chemical, known commonly as “ masala,” is used freely in the country, the scientists add, calling for greater monitoring of the sales of the compound. The Prevention of Food Adulteration (PFA) Act, 1954, and the Prevention of Food Adulteration Rules, 1955, both ban artificial ripening, including the use of CaC2.

This hazardous and carcinogenic chemical puts consumers at the risk of short-term and long-term health problems. Early symptoms of arsenic or phosphorus exposure include diarrhoea, thirst, irritation in the eyes, mouth, nose and throat. Chronic exposure to the chemical could lead to peptic ulcers, the research paper warns.

The authors add that although fruits developed an appealing and uniform peel colour, they are not as flavourful, often even raw inside and have shorter shelf-life. Mangoes of the Langra, Himsagar and Fazli varieties, Cavendish banana and some varieties of tomato are neither yellow nor red when naturally ripe. “But people are not aware of this.” CaC2 also breaks down the organic composition of vitamins and other micronutrients.

Food adulteration has become “rampant due to the inefficiency in government-regulated quality assurance practices,” says the paper, adding that the Departments of Health and Agriculture must check the practice.

“It is not solely the responsibility of the government; people must also become aware and avoid consuming contaminated fruits,” the paper concludes.

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New species of fishes found in Indian waters

Of the 84 species, 15 were shark varieties

Presence of rich and diverse deep sea angler fish Kozhikode-Mangalore region rich in deep sea fish biodiversity

One of the deep sea fish varieties found in the Indian waters by researchers.

KOCHI: The presence of a shark species new to science and 84 other deep-sea dwellers new to the Indian waters have been brought out by a stock assessment of deep sea fishes of the Indian Exclusive Economic Zone and the central Indian Ocean, according to researchers.

Mustelus manglorensis, a new gummy shark species, was discovered from a depth of 500 metres off the Mangalore coast. According to researchers, this is the second gummy shark that has been reported from the Indian Ocean against the 19 known worldwide.

Of the 84 species of fishes found in the Indian waters, 15 were shark varieties, including Baloon, Cat, Lantern and Gulpers. Researchers have also confirmed the presence of 10 species of eels belonging to Conger, Cusk and Snipe families from the study region. Most of the species were found inhabiting the sea at a depth beyond 500 metres, researchers said.

The assessment was carried out by a research team led by B. Madhusoodana Kurup, Director, School of Industrial Fisheries of the Cochin University of Science and Technology. The team included researchers M. Harikrishnan, S. Venu, Sharin Sonia, A.V. Deepu, Ginsen Joseph and Diana. The study was supported by the Centre for Marine Living Resources and Ecology of the Ministry of Earth Sciences.

The assessment also revealed that the Indian waters supported rich and diverse deep sea angler fish, which uses the fleshy lobe on its head to catch its prey. The presence of six new species coming under ‘smooth,' ‘double,' ‘dicerateid' and ‘blackmouth' angler fish categories was also recorded. Most of them were found occupying the ocean space between a depth of 500 and 800 metres.

The samples were collected from the exploratory deep sea fishery cruises on board the ocean research vessel Sagar Sampada. Fishing was carried out in depths between 200 and 1100 metres from the Wadge bank in the south and Ratnagiri in the north along the south west coast during the last 10 years. Fishing operations were carried out in 220 stations with high speed demersal fish and shrimp trawls, researchers said.

The analysis has revealed that the Kozhikode-Mangalore region was rich in deep sea fish biodiversity as 121 species were collected from there. This was followed by the Kochi-Kozhikode belt with the presence of 95 species. In the Kozhikode- Mangalore belt, the richest fish biodiversity was found at depths ranging between 500 and 800 metres, they said.

The morphological features of some of the species identified included transparent or black body, poorly developed muscles, absence of gas bladder and greatly reduced eyes. Some possessed expandable stomachs. In some other fishes, jaws were either absent or present with huge hinged jaws with long and inward pointing teeth, they said.

The origin of many species could be tracked to the tropical regions of the Pacific and the Atlantic, especially to South African coast, Madagascar Bridge, Mozambique, Gulf of Aden, Canary Islands and the Mediterranean Sea. Many species were found sharing similar habitats with their counterparts in other oceans, they said.

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Call for steps to preserve animal, plant species

Special Correspondent

KURNOOL: Director-General of AP Forest Academy C.S. Ramalakshmi has called for urgent steps to preserve plant and animal species as their survival was also important for the existence of human beings.

Addressing a seminar on biodiversity at KVR College for Women here on Tuesday, she said Kurnool district occupied an important place on the world map ecologically because of the location of Nallamala forest and the Great Indian Bustard Bird sanctuary at Rollapadu.

She said out of 1,411 tiger population in the country, 112 existed in the Nallamala forest.

Also, multiple crops were grown in Kurnool district, m and water sources also improved phenomenally in the recent years. She said human beings should not ignore the fact that one tree supplied oxygen sufficient for two persons.

Need for awareness

She underscored the need for creating public awareness about the ecological threats if it was ignored completely. It was time to act promptly to save the fragile ecosystem before nature-induced disasters occurred.

Tulasi Rao, Deputy Conservator of Forests, C. Krishna Murthy, Executive Engineer, Andhra Pradesh Pollution Control Board, Farida Tampal, Anila Kumar, Principal, K.V.R. College, K. Srinivasa Reddy, grandson of Kasireddy Venkatrami Reddy, and others were present. Rajani and Jayalakshmi, faculty of KVR College coordinated the seminar.

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Vegetable prices

Banning onion exports and monitoring prices are short-term solutions. What is needed is improving transportation and having better state-of-the-art storage facilities and buffering. As the vegetables that are affected are those that are easy to grow, another novel solution is to encourage the concept of kitchen gardens in households. Let us not forget what rain water harvesting did. Kitchen gardens will also ensure pesticide-free, fresh vegetables at affordable prices. In times of crisis, innovation is the key.Thejus Joseph Jose,Kottayam

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Tobacco farmers' dream shattered

G. Nagaraja

Sequel to price crash in August this year and the recent heavy rain

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Jubilation that marks the New Year eve is missing in the Agency village An extent of 6,000 acres has been permitted for tobacco in the village

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— Photo: A.V.G. Prasad

Damage control:Workers spraying pesticide at a tobacco field near Buttayagudem in the Agency of West Godavari district.

SURAPPAVARIGUDEM: Jubilation that marks the New Year eve is missing in this Agency village tucked away in Buttayagudem mandal in West Godavari district, thanks to the natural calamity which shattered the village economy mainly based on tobacco crop.

Dotted with lush green cash crops around and a huge expanse of forests, it is also not eager now to take part in the annual event of cockfights, the typical rural sport in the areas on either side of the Godavari during Sankranti.

With the usual hustle and bustle conspicuously missing, it looks quite insipid to the exception of a hectic activity unleashed by an army of workers deployed from Guntur district for curing and harvesting of tobacco leaves in barons.

The gloom that cast over the village with the death of a tobacco grower Mamillapalli Ramesh, 35, a week ago, is still felt in every nook and corner. As the heavy rains destroyed the crop in his 25-acre leased lands, the debt-trapped farmer died of cardiac arrest that resulted in loss of a bread-winner for his family comprising his wife and two children.

He raised loans of Rs. 15 lakhs from commercial banks and private lenders. The incessant rains resulted in the crop remaining water-logged for days together, its roots rotten and leaves withered.

“Leaf is the life of tobacco crop. If it loses its colour and vigour, it finds no takers in the market,” says K.V. Bhaskar Rao, a local grower. An extent of 6,000 acres has been permitted for the tobacco in the village.

According to Bhaskara Rao, cultivation of tobacco is highly expensive and risk-prone in the northern light soils (NLS) in the light of soaring labour cost, market vagaries and natural calamities, all seemingly ranged against the growers.

More than 600 workers are drawn from Guntur for harvesting and curing in the village by paying Rs. 1.5 lakh for each batch as advance and Rs. 4,000 as a wage for baron.

The spurt in the price last before year led to a boom in tobacco cultivation in the NLS area, comprising mainly West Godavari district, with a crop area of 70,000 acres. The price crash from Rs. 170 to Rs. 70 in August this year, however, dampened the spirit of growers. The recent calamity played its part in ruining them.

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Weather

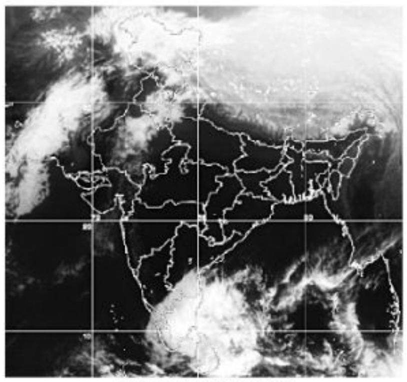
WEATHER

ANDHRA PRADESH

Anantapur	29	16	0	225
Arogyavaram	27	13	0	321
Bapatla	29	16	0	502
Calingapatnam	26	16	0	763
Gannavaram	30	17	0	410
Hyderabad AP	28	15	0	117
Kakinada	28	19	0	879
Khammam	30	14	0	222
Kavali	29	21	0	871
Kurnool	30	17	0	103
Mahabubnagar	31	16	0	62
Machilipatnam	29	18	0	770
Nandyal	29	16	0	165
Narasapur	29	18	0	633
Nellore	30	21	0	867
Nizamabad	30	14	0	117
Ongole	30	19	0	469
Ramagundam	28	14	0	163
Tirupathi AP	29	17	0	537
Tuni	29	17	0	605
Vizag AP	29	17	0	781
Vizag	29	19	0	954

KARNATAKA

Agumbe	29	14	0	744
Bangalore AP	26	14	0	251
Bangalore	27	15	0	290
Belgaum AP	28	14	0	179
Bellary	30	16	0	222
Bijapur	28	13	0	166
Chitradurga	28	15	0	425
Chintamani	26	9	0	250
Gadag	29	15	0	251
Gulbarga	29	14	0	139
Hassan	28	13	0	649
Honavar	32	21	0	538
Karwar	33	21	0	707
Madikeri	21	13	0	461
Mangalore AP	31	21	0	769
Mysore	28	15	0	332
Mandya	29	12	0	269
Panambur	32	22	0	701
Raichur	23	15	0	46
Shirali	33	21	0	441



INSAT PICTURES AT 11-30 hrs.
Observations recorded at 8-30 a.m. on Dec. 28.

KERALA

Alappuzha	32	23	0	882
Kannur	33	21	0	785
Kochi AP	31	23	0	1121
Kottayam	33	21	0	1072
Kozhikode	33	23	0	734
Punalur	35	20	0	1219
Thiruvanantha-puram AP	31	24	0	856
Thiruvanantha-puram City	32	22	0	861
Vellanikkara	30	22	0	976

TAMIL NADU

Adiramapattinam	30	22	tr	781
Coimbatore AP	29	18	0	423
Coonoor	20	11	0	904
Cuddalore	29	22	0	1178
Chennai AP	29	21	0	670
Chennai	29	21	0	757
Dharmapuri	27	17	0	510
Kanyakumari	31	24	0	679
Karaikal	29	22	1	951
Kodaikanal	18	8	0	896
Madurai AP	30	21	0	706
Nagapattinam	29	23	1	1099
Palayamkottai	31	22	0	396
Pamban	28	25	0	953
Parangipettai	30	23	0	1081
Puducherry	30	21	0	1120
Salem	29	19	0	531
Tiruchi AP	29	21	0	585
Tiruchi	30	22	0	—
Tiruttani	—	18	0	575
Tondi	29	23	tr	802
Tuticorin	30	22	0	491
Ooty	21	10	0	—
Valparai	27	9	0	737
Vedaranyam	29	21	6	—
Vellore	29	17	0	502

LAKSHADWEEP

Amini Divi	32	22	0	434
Minicoy	31	25	0	433
Kavarathi	31	24	0	406

OTHER STATIONS

Kolkata (Alipore)	25	12	0	109
Mumbai	28	22	0	177
New Delhi	21	8	0	33

The columns show maximum and minimum temperature in Celsius, rainfall during last 24 hours (trace) and total rainfall in mm since October 01, 2010.

Isolated rain in Tamil Nadu

CHENNAI: Isolated light rain occurred over Tamil Nadu and Kerala. Mainly dry weather prevailed over south interior Karnataka and dry weather prevailed over Lakshadweep, Andhra Pradesh, coastal and north interior Karnataka.

The minimum temperature rose at a few places over coastal Tamil Nadu, coastal Karnataka, at one or two places over Telangana and changed little elsewhere over the region. They were above normal at one or two places over coastal Karnataka below normal at one or two places over south interior Karnataka, south coastal Andhra Pradesh.

Adilabad recorded the lowest minimum temperature of 9 degree Celsius in the plains of the region.

Weather (valid till Thursday morning): Rain or thundershowers would occur at many places over coastal Tamil Nadu and Puducherry. Isolated rain or thundershowers may occur over interior Tamil Nadu, Kerala, south coastal Andhra Pradesh, Rayalaseema, coastal and south interior Karnataka. Mainly dry weather will prevail over north coastal Andhra Pradesh, north interior Karnataka, Telangana and Lakshadweep.

hindustantimes

Zia Haq, Hindustan Times

Email Author

New Delhi, December 29, 2010

First Published: 01:15 IST(29/12/2010)

Last Updated: 01:20 IST(29/12/2010)

Sugar price up 12% since Oct, may rise higher

Retail sugar prices have risen 8-12% since October, despite normal production, on the back of rising wholesale prices. And the decision to allow speculative trading in sugar can create a further spike in prices in the short to medium term.

In Delhi, sugar prices have increased between Rs 2 and Rs 4 per kg over the last two months. Reason: Between October 15 and December 27, wholesale prices of the sweetener jumped Rs 282 per quintal (100 kg), or nearly 10%.

“Prices have risen mainly because of higher cane prices fixed by the government for farmers,” Abinash Verma, director-general of Indian Sugar Mills Association told HT.

The rise has been gradual, so consumers haven’t felt the pinch. This could change.

India, the world’s largest sugar consumer and second-largest producer, resumed futures trading in sugar after 19 months on Monday after the lifting of a government ban.

“Futures trading is often unfairly blamed for price rise. But allowing it at a time when global prices are high could cause prices to rise. It is unwise to abruptly stop or start futures trading,” said Rajiv Kumar, director-general, FICCI.

In futures trading, buyers and sellers enter into contracts to buy or sell a commodity at a specified future date at an agreed price based on anticipated demand and supply. It leaves room for manipulation if contracts are deliberately set at higher prices. Speculators can hoard the commodity for more profitable futures sales, thereby raising current prices.

Experts have warned that allowing futures trading in sugar at time of pressing global shortages could trigger price volatility in the domestic market.

Current global sugar prices are at a 30-year-high, following weather problems in Brazil, the world’s largest exporter.

In the current sugar year (October ’10-September ’11), India hopes to be left with surplus 2 million tonnes. With rising demand, millers could be encouraged to export surplus, pushing up prices in futures market. A government inquiry in 2008, however, found no link between price rise and futures trading.

http://www.hindustantimes.com/StoryPage/Print/644013.aspx
First Published: 16:17 IST(28/12/2010)
Last Updated: 16:19 IST(28/12/2010)

India may see record foodgrains output in 2010-11: Basu

India may witness record foodgrains production in the 2010-11 crop year, surpassing the previous high of 234.47 million tonnes seen in 2008-09, due to an increase in the acreage under cultivation in the ongoing rabi season, a top agriculture ministry official said on Tuesday.

"It is very much achievable. Any fall in rice production from 2008-09 levels can be compensated by higher production of wheat, pulses and coarse cereals," agriculture secretary P K Basu said when asked whether the country would produce a record quantum of foodgrains in the 2010-11 crop year (July-June).

In 2008-09, the country produced 99.18 million tonnes of rice, 80.68 million tonnes of wheat, 14.57 million tonnes of pulses and 40.03 million tonnes of coarse cereals, taking total foodgrains output to a record 234.47 million tonnes.

The secretary noted that a projected decline of about 4 million tonnes in rice production in the 2010-11 crop year vis-a-vis 2008-09 levels would be largely compensated by an expected surge in pulses production by 2 million tonnes, coupled with an over 1-million tonne surge in wheat output this year.

Basu said the government would easily achieve the target for record production of 82 million tonnes of wheat and 16.5 million tonnes of pulses in the ongoing crop year.

"If there is an increase in coarse cereals production or wheat and pulses output is more than our expectation, then we can surpass the record production of 2008-09," Basu said.

The country's foodgrains production dropped to 218.2 million tonnes in the 2009-10 crop year on account of a drought that hit almost half the country.

Basu noted that the area under wheat cultivation in the ongoing rabi season is so far 1.1 million hectares higher than the acreage sown with the crop in the previous year and the favourable weather conditions are also conducive to a record output.

With regard to pulses, Basu said the area under cultivation is also higher and production is likely to touch a record 16.5 million tonnes this crop year, although "trade is estimating that production will be 17 million tonnes".

The secretary said that higher production of pulses would reduce the country's dependence on imports to meet domestic demand. The country imports about 3.5 million tonnes every year to meet the annual domestic demand of 18-19 million tonnes.

http://www.hindustantimes.com/StoryPage/Print/643824.aspx

Wind: 0	Barometer: 0

Extended Forecast for a week

Friday	Saturday	Sunday	Monday	Tuesday
Dec 31	**Jan 1**	**Jan 2**	**Jan 3**	**Jan 4**
25º | 23º	29.5º | 20.8º	29º | 21º	25º | 23º	27º | 24º
Cloudy	Cloudy	Rainy	Rainy	Rainy

express buzz

By PTI

28 Dec 2010 06:15:25 PM IST

Onion prices steady; still high in Chennai

NEW DELHI: Onion prices were steady at Rs 40-50 a kg in the retail markets of all metros but Chennai where it soared by Rs 20 per kg, even as rates of tomato and garlic fell sharply in Kolkata and Mumbai.

Fall in arrival of supplies led to the sharp surge in onion prices in Chennai, traders said, pointing that against 10 lorries yesterday only three lorries arrived in the wholesale market there today.

Delhi too saw wholesale rate of onion increase by about Rs 3 a kg in Azadpur mandi, Asia's biggest wholesale market of fruits & vegetables, due to drop in arrivals owing to fog, but there was no pass through effect in retail prices.

The wholesale rate at Azadpur ruled at Rs 12-40 per kg.

Good news for households came from Kolkata and Mumbai where prices of tomato and garlic eased by up to Rs 15 per kg and up to Rs 100 a kg, respectively, today, although they remained unchanged in Delhi and Chennai at Rs 40-50/kg and Rs 250-300/kg respectively.

Besides a marginal rise in Delhi, wholesale rate of onion also rose in Pimpalgaon (by Rs 8/kg at Rs 46/kg) while it eased substantially (by Rs 16/kg at Rs 31/kg) in Lasalgaon (the largest onion market in the country).

Nashik-based National Horticultural Research Development Foundation Director R K Gupta attributed today's onion price rise at Pimpalgaon to farmers unhappiness over softening of rates.

"Some farmers in the area are unhappy over softening prices of the vegetable and hence are bringing less quantity to the purchasing centres," Gupta told PTI over phone.

Azadpur market-based Onion Merchants Association General Secretary Rajendra Sharma said: "There has been substantial fall in number of vehicles arriving in the market today from Rajasthan, Maharashtra, Gujarat and Madhya Pradesh."

Only about 550 tonnes of onion reached Azadpur market today against 850 tonnes yesterday, Sharma added.

In the national capital, state-run outlets such as Nafed, Kendriya Bhandar and NCCF were selling the edible kitchen bulb at a concessional rate of Rs 35 a kg, while Mother Dairy was vending onions at Rs 40 per kg.

"Onion continues to sell at Rs 40 a kg from our outlets in Delhi today...the rate is monitored on a daily basis after watching the price trend in the wholesale market," Mother Dairy spokesperson Neha Banerjee told PTI.

Meanwhile, a team of Agriculture ministry officials reached Nashik today to assess the extent of damage to the crop due to unseasonal rains in November-December this year, official sources said.

Onion had shot up to Rs 70-80 a kg in the last fortnight, prompting government to take urgent action including a ban on exports and abolition of import duty, while many state governments facilitated sale of onion at a concessional price.

As onion prices started easing following government intervention, prices of tomato and garlic had started surging.

A top agriculture ministry official said yesterday that there was no rationale behind the increase in rates of tomato and garlic, even though one could appreciate the spurt in onion on account of the damage to the crops due to rain.

In Mumbai today, tomato prices fell by Rs 12 a kg at Rs 48/kg from yesterday's level of Rs 60/kg while it dipped by Rs 15/kg at Rs 25 per kg in the Eastern metropolis.

Garlic, which is used both as a kitchen spice and to make ayurvedic medicines, fell sharply in Mumbai and Kolkata by Rs 100/kg and Rs 50/kg respectively. It sold at Rs 200/kg in the two metropolis from Rs 300/kg and Rs 250/kg respectively there yesterday.

An Empowered Group of Ministers on Food headed by Finance Minister Pranab Mukherjee is meeting here in the backdrop of high prices of vegetables, especially onion, tomato and garlic.

A report from Lucknow said that prices of onions tumbled in the wholesale market today after the district administration opened 25 outlets for sale of the vegetable at Rs 22-24 a kg since yesterday.

Buoyed by the success of the outlets, the district administration plans to open 25 more outlets to sell onions at low rates, an official said.

Sources in Azadpur market claimed that in order to cash in on the exorbitant prices of garlic (at Rs 300 a kg in retail and Rs 120-180/kg in the wholesale market), some traders were illegally bringing garlic from China into the country via Nepal.

India had banned import of garlic from China two years ago following the detection of fungus in consignments of Chinese garlic.

From the Himalayan states, it is being transported to Delhi, Chennai, Mumbai and Coimbatore through trains from Bihar, which shares a border with Nepal, they claimed.

THE ECONOMIC TIMES
Wed, Dec 29, 2010 | Updated 06.40AM IST

29 Dec, 2010, 06.13AM IST,ET Bureau

Govt gives 5MT more rice and wheat for sale under PDS

NEW DELHI: The government has allocated five million tonne of additional wheat and rice to states for sale to the poor at subsidised rates amid signs of food prices hardening again.

The decision to release extra grain was taken by the empowered group of ministers (EGoM) headed by finance minister Pranab Mukherjee on Tuesday. Food inflation had risen 12.13% for the week ended December 11 from a year ago, reversing a four-week decline.

"It was decided to give additional 25 lakh tonne of wheat and rice quota at the BPL (below poverty line) rate to the states," food and agriculture minister Sharad Pawar told reporters after the meeting.

Wheat and rice are priced at Rs 4.15 and Rs 5.65 per kg, respectively for below poverty line families.

The above poverty line families, or the APL ones, have also been allocated 25 lakh tonne of additional wheat and rice. These categories get rice at Rs 11.85 rice a kilo and wheat at 8.45 a kilo.

State governments can lift the grain immediately , which will also free up storage space for the winter crop.

The group of ministers also decided to extend the ban on pulses exports and allow duty free imports of pulses till March 2012.

Pulses are the biggest source of protein for Indians, the prices of which are rising fast with increasing incomes.

The high onion prices and a firmness in eggs and milk prices will further add to the problem of high food prices.

The empowered group of ministers also decided to extended stock holding limits on sugar for traders by three months up to March 31, 2011. However, a proposal to hike the issue price of sugar for ration card holders was put off in view of the concerns over rising food inflation.

The food ministry had proposed a Rs 4/kg hike in the central issue price of sugar. By extending the stock holding limit for traders by three more months, the Centre aims to control gradually rising sugar prices at home by curbing speculation.

The notification on allowing half a million tonne of sugar for export is expected on Wednesday. There is also caution in the food ministry over consumer prices since futures trading in sugar re-started after one-and-a-half years on Monday.

29 Dec, 2010, 01.47AM IST,Bloomberg

Sugar extends rally to 30-yr high on supply concerns

NEW YORK: Sugar futures extended a rally to a 30-year high on mounting concern that dry weather in Brazil, the world's biggest producer, and record rainfall in Australia will slash worldwide supplies.

Global demand will reach 165.3 million tonnes in the year ending September 30, topping supplies by almost 3 million tonnes, ABN Amro Bank NV and VM Group have said, reversing a forecast for a surplus. Dry weather early in the growing season and rain during the harvest hurt crops in Brazil, according to their report. Sugar headed for the third straight annual gain.

“The market conditions point to prices going higher,” said Bruno Zaneti, a risk-management consultant at FCStone Group in Campinas, Brazil. “With volumes being very light because of the holiday season, we may see some sharp movements.”

Raw sugar for March delivery gained 0.84 cent, or 2.5 per cent, to 34.48 cents a pound at 11:50 am on ICE Futures US in New York. Earlier, the most-active contract reached 34.6 cents, the highest since November 25, 1980. Before Tuesday, the commodity gained 25 per cent this year. In 2009, the price more than doubled, marking the biggest gain in 35 years.

The rally may increase costs for candy makers Hershey Co and Tootsie Roll Industries Inc and Krispy Kreme Doughnuts Inc Zaneti said sugar may reach 40 cents within two months.

“There is reduced sugar usage or increasing use of substitutes because of higher prices,” Michael McDougall, a senior vice-president at Newedge USA, said in a report today. “The companies that supply artificial sweeteners have seen their product sales increase by leaps and bounds.”

The price has more than doubled from this year’s low of 13 cents on May 7. The record for sugar was 66 cents on November 21, 1974. The highest level in the 1980s was 45.75 cents on November 5, 1980.

Rain in Australia’s Queensland state this month after the country’s wettest spring on record forced producers to leave some sugar cane unharvested.

“Bad weather conditions are threatening crops around the globe,” Vibul Panitvong, the executive chairman of the Thai Sugar Miller Corp,” said last week.

Thailand is the second-largest exporter, followed by Australia.

“The fundamentals remain very supportive,” said Jimmy Tintle, an analyst at Transworld Futures in Tampa, Florida.

The dollar dropped for the fourth straight day against a basket of major currencies, enhancing the appeal of commodities as an alternative investment. The Thomson/Reuters Jefferies CRB Index of 19 raw materials extended a rally to the highest since October 2008.

“The weaker dollar today is supporting the commodity pack,” Tintle of Transworld said.

In 2009, rain damaged crops in Brazil and dry weather curbed output in India, the second-largest producer

29 Dec, 2010, 01.02AM IST, PK Krishnakumar,ET Bureau

Chilli may cost Rs100/kg on inclement weather

KOCHI: Red chillies could touch Rs100 per kg in the next few months as bad weather hits crop and delays harvest in Andhra Pradesh in a season of strong demand. Prices have risen by the maximum daily permissible increase in the past few days on NCDEX. February futures are ruling at Rs8,356 per quintal, up from Rs7,800 per quintal last week and Rs5,376 per quintal on December 1.

Spot prices too have touched Rs7,838 per quintal, up from Rs6,000-6,500 per quintal last year. “The way the chilli prices are going, spot prices may touch Rs10,000 per quintal and the futures Rs15,000 per quintal in a few months,” said Shailesh Shah, director of Jabs International.

Chilli harvest has begun in Karnataka and Indore. But the bulk of the crop comes from Guntur in

Andhra Pradesh, where the harvest begins by January. This year, continuous rainfall has resulted in damage to the crop. AP Murugan, director of Paprika Oleos India, a leading exporter, says there could be up to 25% drop in production. The total chilli production last year was around 11 lakh tonne.

With a slight delay in the harvest of chilli, the carryover stock at Guntur storehouses is getting depleted as the domestic demand is strong. The present inventory is about 70,000 tonne and considering that the average monthly consumption is around 30,000 tonne, the current stock may last till the arrivals from the new crop are in full swing.

High prices have kept India out of the world market. Murugan said though the Chinese chilli crop was similar to last year, Beijing's measures against inflation have brought down the prices by $1,000-2,000 per tonne, much below the Indian prices. "We are unable to quote as the prices are shooting up everyday. The rates are above $2,000 per tonne now," he added.
Chilli exports had been doing well up to November. During the April to November period, chilli exports showed a 26% rise in quantity and a 22% increase in value at 1,66,000 tonne worth Rs1,020 crore. But December could be different.

Business Standard

Wednesday, Dec 29, 2010

Coffee Board plans for eco-friendly practises

BS Reporter / Chennai/ Bangalore December 29, 2010, 0:43 IST

Coffee Board of India is planning to extend the eco-friendly practises followed in the traditional growing regions of the country to non-traditional areas in its bid to conserve the biodiversity in the country.

“The significance of the biodiversity summit is to increase awareness among planters to conserve biodiversity in the coffee-growing regions of the country,” Jawaid Akhtar, chairman of Coffee Board of India, said on the sidelines of a workshop on ‘Biodiversity and Sustainable Coffee Farming in India’.

He also said most plantation regions of the country had preserved biodiversity and the board would like to extend the same to the non-traditional areas. Coffee plantations play an important role in preserving the rich biodiversity of flora, fauna, reptiles, mammals and birds that facilitate preserving ecological balance in nature. In this respect, coffee growing in the Western and Eastern Ghats are very useful for protecting environmental health and is an initiator of the forest preservation.

“Our coffee plantations can show the way to world coffee growers regarding the preservation of biodiversity. So, we should be proactive to show the way to the world coffee industry regarding this matter,” he said.

According to a research paper, coffee-growing regions of the Western Ghats area constitute over 312 bird species which interact with coffee plants as the plantations serve as mini-biological reserve for these bird species. As a whole, there are around 16 endemics and 30 endangered bird species in the Western Ghats.

However, nuclear stations, global warming, coffee curing centres, indiscriminate use of pesticides, encroachments into and destruction of wildlife habitats endanger biodiversity, the report noted. Not only the Coffee Board, but also organisations like the CAFNET is trying to preserve the ecological balance in the plantation regions. CAFNET, an international initiative to promote biodiversity in the coffee growing regions, are presently conducting study in Kodagu area of Karnataka. Studies are in progress in 118 estates and 38 villages representing small, medium and large farmers to document the traditional ecological knowledge.

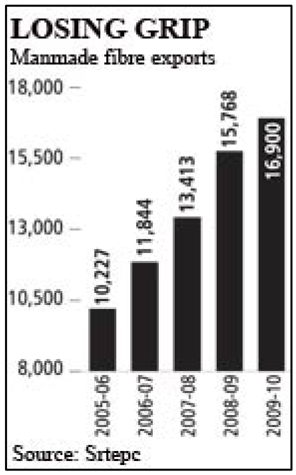
“Our country is endowed with a rich biodiversity in the coffee-growing regions. We have to conserve it in order to produce ‘eco-friendly coffee’ from our plantations,” an official of the Coffee Board said.

Manmade fibre exports likely to fall

BS Reporter / Mumbai December 29, 2010, 0:19 IST

After rising for five consecutive years, exports of man-made fibre (MMF) are likely to fall in the current financial year.

Slow recovery in the US and European countries, coupled with rising raw-material costs and an appreciating rupee, is exerting pressure on MMF exports. The industry estimates that the government's export target of $3.7 billion will be missed by around $300 million in 2010-11.



During the first quarter of the current financial year, MMF exports had seen a marginal decline of one per cent year-on-year, which aggravated to 30 per cent in the second quarter.

Vinod K Ladia, chairman of the Synthetic & Rayon Textiles Export Promotional Council (Srtepc), said, "The current quarter (October-December), too, is showing similar downtrend. Amid such situation, our exports will fall short by $300 million in FY11 to achieve the target."

Fabric has been the most-hit segment, with exports dipping 22 per cent and 33 per cent in the June and September quarters, respectively. Yarn exports declined 19 per cent in the second quarter, while made-ups were down 33 per cent. Fibre exports also plunged 22 per cent year-on-year.

Ladia said reduction in duty drawback rates and appreciation in the rupee against the dollar were making India uncompetitive in the global market.

The council in this regard is seeking government's intervention in stabilising fibre and yarn prices and to ensure its availability. Polyester yarn prices have risen 40 per cent since October this year, according to the council. The trade body has also sought an increase in the duty drawback rates for 2010-11.

The government plans to increase synthetic exports to $7 billion by 2013-14.

Spices exports flat in Nov on high prices

BS Reporter / Mumbai December 29, 2010, 0:17 IST

Spices exports remained flat in November due to skyrocketing prices. Data compiled by the Kochi-based Spices Board showed a marginal increase of 0.56 per cent in exports (in terms of volume).

During the month, overall shipment of spices rose to 42,860 tonnes compared to 42,620 tonnes in November 2009. In value terms, exports rose 22 per cent to Rs 62,162.78 crore compared to Rs 50,969.37 crore a year ago.

Data showed average export price of garlic rose to Rs 86.50 a kg as from Rs 32.08 last year. Consequently, exports declined to marginal 35 tonnes this year from 1,300 tonnes in November 2009.

During the first 11 months of the current calendar year, 361,650 tonnes of spices and spice products, valued Rs 4,320.88 crore, were exported, as against 341,950 tonnes worth Rs 3,770.10 crore ($785.29 million) during the same period last year.

Cartels behind onion price rise

Tushar Pawar / Nashik December 29, 2010, 0:14 IST

A few traders bought small quantities at high rates to signal a spike in prices.

Price fixing by some traders acting together reportedly fuelled onion price rise early last week. They bought minuscule quantities at high rates, sending a message that prices had gone up sharply.

Consequently, retail prices almost doubled to Rs 70 a kg, even though the average wholesale price on the same day in Nashik district's various wholesale centres was between Rs 3,000 and Rs 4,000 a quintal (100 kg).

On December 20, the maximum and minimum prices at Asia's biggest onion market, Lasalgaon, were Rs 6,299 and Rs 1,200 a quintal, respectively, while the average wholesale price was Rs 3,800 a quintal. Only two or three trolleys, or 10 per cent (30 quintal) was sold at the higher rate of Rs 6,299; the rest was sold below Rs 3,800, sources at the Agricultural Produce Marketing Committee (APMC) told Business Standard.

Most farmers were deprived of the benefits of the high prices quoted that day. Prices were raised in the retail market on the basis of higher wholesale prices, as the APMC announces the low and high prices. This gave wrong signals to retailers and other wholesalers.

As a result, onion, trading in the wholesale market at Rs 38 a kg only two days earlier, was sold out at Rs 70 a kg in Nashik's retail markets. “Retail rates are decided on the basis of the higher rates, particularly during lower supply of commodities in APMCs,” a trader, who did not want to be identified, told Business Standard.

Onion yields, normally 130-140 quintal per acre, had come down to 9-10 per acre in most of the Nashik district due to unseasonal rain in November, damaging crop heavily. Expenses per acre were around Rs 25,000. Most growers could not even recover expenses, according to APMC sources.

After the central government's ban on export, prices have started declining. On Tuesday, the average wholesale price was Rs 2,351 in Lasalgaon and farmers sold around 11,000 quintal there. In Nashik's retail market, good quality onion was sold at Rs 35 a kg, while the cheaper variety was sold at Rs 20 a kg.

“My crop was badly damaged due to heavy rain and I could get 45 quintal from five acres. Total expenses were around Rs 1 lakh. I sold these at Rs 1,800 a quintal on Tuesday and got a total of Rs 81,000. I suffered a loss of Rs 20,000, as prices came down due to the government’s export ban. Otherwise, I would have at least managed my expenses,” said Tanaji, a grower.

“Arrival of the new crop has already started in Gujarat and Karnataka markets, while regular arrival in the Nashik district is expected to begin by the last week of January. Prices will come down by February,” a senior official from the National Agricultural Co-operative Marketing Federation of India Ltd told Business Standard.

Govt extends export ban on pulses

Reuters / New Delhi December 29, 2010, 0:06 IST

India, the world’s biggest producer and consumer of pulses, has extended ban on pulses exports until further orders, Agriculture Minister Sharad Pawar said on Tuesday, as it battles to rein in high food prices.

The government had in June 2006 banned exports of pulses, which has a weight of 0.72 per cent in the wholesale price index.

India’s food price index rose 12.13 per cent in the year to December 11, government data on Thursday showed.

The government has also decided to extend the imports of duty-free pulses “until further order”.

India’s annual pulses demand is pegged at over 18 million tonnes, while production in 2009/10 was at 14.6 million tonnes, making the country a net importer.

India has also extended stock limit on sugar for three additional months as crushing got delayed due to unseasonal rains. The stock

limit was to expire on December 31. “There will be comfortable position in sugar. We are expecting 24.5 million tonnes sugar output this year as against demand of 22 million tonnes,” said Pawar.

The farm minister also said the federal government had allocated additional 5 million tonnes of grains to states in an attempt to check rising food prices. The government has allocated 2.5 million tonnes of rice and wheat to poor families, and an equivalent quantity of the grains to families above poverty line.

Co-ops absent from sugar futures

Rutam Vora & Sanjay Jog / Ahmedabad/ Mumbai December 29, 2010, 0:05 IST

Despite the robust relaunch of sugar futures, cooperative sugar societies — they hold around 60 per cent of the country's supplies of the commodity — are shying away owing to high risk, volatility and uncertainty.

Given the higher sugar output estimates, the Centre recently lifted a 19-month suspension of forward trading in sugar. The restart of sugar futures saw Rs 83 crore in volumes on the first day yesterday at National Commodities & Derivatives Exchange (NCDEX).

Cooperative sugar societies have so far been reluctant to participate in futures trading, though there are no restrictions on them under the Cooperative Societies Act. “Cooperative societies are meant for the welfare of farmers and to provide a fair price for their crop. Although, there is no restriction on them to participate in forwards trading, they do participate in any speculative activity like forward trading,” said Ghanshyambhai Amin, vice-chairman, National Cooperative Union of India, the apex body for cooperative societies.

Added Mansinh Patel, chairman, Gujarat State Federation of Cooperative Sugar Factories: “No cooperative society participates in futures trading due to its speculative nature.”

Cooperative sugar factories in Maharashtra are also reluctant to participate in futures trading. They prefer the traditional route of selling sugar through brokers and traders, as they feel it is efficient and cost effective. Cooperatives are not keen to enter into futures trading in big way due to the lack of infrastructure and deployment of manpower.

A source at the Federation of Cooperative Sugar factories in Maharashtra, who did not wish to be named, told Business Standard: “The federation may convene a meeting with cooperative mills to discuss pros and cons of futures trading.”

He also said seven cooperative mills are geared to trade in futures. They have the backing of the management and have already set up a separate cell for the purpose. But others are staying away.

However, some cooperative sugar societies from Punjab are taking a cue for prices from market participants. “We take the price cue from traders and other market participants. But we do not follow exchange prices. However, we are not aware if traders follow the prices quoted on exchanges,” said a top official from the Punjab State Federation of Cooperative Sugar Mills, a central body of 15 cooperative sugar mills in Punjab.

The resumption of sugar futures is yet to see full-fledged participation from all types of participants. “We have seen inquiries from several cooperative sugar societies about participation in sugar futures. But they are waiting for policies to be streamlined with some level of sustenance,” said a commodity expert.

Jayant Manglik, president, Religare Commodities, said, “It is premature to measure the participation in sugar futures, but the opening has been robust. However, the corporate sector has remained silent this time due to inconsistency in government policy.”

Vijay Kumar, chief business officer at NCDEX, said: “It will take a while before volumes build up. We are sure that even corporate and other players, who were hedging in sugar futures, will come back again.” He said when options are introduced, participation will increase further. Options are a cheaper instrument for hedging.

Yogesh Pande, president of the Maharashtra Sugar Brokers’ Association, said: “Due to high global sugar prices, prices in India will remain firm. The last closed rate on the London exchange was $820 per ton, which is expected to increase to $1,000 due to a severe global sugar shortage. No one is confident of future sugar production in coming months.”

Further, Pande said because of heavy and delayed rainfall in southern India and Maharashtra, sugar recovery has been adversely impacted. Against the national average of 10.9 per cent, recovery in Maharashtra is in the range of 9-10 per cent. Overall, there is a shortfall of 1 per cent, which will affect the government’s sugar production estimate of 25 million tonnes.

Mumbai-based traders said although India will produce excess sugar compared with its consumption of 22 million tonnes, the government would have to create a buffer stock to protect against an ensuing price rise.

THE HINDU Business Line

Business Daily from THE HINDU group of publications

Wednesday, December 29, 2010

Date:29/12/2010 URL: http://www.thehindubusinessline.com/2010/12/29/stories/2010122950971600.htm

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Back **Nature's fury takes toll on Andhra Pradesh farmers**

Unseasonal rains spell doom to agriculture as all crops hit.

Rain-torn:A tenant farmer holds up paddy damaged and blackened by unseasonal rains on the NH9 near Miryalguda in Andhra Pradesh's Nalgonda District. —

K.V. Kurmanath

Hyderabad, Dec. 28

Around this time every year, Nagaboyina Ranga Rao of Ongole would usually be busy exchanging notes with fellow farmers about prices at mandis and income they would take home for Sankranti.

They are engaged in a different conversation this year. They are busy making a list of farmers who, unable to negotiate with debts, committed suicide, and consoling the kin. On Monday evening, Ranga Rao returned from Vempadu where a 33-year-old farmer M Venkateswarlu ended his life.

“He owned one acre and took four acres on lease and sowed cotton and chilli. After realising he could rake in nothing but three quintals of cotton, he decided to end life,” Ranga Rao said.

In the last 15 days, 15 farmers have killed themselves in Ongole district alone. This is not a problem confined to Ongole. Farmers in almost all the districts faced the wrath of nature this year with three spells of heavy downpour (July-September, October-November and December) damaging crop in stages. Tenant farmers, who constitute about 50 per cent of the 1.2 crore farmers, are the worst hit.

Reports put the total number of suicides at 75 with losses permeating to the rabi season. The Government, however, says it has no data on this. When probed further, it is revealed that the Revenue Department does not carry out enumeration of such deaths. “We do not have any data of tenant farmers as people would not enter into official agreements. They are worried that such agreements could lead to legal tangles over the ownership of land,” a Department official said on condition of anonymity.

This reflects a gloomy picture of agriculture sector in Andhra Pradesh. What started as a promising year has ended up as a disastrous one for farmers. Official figures estimate that crop in 17 lakh hectares was damaged. Since it was a State-wide phenomenon, all crops were affected. Paddy being the largest crop was affected most: farmers lost 10 lakh tonnes of the commodity, while 16 lakh tonnes were labelled ‘discoloured'. Cotton crop in four lakh acres was damaged, according to an official document on the loss. Last year, Andhra Pradesh kharif rice production was 59 lakh tonnes.

“This year, we sowed six lakh hectares – more than the normal area of 75 lakh hectares in kharif. But we lost one-fourth of the area,” an official of the Agriculture Department said.

Mr Devinder Sharma, an agriculture economist, blamed depletion of soil health and sharp increase in usage of chemical pesticides and fertilisers for the agricultural crisis in the State.

“The financial implications for farmers would have been far lesser had the system encouraged lesser usage of chemical pesticides,” he said.

The emphasis was always on credit and all of that went into buying chemical fertilisers, leading to higher cost of production. “It is time we encourage non-pesticide management to improve soil health and reduce cost of production,” he said.

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Back **Constraint of small farm size**

Shashanka Bhide

The absence of institutional mechanisms to facilitate on-farm investments has denied smaller landholdings the kind of productivity gains that larger farms enjoy.

The prospectsfor the millions of small and marginal farmers will continue to depend on innovations that require smaller investments by them.

A panel of Chief Ministers has reportedly made a large number of recommendations to accelerate the growth of farm production. As may be expected, the policy concern over the farm scenario has only increased in the recent months. The recommendations range from land and water to farm implements and the best markets for farm output.

The major reform appears to be about the manner in which private corporate investment has been viewed — whether it is in marketing infrastructure or in farm production.

Has the expectation that the small-holder in the farm sector will likely deliver the next revolution in agricultural production now diminished?

The raging agricultural prices do not seem to abate as new hurdles have arisen in the way of achieving the benefits of a good monsoon. The untimely rains have now affected the harvest of vegetables. Higher prices are seen to benefit only the middlemen, and hurt the consumer, with the farmer having to bear the loss of income as there is less output to sell.

Higher Productivity

Farmers will need economic incentives to invest, use better inputs and improve the productivity of their land. They also need fairly stable, predictable and remunerative prices.

The inexorable trend towards smaller holdings in most regions implies that the ability of small farmers to bear production or price risks is lower now than before.

It is also clear that they will need greater productivity and higher prices to maintain their income from smaller pieces of land as and when the sub-division of holdings takes place.

Where the farm holdings are relatively large, the growth of income for the farmers can be significant when there are the usual gains in productivity and prices. In the other cases, farmers rely on fiscal measures such as better prices for produce and lower prices for inputs.

These changes can only be expected to provide modest gains in income for farmers with small holdings. The sudden catastrophe that damages crops and affects output or a collapse of the market would mean a draw-down of assets or debt. A major problem of the farm sector is undoubtedly the small holdings and modest increments to income that accrue to them. Protecting output and price levels is, therefore, important from a policy perspective.

The recommendations for lower interest rates on farm loans, lower price of diesel and higher mark-up on costs in MSP follow from a realisation that the net income that a small farmer makes is not enough to generate enough surpluses for new investments.

The turn to private investment in marketing infrastructure is understandable for the same reasons that make public-private investments attractive: to gain from faster investment decisions and augmentation of investment funds to aid the sector. Failure to invest in technology for market functions would only mean higher marketing costs. But it is also necessary that regulation of the markets is strengthened to ensure that the benefits of competition accrue to the consumer.

The old APMCs seem to have failed to deliver on regulation; neither were they able to keep up with the requirements of changing markets. The other reforms, such as free flow of commodities, would enable efficient allocation of land and water across crops and enterprises.

A key issue that has often been debated, and one that the present set of recommendations is reported to have addressed, is the role of farm size. There is great deal of efficiency that the large-scale farm can achieve: in making more optimal investments in machinery, purchase of inputs and sale of output. Of course, larger farms can also bear the market risks better.

Scale and efficiency

The traditionally held view is that small farmers use land and other resources more efficiently if these resources are available to them. The government measures, therefore, aim to improve access to these inputs. But it is really the absence of institutional mechanisms to facilitate on-farm investments efficiently that has denied smaller individual farms the kind of productivity gains that the larger farms enjoy.

Will larger land-holding ceilings for the corporate farms really accelerate agricultural growth? Why is technology so readily available for large-scale agriculture, while the small farmers cannot put it to work? The higher ceilings for the corporate farms imply that these technology benefits are large and available. But a lot of these benefits are in the nature of potential efficiency gains.

This potential for gains from the larger farms would have also led to some consolidation and growth in the effective land-holdings, even in the presence of land ceilings. But this has not happened in any significant way.

What has kept the process under check is a combination of the lack of credible land ownership rights and the absence of better off-farm income opportunities.

The prospects for the millions of small and marginal farmers will continue to depend on innovations that require smaller investments by them. And even better gains may emerge where the off-farm alternative income opportunities for the smaller farmers are more credible.

(The author is a Senior Research Counsellor, NCAER. The views are personal.

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Back **Dithering on onion**
SHARAD JOSHI

The whole of last week, the onion surpassed all political scamsters, Bollywood idols and IPL century scorers in capturing the headlines, in both the print and the electronic media.

The previous peak onion prices had reached was around Rs 40-60. That led to an electoral setback for the BJP. Ever since, 'onion price' has been a sensitive political issue.

Onions started making political news in the late 1970s under the regime of the Janata Party. The Janata Party government started the practice of banning the export of onion at harvest time and lifting the ban after the stocks had passed into the hands of the traders and exporters.

Farmers suffered serious losses because of a fall in prices consequent to the export ban and traders made a killing when exports were resumed. For three years in a row, 1977-79, farmers suffered heavy losses.

Storage challenges

Forty per cent of the nation's onion crop is from Maharashtra, particularly Nashik and Pune.

Nashik specialises in the production of rangda and pol varieties that are taken in kharif and late kharif seasons. These varieties do not take well to any kind of storage and start drying up as a whole bulb within days of being stored. These ‘red' or ‘pink' varieties are preferred by the NRI populations in West and South-East Asia.

Pune district produces a very different variety, called fursungi. This is essentially a rabi produce, golden yellowish in colour. This does not dry up as a bulb when kept in storage; its layers dry up one by one, starting from the outermost. And the dried-up layer becomes flaky and separates from the bulb effortlessly.

Onion is not an easily storable agricultural produce. In 1980, farmers took advantage of the special position of Nashik and Pune districts in the production of onion to control supply, to the point where the government would be willing to purchase onion from the farmers at the price they demanded.

Then and now

The 1980 onion situation was radically different from the present situation.

In 1980, the cost of cultivation was around Rs 60 per quintal; this year, in the areas where the crop was badly damaged by unseasonable rains, the cost is as high as Rs 60 a kg.

The cost of seed/seedlings has gone up by a hundred times.

The minimum daily wage in 1980 was a bare Rs 3; nowadays 50 times higher at Rs 150;

The cost of fertilisers has gone up almost 80 times.

In 1980, the then government banned onion export when the retail price in Delhi reached Re 1 per kg; the price of the balcony tickets in common cinema houses was Rs 2.50.

If one discounts the present price at the rate of inflation during this three-decade period, the price of onions at Rs 60 is well short of two-fifth the current price of balcony ticket of Rs 250.

The peak price of Rs 60 per kg last week barely covered the actual cost of cultivation of the producers of Nashik district. The fursungi variety from Pune district is due to arrive in the markets only in January.

The export ban imposed this time is qualitatively different from that imposed by the Government in 1980. The 1980 ban was termed indefinite though everybody knew it would be lifted once traders had control of the stocks; the UPA ban is limited to a period extending up to January 15, 2011. Even in 1980, the ban was unreasonable because the domestic price was still barely equal to the cost of cultivation.

Blanket bans detrimental

The four-month period of Chaturmas, when there is a taboo on the consumption of onion, is barely over and there is a rush to make up for the deprivation.

This has caused an extraordinary bloating of demand. On the other hand, the untimely rains have destroyed 80-90 per cent of the kharif rangda and pol onion crop in Nashik , apart from Lonand area in Satara district.

Given these, the situation could have been handled more sagaciously rather than resorting to extreme measures of banning exports and opening doors to imports from Pakistan.

For example, the Prime Minister, on the lines of Lal Bahadur Shastri, could have announced his decision to abstain from consumption of onion till January 15, 2011, thus setting an example to the nation. The blanket ban on export will result in permanent loss of some markets abroad as it will affect the credibility of the Indian traders in those markets. Opening the door to Pakistani onion will encourage Pakistan to capture traditional Indian markets.

Blanket bans are certain to harm the long-term interests of the Indian onion and the Indian farmer.

(The author is Founder, Shetkari Sanghatana, and a former Rajya Sabha MP. The views are personal.)

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Back **Copra soars on industrial buying, lifts coconut oil**

C.J. Punnathara

Kochi, Dec. 28

Coconut oil prices breached record levels to touch Rs 86 a kg in the South. A combination of factors including renewed buying interest from corporate companies, unavailability of copra in local markets, new found demand for edible copra in North India and firm trends in the price of palm oil and palm kernel oil took coconut oil to new highs, sources in the trade said.

The immediate trigger for the price spurt seems to have come from bulk corporate buying which immediately exhausted the stock of copra available in the market. Coconut oil which was quoting at around Rs 81 a kg last week jumped to Rs 86, said Mr Prakash B. Rao, Director with the Cochin Oil Merchants Association (COMA). The demand from companies that manufacture coconut oil-based shampoo, hair oil and cosmetics was around 300-400 tonnes last week.

Speculative trade came to the fore when the stock of copra available in the market was depleted.

The firm trend was expected to continue and traders saw an imminent possibility of prices touching all time high level of Rs 90 a kg in the weeks ahead. Support has also come from the high price of competing edible oils such as palm kernel oil and palm oil that have risen to Rs 88 a kg and Rs 56 a kg.

The reported damage to the oil palm crop in Malaysia due to incessant rains is acting as a trigger for the price rise in palm oil and palm kernel oil.

With industrial demand absorbing most of the copra fromTamil Nadu markets, copra arrivals in Kerala have fallen sharply. Copra prices have soared to Rs 60 a kg, up from Rs 55.80 last week.

The revival in demand for edible copra from North Indian markets has enabled prices to rise further.

Conceding that bulk industrial demand was the primary trigger for the current price rise trade sources said that this huge industrial demand was unexpected during the lean production period.

Coconut oil production is expected to reach its peak in South India only from January-end or middle of February. There is insufficient stock available to cater to large industrial demand in the current period. Given the delicate demand-supply balance in the coming weeks, trade sources said the prices are likely to remain firm.

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Back **ICICI Lombard to provide crop insurance for rabi**

Green cover: Weather based crop insurance provides cover against weather-related risks faced by crops such as excess or deficit rainfall, variations in temperature and fluctuations in humidity.

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Our Bureau

Chennai, Dec. 28

ICICI Lombard General Insurance Company Ltd will provide weather based crop insurance for the rabi season in two districts of Tamil Nadu.

According to a news release from the company, it will cover Villupuram and Dindigul districts to provide crop insurance for paddy, maize, vegetables, flowers, groundnut, gingelly, mango, tomato, chillies, tapioca and pulses.

During the last Rabi season ICICI Lombard covered 1,384 farmers and 22,382 acres.

Weather based crop insurance provides cover against weather-related risks faced by crops such as excess or deficit rainfall, variations in temperature and fluctuations in humidity.

This scheme facilitates immediate compensation based on certified data collected from independent third party bodies such as Tamil Nadu Agriculture University, Tamil Nadu Water Resources Department, Central Tobacco Research Institute.

This is a unique insurance scheme, where the beneficiary is not required to file a claim for loss to receive a payout. Instead, ICICI Lombard proactively intimates and settles the claim amount to the beneficiary based on certified data collected from independent third party bodies.

Weather-based crop insurance, which is an index based insurance product was pioneered by ICICI Lombard in India in 2003-04 and is now adopted in 64 districts covering 14 States and 26 crop varieties.

The company recently received a mandate to provide weather insurance cover for eight States — Bihar, West Bengal, Madhya Pradesh, Rajasthan, Karnataka, Chattisgarh, Jharkhand and Himachal Pradesh.

In 2009-10 it insured over 2,87,000 farmers and close to 18 lakh acres. Of this, 2,42,000 farmers and nearly 16 lakh acres of land were covered during Rabi season.

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Back **Q4 global natural rubber supply seen down 6.3%**

A raw natural rubber sheet rolled into a funnel

C.J. Punnathara

Kochi, Dec. 28

Global natural rubber supply is expected to slip 6.3 per cent during the fourth quarter – October-December. Based on lower production estimates from major producing countries such as Thailand, India and Vietnam, the Association of Natural Rubber Producing Countries (ANRPC), which accounts for 92 per cent of the global rubber output, has further pruned rubber production estimates. Earlier, it had projected a shortfall of 3.8 per cent for the quarter.

According to the latest estimates, Indian rubber production is expected to fall 4.6 per cent from 1.8 per cent for the quarter. Vietnam, which was expected to register a growth of 3.8 per cent, is now expected to witness a fall of 2.8 per cent. However, Thailand is expected to witness the sharpest fall of 33.4 per cent, down from the earlier 28.4 per cent. Thailand, Vietnam and India are the only three countries that will record negative growth in the fourth quarter.

Consequent to this revision, the global growth in natural rubber supply this year is expected to be contained at 5.7 per cent, lower from the 6.6 per cent expected earlier. The projection of accelerated global supply growth is based on output increase of 17.9 per cent registered in the first quarter, 2.8 per cent in the second and 12.3 per cent in the third.

The global natural rubber production, mainly from ANRPC countries, is now estimated at 9.422 million tonnes (mt) this year. This is expected to increased 5.3 per cent to 9.918 mt next year, provided there is not much variation in global weather conditions.

India has scaled down the country's expectation of natural rubber supply growth to three per cent this year at 8,45,000 tonnes. Reports till last month had indicated that rubber supply would grow by four per cent to 8,53,000 tonnes. The country's supply has been badly affected by unseasonal rains in the fourth quarter, which also happens to be the flush season for natural rubber supply, the ANRPC said.

Lean season

However, the Rubber Board now anticipates India's yielding area to expand by 14,000 hectares as area under rubber which was planted seven years ago has now become productive. This is expected to accelerate production by 5.3 per cent to 8,90,000 tonnes. The constraints on India's natural rubber production are characterised by long lean season spanning seven continuous months with low output.

The leaf shedding season also results in production dip which can last in the summer months. The onset of the South-West monsoon also affects tapping operations and rubber output during June-August. In effect, rubber output during the lean months can come down by 50-60 per cent of the peak production period, the ANRPC said.

Consumption of natural rubber by major consuming countries is also expected to rise this year. Between them, countries such as China, India and Malaysia account for over 48 per cent of the global rubber consumption. Consumption by China is expected to increase 8.6 per cent during the current year, while India is expected to register a growth of 5.1 per cent and Malaysia 2.2 per cent.

India is expected to top in imports, estimated at 14 per cent, while China is likely to register 10 per cent growth even as Malaysia's imports are expected to slow down by 5.3 per cent, the ANRPC said.

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Back **Nabard denying refinance for farm loans, alleges Minister**

Mr G. Sudhakaran

Our Bureau

Thiruvananthapuram, Dec. 28

The Cooperation Minister, Mr G. Sudhakaran, has faulted National Bank for Agricultural and Rural Development (Nabard) for delaying talks on implementation of the Vaidyanathan Committee report in the State.

Nabard had been using the State Government's opposition to the proposals of the committee as a ruse to deny refinance for farm loans, Mr Sudhakaran told newspersons here on Monday.

CENTRAL DIRECTIVE

This is despite a directive to the contrary by the Union Finance Minister, Mr Pranab Mukherjee, who, the Minister said, had acted in good faith. But during the past one year, no official from Nabard had visited him or his office, Mr Sudhakaran said.

The State Government's opposition is grounded on the argument that the Vaidyanathan committee proposals would destroy the very structure of the cooperative sector and meddle with the democratic functioning of the various registered societies.

This would only lead to a situation where the cooperatives are brought under the control of the Union Government. TOTAL CHANGE

The special taskforce formed under the chairmanship of Prof A. Vaidyanathan had in August, 2004, submitted proposals for reviving the cooperative institutions which provide short-term credit.

Based on the committee's recommendations, the Centre had decided to implement a project for Rs 13,596-crore and gave directions to the State Governments to bring about a total change in the cooperative sector. It also gives autonomy to the societies and service cooperative banks will not be allowed to use the term ‘bank.'

Nabard's attitude towards the farm sector in the State would only further worsen the crisis in the sector, Mr Sudhakaran said. This has, however, not prevented the State Cooperative Department from going ahead with the farm loan programme but at huge costs for itself. The Minister said the State Government has formulated a scheme for recovery of loan arrears in order to reduce non-performing assets without legal recourse to the extent possible.

Accordingly, for loans up to Rs 5 lakh, penal interest, and notice and other charges would be waived. Some of the loans had been contracted at higher rates. These would be settled at the existing or the current rates, whichever was lower, along with a 10 per cent establishment charge on the interest amount.

In the case of loans between Rs 5 lakh and Rs 10 lakh, an establishment charge of 15 per cent would be recovered along with the capital and interest.

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Back **Jan demand may set tone for cashew trade**

G.K. Nair Kochi, Dec. 28

Despite being a difficult period for the cashew trade, some interesting trends were witnessed this year:

(a) After a soft beginning (drift from $2.90 to $2.65 in January/February), there was a steady and gradual rise in prices through the year, from $2.65 in February to $3.80 in December, with a few short dips and several quiet periods.

(b) There were higher tops after each dip.

(c) Smaller crops in all origins – except East Africa, which contributes less than 10 per cent of world production.

(d) Despite higher prices, there was strong demand in Asia – a region where price changes are passed on to the consumer faster than in the US and Europe.

(e) Price trend being determined more by spot and nearby activity, rather than forward trades, according to trade sources.

However, 2011 promises to be an interesting year for the cashew trade. “As we come to the end of 2010, the cashew market has been quiet during December — contrary to our expectation of some activity in the first quarter of 2011,” Mr Pankaj N. Sampat, a Mumbai-based dealer said.

“Despite this, except for some sales of W320 at around $3.70 (f.o.b) by a few processors in Vietnam, there was no change in prices from most processors in Vietnam and India. The prices for W240 were around $4.20/25, W320 at around $3.80, W450 at around $3.65, SW from $3.50 to $3.65, splits at around $3.15 and pieces at around $3.05 (fob),” he said.

However, the domestic market, which was quiet for the most part of December, showed some life during the week with prices moving up a bit, especially for brokens.

Steady Chinese demand in Vietnam supported the prices for lower grades.

There was no fresh news from the supply side. The Tanzania crop size was almost the same as last year – but prices were more than 50 per cent higher.

The Mozambique crop will probably be the same as last year – quotes came down a bit in the last two weeks, but were still very high and not workable even with current high kernel prices.

Brazil arrivals are still slow. Traders hope it will pick up in January, he said.

In the last few weeks, kernel traders and roasters concentrated on deliveries and did not look at new buying — with current high prices, traders do not want to make any large purchases for forwards without having an indication of offtake trends.For most buyers, buying for first quarter cover is lower than normal, and beyond that, it is minimal.“The first fortnight of January will show whether they need to buy aggressively for the first half or whether they can buy in small lots to keep things going, till there is an indication of 2011 crop prospects and RCN prices,” he said.If there is strong demand in the first few weeks of 2011, prices will remain firm and may even go up a bit. This will mean a strong opening for 2011 crop RCN prices and limited chances for a decline in prices for most of 2011, Mumbai-based traders said.“If early 2011 demand is slow, there will be some pressure on processors who do not have enough sales for 2010 crop. This will mean prices could drift lower in the first quarter — they will not decline significantly, unless all the 2011 crops are good and RCN prices ease substantially from current levels,” they said.

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Back **Edible oils rule firm on Malaysian cues**

Mumbai, Dec. 28

Edible oil prices increased further by Rs 5-8 for 10 kg on Tuesday on the back of higher Malaysian closing and rise in NBOT soya futures.

Palmolein rose by Rs 7, in line with the seventh consecutive price rise at Malaysia. Soya refined oil was steady after sharp rise of Rs 28 on Monday. NBOT soya oil and soya seed futures also gained.In spot market, rapeseed oil increased by Rs 8, cotton refined oil by Rs 7 and groundnut oil rose by Rs 5. A wholesale trader said: “Since the last few days the continuous flow of upward price supporting news from abroad has pushed up local market also. Malaysian crude palm oil futures hit 33-month highs. In last seven days, crude palm oil January futures increased 275 ringgits a tonne from 3,570 ringgits. China demand and erratic weather and news Indonesia will raise a tax on crude palm oil exports to 20 per cent for January from 15 per cent this month are main factors for the spurt in the price.

In the domestic market, groundnut oil price at main producing centre, Rajkot-Saurashtra, went up further by Rs 5-10 at Rs 1,175 (Rs 1,165) a tin and Rs 755 (Rs 750) for 10-kg loose. In Mumbai market, 250-300 tonnes of palmolein were fresh resale traded and 300-400 tonnes were traded for future delivery."In Bursa Malaysia Derivatives, crude palm oil (CPO) futures closed higher by over 20 ringgits. Malaysia's BMD CPO futures closed up with January contracts at MYR 3845 (3825) and February at MYR 3818 (3791). Indore NBOT soya oil January contracts ended at Rs 620.50 (Rs 617.50) and February at Rs 639.70 (Rs 635.50).Mumbai commodity exchange spot rate (Rs/10kg): Groundnut oil 765 (760), Soya refined oil 600 (600), Sunflower exp. ref. 665 (660), Sunflower ref. 725 (725), Rapeseed ref. oil 640 (632), Rapeseed expeller ref. 610 (602), Cotton ref. oil 585 (575) and Palmolein was 585 (578).

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Back **'No development zone' reduced to 100 metres from high tide line**

A file photo of fishermen collecting fish from the nets at Pamban, Tamil Nadu.

Our Bureau

New Delhi, Dec. 28

The Environment Minister, Mr Jairam Ramesh, proposes to give the country's fisher folk another 100 meters from the high tide line to carry out crucial occupational activities such as fish drying and net mending as well as traditional housing on the sea face.

The proposed move, part of the Coastal Regulation Zone (CRZ) Notification 2011 that's likely to be announced soon, would benefit about 10 million fisher folk across the country's coastline of 7,500 km.

“CRZ 2011 has been finalised after a series of detailed discussions with various organisations of fishermen throughout the country. The suggestions made by these fishermen have been incorporated in the new Notification,” Mr Ramesh said in a statement.

The most important benefit from CRZ 2011 for fishermen is that development activities such as drying, net mending, fish processing by traditional methods, boat building and repairs shall be permitted in the “no-development zone,” Mr Ramesh said. Space would also be provided for fishing jetty, auction halls and ice plants.

Further, the “no development zone” shall be reduced to 100 metres from the high tide line from the existing 200 metres for providing housing for the traditional fishermen communities, Mr Ramesh added.The Environment Ministry also proposes to come out with the ‘Traditional Fishermen Rights Protection Act' on the lines of the Forest Rights Act, 2006.The new legislation, which is awaiting Government approval, will be a major step forward in ensuring that all traditional rights enjoyed by fishermen and their families are fully protected, Mr Ramesh said.

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Back **Sluggish offtake grinds chana dal**

Indore, Dec. 28

Pulses continued to rule flat at Indore mandis on sluggish demand and lack of buying support from retailers and millers. However, masur dal increased Rs 25 on decline in arrival of pulses seeds and slightly improved demand.

Among other pulses, chana dal declined by Rs 25 as millers and retailers did not show interest in buying due to sluggishness in chana spot prices.

On the other hand, moong dal, tur dal and urad dal ruled firm. In tur dal, traders are trying to perk up prices of imported goods, but it lacked the buyers support.

In the spot, chana dal (bold) quoted Rs 2,975-Rs 2,980, down Rs 20-Rs 25. Chana dal (medium) quoted Rs 2,875-Rs 2,900, while chana dal (average) quoted at Rs 2,750-Rs 2,775 a quintal. Masoor dal (bold) quoted at Rs 3,800-Rs 3,825 a quintal, while masoor dal (medium) quoted at Rs 3,600-Rs 3,625.

Moong dal ruled firm on improved demand ahead of Makar Sankranti festival. In the spot, moong dal (chilka) quoted at Rs 4,600-Rs 4,650, moong dal (bold) quoted at Rs 5,150-Rs 5,175, while moong mongar quoted at Rs 5,600-Rs 5,650 a quintal. Urad dal (chilka) ruled steady at Rs 4,500-Rs 4,700 a quintal, while urad mongar quoted Rs 5,600-Rs 6,800 a quintal, depending on quality.

With limited demand, tur dal ruled firm with prices of tur dal (full) in the spot quoted at Rs 5,100-Rs 5,125, tur dal (sawa no.) quoted at Rs 4,400-Rs 4,500, while tur dal (marka) quoted at Rs 5,600 a quintal, while the prices of tur dal (imported quality) quoted at Rs 4,700 a quintal respectively

Among the pulses seeds, chana continued to rule steady at Rs 2,325 a quintal. According to trade sources, there is sluggish demand in chana at higher rate, leading to fall in its prices. Anticipating arrival of new chana by the end of next month, mill operators have reportedly stopped buying old stock of chana in the market.

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Back **Turmeric steady despite slack demand**

Our Correspondent

Erode, Dec. 28

Spot and futures turmeric prices ruled stable despite lukewarm demand and profit-booking as arrivals were limited. Bulk buyers purchased limited stocks at Erode.

“For the past 15 days, turmeric has been selling around Rs 17,000 a quintal and the season is likely to end in the next 20 days. So, turmeric farmers, expecting higher prices for their produce, are bringing limited stock to the market.

“But traders having reasonable stocks are dispatching old orders. They are not getting fresh orders, so they are keeping away from buying ,” said Mr R.V. Ravishankar, President, Erode Turmeric Merchants Association.

He said of the 4,000 bags that arrived for sale on Tuesday, only 1,400 were sold.

Meanwhile, in some places, the harvest will start by Friday.

For want of agricultural labourers, the harvest has been delayed, farmers said.

On Tuesday, in the Erode Turmeric Merchants Association Sales Yard, the finger variety was sold at Rs 9,544–17,017 a quintal and the root variety Rs 9,623–16,929. Of the 973 bags that arrived, 370 were sold.

In the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety was sold at Rs 16,859–17,297 and the root variety Rs 16,796–17,159. All the 210 bags brought for sale were sold.

In the Erode Cooperative Marketing Society, the finger variety was sold at Rs 16,871–17,269 and the root variety Rs 16,929–17,135 a quintal. Of 173 bags that arrived, 133 were sold.

In the Regulated Marketing Committee, the finger variety fetched Rs 16,789–17,139 and the root variety Rs 16,869–17,199. Of 587 bags that arrived, 521 were sold.

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Back **Strong buying support pushes up pepper**

G K Nair

Kochi, Dec. 28

Pepper futures continued to remain on the upward swing on bullish activities supported by some domestic buying interest. The market opened on a bullish note and then started declining to pick up in the afternoon and closed marginally higher from the previous day close.

“In fact, over the market was stable and in a consolidation phase”, market sources told Business Line. Cued by reports of empty pipelines in the main consuming centres in the country north Indian dealers were showing buying interest and that in turn kept the market buoyant, they said. Since the market has shot up sharply yesterday many were hoping that the market would witness some profit booking and correction by itself, they said. There were some sellers and buyers on the spot and the there was nearly matching demand and supply position with the former having a slight edge over the latter which in turn pushed the spot prices marginally up, they said.

January contract on NCDEX moved up by Rs 32 to close at Rs 22,868 a quintal. February and March went up by Rs 30 and Rs 33 respectively to close at Rs 23,158 and Rs 23,384 a quintal. Total turn over increased by 5,106 tonnes to close at 17,016 tonnes. Total open interest dropped by 267 tonnes to 12,974 tonnes. Open interest for January dropped by 598 tonnes to 10,100 tonnes. February increased by 328 tonnes to 2,245 tonnes while that of March declined by 13 tonnes. There was switching over and liquidation of good quantities.

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Back **Futures lead sugar higher**

Mumbai, Dec. 28

Sugar prices on the Vashi wholesale market increased by Rs 20-25 a quintal on Tuesday taking cues from a firm trend at mills level, higher futures prices on commodity exchanges and expectation of increase in fresh retail/local demands for new month.In view of the bullish sentiment, naka and mill tender rates shot up by Rs 20 a quintal.

Traders now await the Government's stance on stock limits which expires on December 31. If it goes, there will be chance for further rise in prices in ready as well as futures markets, said a wholesale trader. Mr Roshan R. Murgai of Sugar supply Co told Business Line that “sugar trade is still under stock limits, keeping big players, and speculators away from big deals. If government extend the stock limits further keeping high food inflation in mind, the market will see range–bound movement. If stock limits goes, there will be chances of sharp rise in sugar prices.”

On Monday, 10-12 mills came with tender offer and sold about 1.25 lakh bags (including 2-3 rakes to Bengal side buyers in the price range of Rs 2,880-2,920 for S-grade and Rs 2,930-2,960 for M-grade. In resale, it was quoted Rs 15-20 a quintal less.

Some volume also witnessed in resale trade. Arrivals were about 55-58 truckloads (each 100 kg), dispatches to local retail traders were at 48-50 truckloads.

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Back **Lower arrivals boost wheat dara**

Our Correspondent

Karnal, Dec. 28

Despite low arrivals, the prices of dara variety of wheat ruled firm and maintained their previous levels. On Tuesday, the dara variety quoted at Rs 1,245-1,250 a quintal. The price at retail outlets ruled at around Rs 1,260 a quintal; for fine quality, it was Rs 1,270 a quintal. Around 220 quintals of dara variety were offloaded at the flour mills in Karnal on Tuesday.

Mr Subhash Chander, a wheat trader, told Business Line that due to dense fog the arrivals from Uttar Pradesh were low. In the Delhi market, prices were ruling around Rs 1,320 a quintal. Increased freight charges, he said, were a major reason for high prices in Delhi. The freight charges were Rs 30 a quintal, but they are Rs 50 for a quintal now, he added.

Arrivals are quite low in Delhi, as a truck that normally carried around 150 quintals before the increase in freight charges now carries only around 90 quintals.

Desi varieties fall

On the other hand, the prices of desi wheat varieties dropped marginally. There is not much demand for desi wheat at present and there are not much stocks of these varieties too, said Mr Chander.

Prices of the Tohfa variety ruled at around Rs 2,400 a quintal, Aaj Tak Rs 2,300, Bhojan King Rs 2,300, and Nokia Rs 2,350.

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Back **Usage of agri resources seen inefficient**

Our Bureau

Dharwad, Dec. 28

Unprecedented land degradation, depleted groundwater resources and fast deterioration of soil have led to a rapid decrease in agricultural growth rate in most parts of the country. A major concern is that the efficiency of use of resource, both natural and man-made inputs, is much below the desirable levels, said Dr S. Ayyappan, Union Secretary, Department of Agricultural Research and Education (DARE), and Director-General, Indian Council of Agricultural Research (ICAR), New Delhi. He was delivering the convocation address at University of Agricultural Sciences, (UAS), Dharwad on Monday.

“Only 29 per cent of the precipitation is conserved, and that too not optimally utilised. With such practices, water use efficiency seldom exceeds 40 per cent, while the use of nutrients ranges from 2 to 50 per cent. Such low input use efficiency not only increases the cost of production, but also leads to marked adverse effect on production and severe environmental consequences.”

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Back Sowing hope

Paul Noronha

In goa:Farmers working on a rice field in south Goa on Tuesday. Unseasonal rains have affected rice cultivation in the State.

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http://www.thehindubusinessline.com/2010/12/29/stories/2010122952011700.htm

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Back Flying high

– G R N Somashekar

Organic farming pays off: A view of organic tomato grown at outskirts of Bangalore. Farmers practising organic farming have an all-paid trip to Cuba coming their way. The Government's

Organic Farming Mission has decided to send 1,000 farming couples to Cuba to get a peek into organic farming revolution in the island nation.

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Back **Spot rubber shrinks on profit booking**

Kottayam, Dec 28

Spot rubber lost ground on Tuesday. Sharp declines on TOCOM following profit booking at higher levels and signs of weakness in domestic futures were the contributing factors. Reports on the resumption of tapping in key plantation areas and the expectations of an improvement in arrivals kept the sentiments weak though the market still experienced short supply. The trend continued to be mixed.Sheet rubber moved down to Rs 206 (207) a kg, according to dealers. The grade weakened to Rs 206.75 (207.50) a kg both at Kottayam and Kochi, as quoted by the Rubber Board.

RSS 4 slipped with the January series dropping to Rs 209.50 (209.66), February to Rs 214 (214.47), March to Rs 217.99 (218.82) and April to Rs 224.39 (224.62) a kg on the National Multi Commodity Exchange.RSS 3 (spot) closed weak at Rs 224.04 (224.57) a kg in Bangkok. January futures for the grade declined to ¥401.5 (Rs 220.74) from ¥411.2 during the day session but then remained inactive in the night session on the Tokyo Commodity Exchange.Physical rubber rates (Rs/kg) were: RSS 4: 206 (207), RSS 5: 199 (202), Ungraded: 195 (197), ISNR 20: 204 (204) and Latex 60 per cent : 137 (137).

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Back **Demand perks up prices of groundnut oil**

Rajkot, Dec. 28

Groundnut oil increased by Rs 10 for 15 kg in the Saurashtra region. With this, it has increased by Rs 40 in the last couple of sessions. Cotton oil also rose by Rs 25 for a 15 litre tin.

In the Saurashtra region, groundnut oil traded at Rs 1,310-1,315 for a 15 kg new tin against Rs 1,270-1,275 on Friday. Loose oil is quoted at Rs 760-770 for 10 kg.

“Currently, demand from brands is substantial. Moreover, untimely rain has damaged some groundnut stock in Saurashtra . If you want quality groundnut, you have to pay more,” said Mr Sureshbhai Kaneriya, of Kaneriya Oil Industries. A local retailer said: “There is increased demand in groundnut and cotton oil for a week. The stock is enough to meet demand, so prices will not go up. ”Cotton oil traded at Rs 910-915 a tin against Rs 885-890 three days ago

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Back **Bought-leaf tea units in Nilgiris fetch Rs 5/kg more**

Coonoor, Dec. 28

As many as 105 marks of bought-leaf factories in the Nilgiris have earned at least Rs 5 a kg more than the average price recorded at the 40 auctions conducted by the Coonoor Tea Trade Association in the first three quarters of calendar 2010.According to an analysis of the latest ‘Tea News' quarterly review by Tea Board and UPASI Krishi Vigyan Kendra, the average price during the period was Rs 55.35 a kg.

Top prices were fetched by “speciality” grades. The highest price of Rs 185 a kg was fetched by Darmona Estate Speciality followed by Vigneshwar Speciality (Rs 157.50), Sri Ram Supreme Speciality (Rs 150.32), Sri Lakshmi Estate Speciality (Rs 143.19) and Hittakkal Speciality (Rs 139.31).Among general grades, Shanthi Supreme Special topped at Rs 136.13 followed by Darmona Estate Rs 133.34, Homedale Estate Rs 128.53, Shanthi Supreme Rs 118.28, Deepika Supreme Rs 117.44 and Vigneshwar Estate Rs 116.96.In all, 22 marks had fetched Rs 100 and above, nine marks Rs 90-99, seven Rs 80-89, 16 marks Rs 70-79 and 51 marks Rs 60-69. Cumulatively, 22 marks have fetched more than Rs 100, 31 marks more than Rs 90, 38 more than Rs 80, 54 more than Rs 70 and 105 more than Rs 60, that is Rs 5 more than the auction average.