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'Horticulture, best option for diversification'

Staff Reporter



H.P. Singh, Deputy Director General (Horticulture) and President, Indian Society of Ornamental Horticulture (second right), and P. Murugesu Boopathi, Vice-Chancellor of Tamil Nadu Agricultural University (second left), during the release of a souvenir at a conference on landscaping in Coimbatore recently.

COIMBATORE: Indian agriculture has made rapid strides in the last few decades in production and productivity. Nevertheless, the challenges are much greater than before and to address these challenges there is a need for adopting approaches utilising innovations in science and technology, H.P. Singh, Deputy Director General (Horticulture), and President, Indian Society of Ornamental Horticulture, said here recently.

Speaking at a conference on "Plant Diversity for Aesthetic Values and Landscape Gardening" at the Tamil Nadu Agricultural University, he said horticulture had emerged as

the best option for diversification to meet the need for food, nutrition, and healthcare, besides providing better returns on farm land and employment.

“A little investment made in horticulture has been rewarding in terms of increased productivity, production and export, and has made India the second largest producer of fruits and vegetables. This can be attributed to technological interventions and efforts for development. Therefore, horticulture research needs much more attention for better utilisation of waste land, increasing nutritional security, employment opportunity, and above all for inclusive growth,” Mr. Singh said.

The horticultural production in the 1940s was 25 million tonnes as against the food grain production of 15 million tonnes. The present horticultural production was 226 million tonnes as against the food grain production of 240 million tonnes.

“In another three years, the horticultural production will cross the food production level. This is because of the change in the dietary habits of the people. The intake of fruits and vegetables has increased to almost 40 per cent,” Mr. Singh added.

P. Murugesu Boopathi, Vice-Chancellor of the university, said, the increased density of buildings, insufficient sunlight and surroundings with artificial materials had been reported to cause depression and stress.

“Therefore it is important to include natural landscapes in urban areas to ensure higher quality of life. Parks with lawns and plants provide ample opportunity for relaxation and physical activity for the young and old,” the Vice-Chancellor said. In India, landscaping was a fast growing sector. Therefore, development of landscaping management techniques was becoming important. Use of native plants could eliminate the need for fertilisers and insecticides and also reduce the water requirement, Mr. Boopathi added.

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Vegetable arrival dwindles to new low at Vaiyampatti

Syed Muthahar Saqaf

Hundreds of small time farmers depend on this wholesale market

Photo:M.Moorthy



falling short: Sacks of vegetable being unloaded from a lorry at the Vaiyampatti vegetable market in Tiruchi district on Thursday.—

MANAPPARAI: The arrival of vegetables at the wholesale markets in Vaiyampatti town, a major vegetable distribution centre in the district, has come down to a large extent, thanks to the intermittent rain in the district over the past few days.

This is the first time in the past few decades, the arrival of vegetables from the surrounding villages and also from Odanchadiram to the Vaiyampatti market has dwindled to such a low level said a cross section of vegetable agents.

The market, with a network of hundreds of retail vegetable producers spread over different villages in the vicinity, has been receiving different varieties of vegetables such as brinjal, tomato, lady's finger, bitter gourd, beans, drumstick and ash gourd from more than 30 nearby villages including Karungulam, Elamanam and Maniyaarampatti. These vegetables were sent to the Gandhi Market at Tiruchi and other major markets in Chennai and

Madurai cities.

The Vaiyampatti market normally receives about 15 tonnes of vegetables from the villages every day. The arrival has dwindled to a meagre three tonnes since last week, indicating a serious rain induced damage of the horticultural crops, said P.Venkatraman, a commission agent, engaged in the trade for over two decades. Decline in the vegetable arrivals during the monsoon period is not an unusual phenomenon. But, the gravity of the impact of monsoon on vegetable crops was peak this season , he says.

Vaiyampatti market used to deal with over three tonnes of tomatoes a day. After the sharp showers, the market registered nil arrival of tomatoes, much to the concern of the traders.

Small vendors used to procure vegetables from the Vaiyampatti market and sell the same in the numerous weekly shandies and around the Manapparai town. The sharp decline in the arrivals of vegetable has badly hit the traders. This situation is unlikely to improve in the next few months even if the rainfall stops. The horticulture crop in the villages has suffered severe damage and improvement in the arrival of vegetables is expected only after the farmers raise new crops. "The situation will improve only in the month of January," Mr.Venkatraman says.

. "We suffer extreme vagaries in the trade. Sometimes, we witness shortage of crops due to havoc caused by natural calamities. At other times, it is a case of surplus. On several occasions, we have destroyed tomato and other crops for want of attractive price," says Mr.Venkataraman. He suggests that a cold storage facility should be provided at Vaiyampatti.

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Flood alert sounded in Cuddalore district

Special Correspondent

Announcement being made through public address system



Inundated: Housing colonies in Cuddalore town are surrounded by water.

CUDDALORE: Owing to heavy rainfall during the past few days, major waterbodies in Cuddalore district are surplussing, necessitating voluminous discharge from these sources. Collector P. Seetharaman has sounded a flood alert and urged the people living in low-level areas to move to safer places. The announcement is being made through public address system in flood-prone areas.

Given the quantum of inflow - 5,000 cusecs - into the Veeranam tank, it should be already overflowing. However, officials are maintaining the water level in the tank at 45.8 ft, against the maximum height of 47.5 ft.

The excesses are being let out at the rate of 74 cusecs to the Chennai water supply system, 340 cusecs into the Vellar and 4,456 cusecs through the Velliangal Odai. Farms lying alongside the course of the Odai are facing the threat of submergence. The Sethiathope anicut is full and is getting an inflow of 62,000 cusecs. From this anicut, 86,049 cusecs is being released into the Vellar, which is already carrying a lot of water.

The swollen Then Penniyar is being fed to the extent of 5,226 cusecs from the Sornavur anicut and the Gedilam 18,830 cusecs from the Thiruvahindrapuram anicut. An enormous quantum of water is released from various sources as follows:

Pelandurai dam – 31,391 cusecs, Vriddhachalam dam – 28,796 cusecs, Me.Mathur dam – 21,853 cusecs, Tholudur dam – 20,039 cusecs, Kumaraudaippu Vaikkal – 6,846 cusecs, Perumal Eri – 6,753 cusecs, Wallajah Eri – 5,094 cusecs, Wellington reservoir – 2,823 cusecs, Gomukhi dam – 1,152 cusecs, Manimuktha dam – 563 cusecs, Sathanur dam –

521 cusecs.

People living near the water sources are facing an impending threat of floods. The district administration has so far dispatched 170 tonnes of rice from the Tamil Nadu Civil Supplies Corporation godowns to rain-affected areas and 131 tonnes have gone to Kurinjipadi block.

Panchayat presidents are making arrangements for serving cooked food to the respective areas. On the request of Health Minister M.R.K. Panneerselvam, the Neyveli Lignite Corporation has been supplying 20,000 food packets to affected people, through the district administration.

Hutments in Dhaanam Nagar and Navaneetham Nagar in Cuddalore are under knee-deep water as a 20-foot pond in the neighbourhood breached.

At Palani Pillai Nagar, Subbu Nagar and Vijayalakshmi Nagar, residents are facing hardships due to inundation owing to lack of drainage facility.

Meanwhile, the Cuddalore Municipality has set up a round-the-clock flood control room which can be contacted over telephone number 04142-230021.

Rainfall

Kothavacheri – 130 mm, Panruti – 113 mm, Parangipettai – 112 mm, Me.Mathur – 110 mm, Bhuvanagiri – 96 mm, Vanamadevi – 94 mm, Singarathope – 80 mm, Chidambaram – 78 mm, Vriddhachalam – 78 mm, Tholudur – 72 mm, Kattumannarkoil – 60 mm, Annamalai Nagar – 57.20 mm, Lalpet – 48 mm, Cuddalore – 47.8 mm, Sri Mushnam – 45 mm and Vepur – 42 mm

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Water released from four dams in Dharmapuri

DHARMAPURI: Vaniyar, Chinnar, Nagavathy and Varattaru dams in the district are filled

to capacity because of rain in the catchment areas.

The excess water is being released from these dams. Inflow to Thoppaiyar and other major dams too are increasing steadily. Authorities expect that these dams will be filled to capacity in a day or two.

The rainfall registered in the district upto 8 a.m. on Thursday: Vaniyar 45 mm, Varattar 42, Thoppaiyar 15, Dharmapuri 13.5, Nagavathy 12, Chinnar 10, Marandaalli 8, Hogenakkal 4.3 and Palacode 4 mm.

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Flood warning issued in Kanyakumari district

Madurai Bureau

2,000 tanks out of 2,040 overflowing

— Photo: A. Shaikmohideen



Brimming:A view of Mambazhathurayar Dam at Villukkuri in Kanyakumari District.

Nagercoil: Flood warning was issued to those people living in and around four dams

including Pechipparai, Perunchani, Chittar I and Chittar II on Wednesday night and the people living in the low-lying areas have been asked to move to safer places due to heavy rains.

According to PWD sources, there are more than 2,040 tanks in Kanyakumari district of which 2,000 are overflowing with rainwater.

Eight persons died owing to various rain-related incidents so far.

More than 1,000 houses were damaged following heavy rains for the last ten consecutive days.

The district administration has formed a team consisting of government officials from various departments to assess the damages. A report would be submitted to the Government at the earliest.

Casual workers engaged in rubber tapping, brick kilns, salt pans and coir industries were put to untold hardship as they could not get employment.

Fishermen did not venture in to the sea owing to rough weather.

The surplus water from all the dams was released into the channel.

Normal life was affected in Kulasekaram, Thiruvattar, Attoor, Arumanai, Kollencode, Karungal, Marthandam and Kaliyakkavilai owing to the incessant rainfall.

Maximum rainfall of 34.4 mm was recorded at Aralvoimozhi followed by 27.6 mm in Kottaram, 22.6 mm in Mullankinavilai, 18.7 mm in Surulode, 17.4 mm in Myladi, 17.3 mm in Nagercoil, 13 mm in Puthen dam, 12.2 mm in Thirparappu and 12.3mm in Kannimar.

Water level

The water level in Pechipparai Dam stood at 46.80 feet with the inflow of 1,505 cusecs.

Around 500 cusecs of water was released from the dam.

Water stood at 75.10 feet in Perunchani dam with an inflow of 1,048 cusecs and 764

cusecs of water was released from the dam.

The water levels in Chittar I and Chittar II stood at 17.15 feet and 17.25 feet respectively. The inflows were 110 cusecs and 160 cusecs respectively.

Tirunelveli

Rainfall was reported from Tirunelveli district. Bharathi Nagar and Meenakshipuram were inundated.

The district administration has issued a flood alert in the interest of people residing on the banks of the Tamirabarani river since there is an excessive flow of water.

Tourists were also advised not to take bath in the Courtallam waterfalls.

Tuticorin

There is no let-up in the rainfall in the district.

Most low-lying areas were inundated.

Vehicular traffic was badly affected as some of the roads were damaged.

Minister for Social Welfare P. Geetha Jeevan along with officials led by Collector C.N. Maheswaran took stock of rain-affected areas to ascertain the damage caused.

Two hundred people have been accommodated at a private marriage hall here.

Officials made an on the spot assessment at various places including Mettupatti, Lourdhammalpuram, Sangukuli Colony, Rajiv Gandhi Nagar, State Bank Colony and Bryant Nagar. Relief works were being carried out in full swing for the rain-affected people, the Minister said.

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Onion growers in three blocks of Tiruchi district rooted out

M. Balaganessin and Syed Muthahar Saqaf

Photo: M.Moorthy



food for thought:An agricultural worker showing the damaged onion at P.K. Agaram village near Tiruchi on Tuesday.

TIRUCHI: Onion is yet another cash crop which has suffered extensive damage during the incessant rainfall continuing in the district for the past few days.

The farmers of the Thuraiyur, Uppiliapuram and Pullambadi blocks are the worst hit and the crop raised in about 700 hectares of the total area of 2,000 hectares has developed roots, thereby affecting the growth of the bulb.

“We have suffered total crop loss and are waiting for government compensation to make good a part of the loss”, observed a cross section of the onion farmers.

Onion is raised in abundance in Venkatesapuram, Okkarai, Chikkatambur, Kannanur, Palayam (Thuraiyur block); Pachaperumalpatti, Govindapura and Koppampatti (Uppiliapuram block); Ootathur, Nambukurichi, Sirukalapur, Peruvalapur, Peria Kurukkari Agaram and Kanakiliyanallur (Pullambadi block). Chinna vengayam (Co-5) raised in about

660 hectares and bellary raised in about 40 hectares have suffered damages unable to withstand the brunt of the rain havoc.

Many farmers lament that the damage has come just a couple of weeks ahead of the harvest of the crop raised during Purattasi pattam season. The initial spell of rain in the early Purattasi raised their hope of a higher harvest this season. Untimely and widespread showers has caught the onion farmers on the wrong foot.

K. Kannusamy of Peria Kurukkai Agaram says that he had utilised all his onion seed for the Purattasi season and had also spent about Rs.90,000 for raising the crop in three acres. He raised the crop on a limited extent of just three acres, expecting monsoon rainfall midway. Now the entire crop has suffered damage with deep growth of roots below the bulb, damaging the quality and deliciousness of the crop.

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Rain persists, farmers struggle to drain water

S.Ganesan

— Photo:R.Ashok



Scurrying for cover: A boy trying to cover himself from rain as the city received sharp showers on Thursday morning.

TIRUCHI: The north east monsoon continued to remain active bringing in intermittent rain to many parts of Tiruchi district leaving farmers struggling to drain the water from inundated paddy fields.

The rain though not heavy, however, continued to cause anxiety among farmers.

The Agriculture Department has revised its estimates with respect to inundation of samba paddy and damages caused to cotton and onion crops in the district. Following the fresh spell of rain, paddy fields in more areas such as Adhikudi, Padapai, Mangammalpuram and Koppavali were inundated.

As per the latest figures, paddy crop in about 7,319 hectares (ha) have been inundated in the district. The inundation was extensive in Tiruverambur block, where about 3,630 ha were waterlogged. About 2,230 ha in Lalgudi, 550 ha in Pullampadi, 450 ha in Manachanallur, 250 ha in Andhanallur and 210 ha in Manikandam were also inundated.

Officials said these were essentially initial estimates of inundation and not crop damage as far as paddy is concerned. Crop in tillering stage would survive if the water is drained though younger crop could rot.

Cotton growers have been worst sufferers as the crop in about 12,193 ha have been damaged in the district, including 7,542 ha in Pullampadi, 3,450 ha in Manachanallur, 956 ha in Uppilliyapuram and 245 ha in Thuraiyur. These accounted for almost the entire area covered under the crop in these blocks. Onion in about 703 ha and chillies in about 40 ha have also been damaged in the rain.

Tiruchi City received moderate and intermittent showers during the day. Meanwhile, about 8,765 cubic feet per second (cusecs) of water was being let into the Coleroon River from Upper Anicut near Tiruchi.

Koppampatti recorded the maximum rainfall of 42 mm during the 24-hour period ending at 8.30 a.m. on Thursday.

The following were the chief amount of rainfall in other parts of the district during the same period (in mm): Vathalai Anicut 34.20, Nandhiyar Head 29, Pullampadi 25.40, Lalgudi and Tiruchi Airport 24.20 each, Samayapuram 24, Manapparai 22.40, Kallakudi 22.20, Golden Rock 21.40, Ponnaniyar Dam and Marungapuri 20.20 each, Thuvakudi 19.40, Tiruchi Junction and Town 18.20 each, Navalur Kottapattu 19, Kovilpatti 10.40, Sirugudi and Thuraiyur 10 each. The district received an average of 18.54 mm of rainfall during the

same period.

According to the Meteorological Department website, Tiruchi district has received 151.8 mm of rainfall during the week ending December 1 against the normal of 20.7 mm for the period.

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Farmers' rally today

Special Correspondent

VELLORE: The Tamil Nadu Farmers' Association will be organising a rally of farmers from the Mango Mundy in Konavattam to Anna Kalai Arangam here at 3 p.m. on Friday.

According to a release from M.R. Sivasamy, State president of the association, their demands included extending the Mahatma Gandhi National Rural Employment Guarantee Scheme to agricultural operations; payment of Rs.3,000 per tonne for sugarcane, Rs.2000 per quintal for paddy; fixation of price of milk at Rs.25 per litre; action against pollution caused by tannery effluents and amendment of the Central Electricity Act 2003 to facilitate continuation of free electricity to farmers.

The association president demanded unconditional grant of power connections for agricultural pumpsets.

He pointed out that while the government had announced that two lakh new power connections would be given to farmers, it had also included a condition that new connections would be given only to those farmers who had fitted four-star motors before December 3.

Since the motors of the above specification were not available on the market, the government should relax the condition and extend the last date for fixation of motors, he said.

Mr. Sivasamy demanded payment of compensation for crop damage caused by the recent floods in the State at the rate of Rs.15,000 per acre.

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Stress on effective steps to control crop disease

Special Correspondent

VELLORE: The Assistant Director of Horticulture, Walajapet, Eapan Vettah Eapan, has urged farmers to take effective steps to control leaf spot disease to avoid yield loss, which could escalate prices in January.

In a release, Mr. Eapan said that while the disease was currently causing an extensive damage to turmeric plants all over Tamil Nadu, the presence of the disease was marked in villages of Walajapet taluk, especially at Ammoor, Padiyampakkam and Ananthalai.

Extensive spread of spots on the leaf of turmeric was the symptom of the disease.

It could be effectively controlled by application of Mancozeb or Copper Hydroxide (77% W.P.) at the rate of two gm in a litre of water along with one to two gm of Carbendazim in a litre of water.

If the damage creates havoc, then the farmers should apply two to four gm of Ridomyl with sticking agent such as solution or spray one ml of lingavit mixed in one litre of water for effective control.

An acre of land needs 100 to 120 litres of water along with appropriate amount of fungicide for effective spraying. Mr. Eapan suggested that chemicals could be sprayed in the morning or evening hours in the absence of intense heat, heavy wind or rainy days.

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'Farm labourers victim of land acquisition process'

Staff Reporter

KOLKATA: Pradip Bhattacharjee, president of the State unit of the Indian National Trade Union Congress, said here on Thursday that although the Left Front government claims to stand for peasants and workers, it works against their interests.

Addressing a gathering of workers before courting arrest for violating prohibitory orders during a march to the State Secretariat, Mr. Bhattacharjee said: "I would not like to comment on issues that do not pertain to workers, but agricultural labourers are a victim of the land acquisition process".

He said that many agricultural labourers who worked in Rajarhat, on the city's north-eastern fringe, had approached him claiming that they lost their source of income overnight.

The land owners have received money in return for their land, but these labourers, who depended on the land but have no legal claim, have not received any compensation, he added.

Controversy

The township project initiated by the State's Housing Infrastructure Development Corporation (HIDCO) at Rajarhat has snowballed into a major controversy after Trinamool Congress chief Mamata Banerjee made allegations of forcible land acquisition there.

Mr. Bhattacharjee also said that it was possible to create a joint front of workers from trade unions that shared a common ideology and were affiliated to secular organisations.

Targeting the Communist Party of India (Marxist)- backed Centre of Indian Trade Unions (C.I.T.U.), Mr. Bhattacharjee said it had deserted the fight for the cause of the workers.

“More than 56,000 factories remain closed, workers are losing jobs and the conditions of workers in the unorganised sector are pitiable, but C.I.T.U. has not launched any agitation,” said Mr. Bhattacharjee adding that the turnout at the demonstration had indicated that even the workers had joined the struggle for the ouster of the Left Front government.

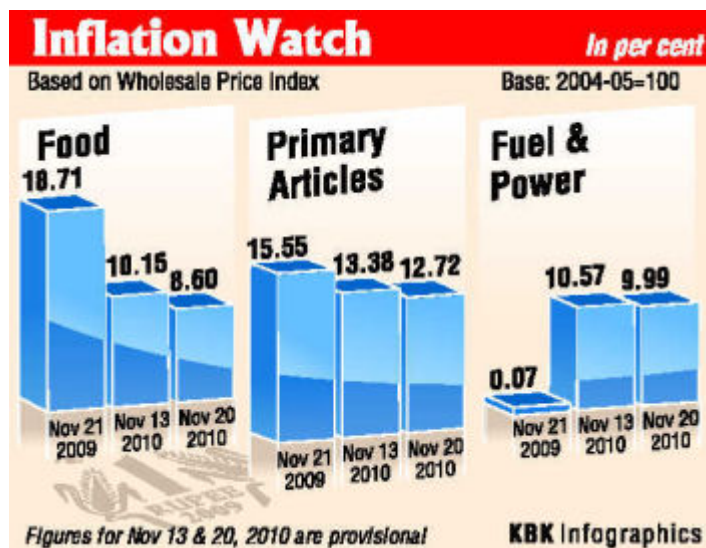
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Food inflation slumps to single digit at 8.6 %

Special Correspondent

Finance Minister hopeful of further decline in food inflation



NEW DELHI: Having stubbornly remained in double digits for the past four months, food inflation slumped beyond expectations to 8.60 per cent for the week ended November 20 from 10.15 per cent in the previous week, ostensibly owing to further easing of prices following increased kharif crop arrivals.

18-month low

Even as a gradual decline in the Wholesale Price Index (WPI) food inflation was expected, having eased for seven weeks in a row but still holding the double-digit level, the sharp fall to its 18-month low, which was witnessed way back in May last year, came as a surprise to economic analysts.

The last time food inflation was in single digit this calendar year was during the week ended July 24 at 9.53 per cent.

The fall in food inflation numbers to single digit is something that the government had been hoping for. Commenting on the latest data, Finance Minister Pranab Mukherjee said: "Decrease in food inflation is good...I hope it will come down further." Incidentally, Chief Economic Advisor Kaushik Basu had projected earlier this week that the food price spiral would fall to single digit and even go beyond [below] 9 per cent for the week ended November 20.

The sharp fall in food inflation has also raised hopes that if the downward trend is sustained, it would help in bringing down headline inflation to the projected level of 5.5 per cent by the end of the current fiscal. "The overall inflation will remain the same as what I think we had said and what the RBI has said...which is about 5.5 per cent by March 2011...Food inflation is definitely on its way to come down," Finance Secretary Ashok Chawla said.

Mixed trend

A close scrutiny of the WPI food inflation data, however, presents a mixed trend. On a year-on-year basis, while pulses turned cheaper by 10 per cent, wheat by 3.16 per cent and vegetables by 3 per cent owing to a slump in potato prices by nearly 43 per cent, onions were dearer 16.86 per cent. Besides, the prices of the protein-rich food items such as eggs, meat and fish were higher by about 15.58 per cent. Fruits and milk prices were also up 19.27 per cent and 17.76 per cent, respectively, on an annual basis.

Analysing the WPI data, KASSA Director Siddharth Shankar said: "The decline in the food inflation numbers is in line as what had been projected but the sudden decline that we

have seen is more due to base effect. Looking at a six-month horizon, I see food inflation falling further with prices of pulses, grains and vegetables continuing to decline but I do not see a fall in prices of items like egg, meat, milk and fish.”

As for its impact on overall inflation, Mr. Shankar said he did not expect that to show a sharp decline in the coming months.

“The hot money in the system will keep the overall inflation numbers on the higher side and the RBI may need to take some measures to control the flow of hot money into the system. The central bank will have to tread a very thin line of controlling money supply in view of the fact that some of the western economies have still not picked up,” he said.

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Loans disbursed to SHGs, farmers

Special Correspondent

KURNOOL: The district administration and banks held a loan mela at Dhone in Kurnool district on Thursday. Loans to the tune of Rs. 10.64 crore were disbursed to 298 SHGs and 293 farmers.

Collector Ramasankar Naik, Zille Parishad Chairman A. Venkata Swamy, legislator K.E. Krishna Murthy and others were present.

He called upon women groups to avoid taking loans from micro-finance institutions to avoid high interest rates. He said Kurnool district occupied the fourth place in the State by disbursing Rs. 256 crore as against a rabi loan target of Rs. 556 crore. He said many farmers had recorded commercial crops for higher loans, but cultivated foodcrops. Such farmers would not be eligible for insurance claim.

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Bright prospects for paddy cultivation

Special Correspondent

SIVAGANGA: The prospects of paddy cultivation seem to be bright in the district during the current season thanks to abundant rainfall.

While some parts of the district are dependent upon rainfed cultivation others are supported by tank irrigation.

As against the target of 89,000 hectares, 81,000 hectares have been brought under paddy cultivation so far which included 46,000 hectares under the direct sowing method.

The current statistics indicate that both rainfed and tank-irrigated paddy cultivation will fulfil the expectation of farmers if other factors go well.

As per the records of the Agricultural Department, as against the annual rainfall of 904 mm, it has so far received 924 mm.

While the district receives a normal rainfall of 413.7 mm in the northeast monsoon (October, November and December), 309.3 mm of rain occurs during the southwest monsoon. The records show that in October and November, the district has received 200.5 and 257 mm respectively.

It is 117 mm more than the normal rainfall received during these months. Though the December month's average rainfall is just 73.4 mm, the first two days of the month has seen 36 mm. Indications are that the actual rainfall may cross 1000 mm easily, as it has many rainy days left in the month.

Farming operations have gained momentum in different parts of the district. "The condition is perfect for a good paddy season. There will not be shortage of water for irrigation this year since all tanks and 'kanmois' in and around our areas have full storage," says

Nallammal, a farmer of Solapuram near Sivaganga. A senior agricultural official told 'The Hindu' that out of 4,813 'kanmois,' which include 640 'kanmois' maintained by Public Works Department, more than 70 per cent had already reached their maximum level.

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Onion price goes through the roof

Staff Reporter

Stalls at rythu bazars are crowded and stock gets exhausted fast

Heavy crop damage is the cause for the present situation

'Wholesalers in the city are reluctant to stock more onion than requirement'

VISAKHAPATNAM: The prices of all vegetables have gone up and onion which has always been known for its volatile price has again shot up.

This time the prices of other vegetables too have caught up with onion. Even the not-much-preferred gherkin costs Rs.22 a kg. At the rythu bazars the onion stalls are crowded and stocks are getting exhausted faster because the price is less than the one in the open market.

The main problem is getting adequate stocks from Maharashtra, Hubli and Kurnool where onion is a major crop. The crop was badly damaged owing to heavy rain and in some cases it had become even difficult to take out the crop.

The wholesalers in the city are reluctant to stock more onion than the regular requirement as, if the stock is not disposed of and gets damaged they will incur loss, says Assistant Director of Marketing B. Ravi Kumar. So they are desisting from the practice of getting more onion which can be stocked for months together if it is dry.

The wholesale market at Gnanapuram here gets about 10 lorry loads of onion with each carrying about 17 tonnes. Of the stock, about one and a half lorries is given for sale in rythu bazars. With the onion at rythu bazars selling at Rs.26 a kg, some times the stock there gets exhausted early. In the open market it sells at Rs.30. Consumers are also wary about buying more because of the quality which is not always up to the mark. Wholesalers are ready to get more stock for rythu bazars if more price margin is given. That pushes up the price in the rythu bazar and the open market prices will also surge. While the present position continues to be just adequate to meet the demand, come January/February the entire stock has to come from Maharashtra. Considering the crop damage and the quality now, it remains to be seen whether the supplies will meet the demand.

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Food inflation falls to 4-month low at 8.6%

Food inflation fell to four months' low at 8.60% for the week ended November 20, as prices of vegetables, wheat and pulses declined on increased output and arrival of kharif crop in the market. Food inflation in the previous week was 10.15%. This is the seventh consecutive week of decline in the food inflation as availability of food commodities improved after the end of the monsoon season. While pulses' prices fell by 10%, vegetables became cheaper by 3% on account of a sharp dip in potato prices that reduced by as much as 42.99% on an annual basis. Also wheat prices went down by 3.16%, according to the government data released on Thursday.

However, food items like egg, meat and fish rose by about 15.58%. In vegetables, onion was expensive by 16.86% on annual basis. Rice also became expensive by 1.84%. Also, fruits and

milk became costlier by 19.27% and 17.76%, respectively, on year-on-year basis. The fall in food inflation is in line with Chief Economic advisor Kaushik Basu's projection earlier this week that food prices inflation will come down to single digits level, declining beyond 9% for the week ended November 20. Decline in food inflation has raised hopes that overall inflation may decline to around 6 per cent by the end of the year, as predicted by the government.

<http://www.hindustantimes.com/StoryPage/Print/633421.aspx>

Weather

Chennai - INDIA

Today's Weather



Partly Cloudy

Friday, Dec 3

Max Min
28° | 23.9°

Rain: 14 mm in 24hrs

Humidity: 79%

Wind: Normal

Sunrise: 6:15

Sunset: 17:40

Barometer: 1008.0

Tomorrow's Forecast



Rainy

Saturday, Dec 4

Max Min
28° | 23°

Extended Forecast for a week

Sunday Dec 5	Monday Dec 6	Tuesday Dec 7	Wednesday Dec 8	Thursday Dec 9
27° 25° Rainy	27° 24° Rainy	26° 24° Rainy	27° 25° Rainy	29° 25° Rainy

Food inflation dips to 18-month low at 8.6%

Dec 03 2010

Dec. 2: Food inflation, which measures the pace of increase in prices, slipped to single-digit at 8.60 per cent for the week ending on November 20 as kharif crops hit the market. It is for the first time in four months that the food inflation has dropped to single digit.

The last time the food inflation was in single digit at 9.53 per cent was on July 24 this year. It was at 10.15 per cent in the previous week. Dearer food articles were pushing the overall inflation high.

The government that has been under pressure due to high food prices hoped the food inflation will further come down in the coming days. "Decrease in food inflation is good... I hope it would come down further," said finance minister, Mr Pranab Mukherjee.

Finance secretary Mr Ashok Chawla said that overall inflation is now likely to fall to 5.5 per cent by March 2011.

"The decline in the food inflation numbers is in line with what had been projected but the sudden decline that we have seen is more due to the base effect. Looking at the food inflation in details, my view is that prices of pulses, grains and vegetables will continue to decline but I do not see a fall in prices of items like egg, meat, milk and fish," said Mr Siddharth Shankar, director, KASSA. He said that while food inflation will decline in the coming days, there is unlikely to be a sharp decline in overall inflation. "The hot money in the system will keep the overall inflation numbers on the higher side. RBI will have to tread a very thin line of controlling money supply in view of the fact that some of the western economies have still not picked up," added Mr Shankar.

Source URL:

<http://www.deccanchronicle.com/business/food-inflation-dips-18-month-low-86-534>

Business Standard

Friday, Dec 03, 2010

Palm at new 28-month high on positive US data

Reuters / Kuala Lumpur December 03, 2010, 0:43 IST

Malaysian palm oil futures hit a fresh 28-month high on Thursday, tracking firmer global commodity markets and concerns over low production during the monsoon season.

Commodities rallied on Wednesday, led by sharp gains in US wheat and gasoline futures, after positive economic data from the United States and China, and a stronger euro, boosted investor confidence about demand.

The benchmark crude palm oil futures on Bursa Malaysia rose 0.4 per cent to settle at 3,500 ringgit

(\$1,110.406) a tonne, after touching an intraday high of 3,540 ringgit — a level unseen since July 15, 2008.

“Palm oil is up mainly on overseas factors, especially the stronger grain and soy complex,” said a trader with a foreign brokerage in Kuala Lumpur. “Production has started to decline and the low output will stay till February next year.” Heavy rain due to seasonal monsoon rains in major planting regions, including the southern state of Johor and Sabah on Borneo island, usually curbs palm fruit harvesting and make transport difficult.

Tea deficit to rise on bad weather

BS Reporter / Kolkata December 3, 2010, 0:42 IST

The tea season in India, likely to close in the next three weeks, will clock in a deficit in excess of 100 million kg.

Till end of September Indian tea production was down by 10 million kg. While South India maintained its 2009 levels, erratic weather conditions in Assam and North Bengal affected the crop. To make things worse, the helipeltis pest attack during the second flush added to the crop loss.



“End-October figures were down and in November also the figures were low. Now, the weather has gone dry. So, I think there will be a shortage of around 25 million kg,” Aditya Khaitan, managing director of the world’s largest bulk tea producer, McLeod Russel (India) said.

With the deficit at the beginning of the year, and the annual consumption growth rate of three per cent, the shortage in the system is expected to be more than 100 million kg.

“We expect prices to increase now,” Khaitan said. Industry representatives said that prices were likely to be higher by Rs 8-10 a kg.

According to ITA projections for 2010, production would be at 957 million kg, against 979 million kg in 2009. Consumption was, however, expected to be at 870 million kg compared to 850 million kg in 2009. The figures indicate that the next season would open with huge deficit.

Tobacco majors halt production

BS Reporter / Kolkata/ New Delhi December 03, 2010, 0:41 IST

ITC and Godfrey Phillips India (GPI) have stopped production of cigarettes in view of uncertainty over the sort of pictorial warnings needed to be carried on tobacco products from this month.

The companies said there was no clarity on types of warnings to be carried on the packages.

ITC, the maker of India Kings, Gold Flake and Navy Cut, stopped production at all the five units

located across India from yesterday. It has manufacturing facilities in Bangalore, Munger, Saharanpur and Kolkata.

A spokesperson at ITC confirmed the development. "Units are shut because of ambiguity in pictorial warnings to be carried from December 1 onwards," the spokesperson said.

Similarly, production has been stalled since December 1 onwards at GPI's two units in India. It makes brands like Four Square, Red and White and Cavanders. "Yes, we have stopped production at our two units," Neeta Kapur, vice-president, marketing, GPI, said.

ITC's revenues per day from cigarettes stand at around Rs 25 crore. Cigarettes account for more than 40 per cent of the company's revenues and 80 per cent of its profits. For the year ended March 31, 2010, revenues from cigarettes stood at Rs 9,321 crore.

The Ministry of Health and Family Welfare had notified in May that all tobacco product packages in the country must carry pictorial health warnings depicting a cancer- stricken mouth etc, from December 1, 2010.

According to the Action Council against Tobacco - India, the government is set to delay the notified "mouth cancer".

"As per the latest available reports from the health ministry, which has led to anger and disappointment among tobacco control activists and health professionals, the ministry is likely to approach the Cabinet to water down pack warnings rules by proposing rotation of warnings every two years, instead of the mandated 12 months. Further, the ministry is also planning to drop the current notified warning, which is evidence-based and field-tested, by replacing it with a less gory alternate picture to be developed by the Directorate of Advertisement and Visual Publicity," said a council release.

Meanwhile, the government said it was considering a request from the tobacco industry to increase the duration of display of a particular pictorial warning in cigarette packets.

Spot trading for Haryana guar farmers by month-end

Komal Amit Gera / Chandigarh December 03, 2010, 0:38 IST

The National Spot Exchange (a subsidiary of the National Multi Commodity Exchange), in collaboration with the Haryana Cooperative Supply and Marketing Federation Ltd (Hafed) would roll out its pilot project of spot trading in Haryana by the end of December.

Hissar and Sirsa are the two locations identified to commence spot trading in guar, said Hafed's managing director, Anil Malik. Guar is a commercial crop used in the pharmaceutical and industrial chemical industries and is not monitored by a minimum support price regime.

National Spot Exchange's MD, Anjani Sinha, said the estimated production of guar in the north-western belt of Haryana, in the districts of Sirsa and Hisar, was about 50,000 tonnes. They expected, he said, to catch 20,000 tonnes for e-trading.

Hafed would provide the warehouses and NSEL the quality management and quality testing. Hafed would also facilitate as the aggregator to the farmers. Even the arhtiyas (middlemen) can get registered on the spot exchange, Malik added.

To educate farmers on e-trading and its benefit, NSEL would arrange seminars in the Sirsa-Hisar belt, said Sinha. After its success here, the model would be replicated in other parts of Haryana.

Close to 90,000 farmers are registered with NSEL across India for trading in 30 commodities and officials expect about 5,000 farmers would reap benefits from guar trading in Haryana.

UP sugarcane farmers resort to distress sale

Dilip Kumar Jha / Mumbai / Lucknow December 3, 2010, 0:36 IST

Want fields vacated for sowing wheat; sell to khandsari and gur units, as mills wait for court to clear the cane price.

At a time when sugar output in India is estimated to be marginally higher than consumption, farmers in western Uttar Pradesh are selling the early variety of cane to jaggery and khandsari units at Rs 25-35 a quintal less than the State Advised Price (SAP).



Sugar mills have not yet set up cane procurement centres, resulting in farmers selling cane to khandsari and jaggery units at Rs 170-180 per qtl against the SAP of Rs 205 per qtl for the early variety. Nor are the mills to blame: they are waiting for the final cane prices to be cleared by the Allahabad High Court, probably next week.

According to the chairman of the UP Cooperative Cane Society, Manish Kumar Singh, the recent spell of rain has forced farmers to sell cane early, as this is the right time to sow wheat. Farmers with strong financial backing are holding cane for supplying to sugar mills, while small farmers require land to be vacated for wheat planting.

Last year, the average cane price was Rs 265 a qtl, much higher than the SAP of Rs 165 a qtl. For the current season, however, the Centre announced its 'Fair and Remunerative Price (FRP)' of Rs 139.12 a qtl for the 2010-11 crop season, seven per cent higher than the Rs 129.84 a qtl in the previous season.

The Indian Sugar Mills Association (Isma) has said payment beyond Rs 175 per qtl for cane would push their members into financial trouble. Its head, Vivek Saraogi, denied any distress sale of cane in UP, saying, "Nothing unusual is happening in the state."

Ahead of the Allahabad HC's decision on the UP government's jurisdiction over cane prices when the Centre also declares one, sugar mills had started paying farmers at Rs 205 per qtl for the early variety.

But mills have slowed procurement in the state due to uncertainty over cane prices. Despite a warning from state chief minister Mayawati, only 73 of the 131 sugar mills in the state have started crushing so far, despite a November 15 deadline.

Even mills which had started crushing are going slow. According to millers, the recovery from cane right now is very low and it is not in their interest to start operations fully. Most mills which had started operations are complaining of a recovery from cane as low as nine per cent.

Since jaggery prices have declined to Rs 21-22 a kg, payment for cane beyond Rs 170 will be also uneconomical for kolhus (jaggery-making units). And, they are paying only what they can afford. Jaggery units are mostly from the unorganised sector and, therefore, are not regulated. Hence, no SAP or no other regulation can be forced on them, said B J Maheshwari, Director of Dwarikesh Sugar Industries.

On the other hand, wealthier cane farmers want a bonus payment as they got in the last crushing season. "We want bonus and incentive over the SAP like last year, when the cane price had breached Rs 300/qttl," said the president of the Association of Cane Societies in Uttar Pradesh, Awadesh Mishra. He asked farmers to hold back on cane harvesting till the prices improved. "We have written letters to the prime minister, Congress president Sonia Gandhi and AICC member Rahul Gandhi on the cane issue. We want the Centre to amend its faulty FRP calculation mechanism," he said.

Last year, UP had produced 5.2 million tonnes of sugar. This year's estimate was 6.32 mt, cut to 6.1 mt due to crop damage from floods. India's sugar output is estimated this season at 25 mt, against the consumption of 23.5 mt.

With contributions from Siddharth Kalhans & Virendra Singh Rawat

Punjab sugar output increases, to touch 27.50 lakh quintals

Vijay C Roy / New Delhi/ Chandigarh December 03, 2010, 0:07 IST

Sugar output in Punjab is likely to touch 27.50 lakh quintals in the current crushing season as compared to 18 lakh quintals during the corresponding period last year. The increase in output is mainly because of an increase in area coupled with expectations of better recovery (of sugar) as compared to last year.

The total area under sugarcane cultivation in Punjab is 84,000 hectares this year while last year it was 60,000 hectares. Initially, the state planned to increase the sugarcane acreage by 50 per cent from 60,000 hectares to 90,000 hectares. However, due to shortage of electricity the target could not be met.

Speaking to Business Standard, Cane Commissioner, M S Sandhu said, "We are expecting that sugar output would touch 27.50 lakh quintal this crushing season as compared to 18 lakh quintals last season. The sugar mills in the state is likely to crush 320 lakh quintal of sugarcane this season and the recovery would be nine per cent." While last year 15 sugar mills in the state crushed 210 lakh quintals of sugarcane and the recovery rate was 8.59 per cent.

Further, last year, the sugar output in Punjab touched a historic low of 18 lakh quintals owing to shortage in cane crop and lower crushing. According to the state government data, the output is lowest in the state's history after 1980-81. The data state that in 1980-81, the sugar output in the state was 5.19 lakh quintals and thereafter it kept on increasing.

With farmers shifting their preference towards wheat and paddy, agriculturists are of the view that the consistent fall in area under cane cultivation has badly affected the sugarcane production in the state, thus reducing the output.

Also, last year, due to shortage of cane, all the nine co-operative sugar mills in the state having crushing capacity of 15,766 tonnes crushed per day (TCD) have been affected. The crushing season has been reduced to 42-46 days last season. The seven private sector sugar mills, in order to keep themselves running, had to shell out anywhere between from Rs 240-Rs 270 per quintal to growers. The installed capacity of all the mills is 31,000 TCD. According to officials in the government their average crushing season was reduced to 85-90 days last year.

The Punjab Government fixed the State Assured Price (SAP) of advanced, medium and late variety of Sugarcane at Rs 200, Rs 195 and Rs 190 per quintal for the crushing season of 2010-11. It may be recalled that the state government had fixed the SAP of advanced, medium and late variety of Sugarcane at Rs 180, Rs 175 and Rs 170 per quintal for the crushing season of 2009-10.

THE HINDU Business Line

Business Daily from THE HINDU group of publications

Friday, December 03, 2010

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<http://www.thehindubusinessline.com/2010/12/03/stories/2010120353031600.htm>

Back Food inflation eases on kharif crop arrivals

WPI drops for seventh straight week to 8.6%.

Our Bureau

New Delhi, Dec. 2

Food inflation, based on the annual Wholesale Price Index, eased for the seventh straight week, helped by the normal monsoon rains and kharif crop arrivals in the market, as well as the base effect coming into play.

The food price index increased 8.6 per cent during the week ended November 20, sharply lower than the 10.15 per cent year-on-year increase recorded in the previous week, government data released on Thursday showed. Food inflation is at its lowest since July 2010 under the new data series introduced by the Government earlier in the year.

Fuel inflation eased to 9.99 per cent in the latest week, compared with the prior week's annual rise of 10.57 per cent. The primary articles index was up 12.72 per cent during the latest reported week, down from the annual rise of 13.38 per cent a week earlier.

Govt Reaction

Reacting to the latest inflation estimates, the Finance Minister, Mr Pranab Mukherjee, said the Government is optimistic that food inflation should come down further. "Decrease in food inflation is good... I hope it will come down further," he told newsmen here on

Thursday.

Food items have a weightage of just over 14 per cent in the WPI. According to economists, a major reason for food inflation easing is a better kharif crop that has, in turn, driven down inflationary expectations. The decline in food inflation has raised hopes that the overall inflation could settle at around 6 per cent by the end of the current fiscal, as projected by the Government. The RBI had set a target the headline WPI rate may slow to 5.5 per cent by March 31 from 8.58 per cent in October.

The RBI has so far raised its key lending and borrowing rates by 150 and 200 basis points respectively since mid-March to anchor inflationary expectations. The RBI Governor, Dr D. Subbarao, had recently said the central bank may refrain from boosting them for three months.

Date:03/12/2010 URL:

<http://www.thehindubusinessline.com/2010/12/03/stories/2010120351051800.htm>

Back Rubber output drops in Nov; tyre sector worried

Rain hampers tapping operations; imports increase.

Performance of Natural Rubber					
	Production	Consumption	Import	Export	(Tonnes) Stock at the end
November-09	93,500	80,500	7,215	4,165	2,44,870
November-'10p	88,500	82,000	10,744	18	2,65,304
April - Nov. 2009	5,30,900	6,14,815	1,39,321	8,030	
April - Nov. 2010(p)	5,46,150	6,32,550	1,43,468	4,734	
(% Growth)		(2.9)	(2.9)		

(p): provisional

C.J. Punnathara

Kochi, Dec. 2

Natural rubber production declined 5.4 per cent in November to 88,500 tonnes against 93,500 tonnes during the same period a year ago.

Coming in the backdrop of a global shortage of natural rubber, the recent decline in the domestic production has alarmed the domestic tyre industry.

“October and November are peak production periods but there has been successive fall in production during these months for the second year in a row. On the other hand, the consumption has been moving up, increasing the dependence of the industry on imported rubber. Exports have dropped to just 18 tonnes in November indicating a serious shortfall in meeting demand. It is unfortunate that the Government is unduly delaying the decision to reduce the import duty to ease the availability,” Mr Rajiv Budhraj, Director-General of the Automotive Tyre Manufacturers Association (ATMA), said.

The actual rubber production data for November 2010 show a steeper fall of 15 per cent over the projected data for the month at 1,04,000 tonnes, ATMA pointed out.

Consumption up

However, cumulative production between April-November was up two per cent at 5,46,150 tonnes against 5,30,900 tonnes last year. Meanwhile the consumption in the country continued to grow unabated.

Consumption grew to 82,000 tonnes in November as against 80,500 tonnes last year. Aggregate consumption during April-November moved up by 2.9 per cent to 6,32,550 tonnes as against 6,14,815 tonnes last year according to the provisional estimates put out by the Rubber Board.

Despite the soaring domestic and global prices, imports were up both in November and for the April-November period.

Despite the area under rain-guarding increasing, the shortfall in rubber production was attributed to persistent rains which hampered tapping operations. The threat of rot and diseases also dampened tapping operations. Unseasonal rains not only in India, but in other major producing countries such as Malaysia and Indonesia have been hampering

production.

But the beleaguered tyre industry pointed out that it is the production during the peak months of October-November that is supposed to compensate for the decline in production post-February.

The falling production even during the peak period is ominous for the rubber consuming interests, they warned. With the hefty 20 per cent import duty and high global prices, the import duty component alone works out to around Rs 40 a kg, Mr Budhraj pointed out. This is hurting the bottom lines of several tyre companies.

Date:03/12/2010 URL:

<http://www.thehindubusinessline.com/2010/12/03/stories/2010120352301900.htm>

Back CM seeks suspension of cotton export, cap on yarn shipments

Our Bureau

Coimbatore, Dec. 2

In a shot in the arm for the beleaguered spinning mills, the Tamil Nadu Chief Minister, Mr M. Karunanidhi, has requested the Prime Minister to immediately suspend cotton exports till the demands of the domestic industry is met and cotton prices soften.

He also wants the Centre to put a cap on cotton yarn exports and impose export duty on cotton yarn.

In a letter sent to the Prime Minister, Dr Manmohan Singh, today, the Tamil Nadu Chief Minister recalled his earlier letter to him sent on September 23 emphasising the need for ensuring availability of cotton to meet fully the domestic needs before export was allowed. But 55 lakh bales were allowed to be exported and that too from November 1, which has led to a 'continuous upward trend in cotton prices in the last two months.'

Mr Karunanidhi said that from the last week of September to the last week of November, cotton prices had spiralled by almost 20 per cent and 'the hectic buying indulged in by the exporters of cotton has resulted in the arrivals to the market being woefully inadequate to

meet domestic consumption.'

He said normally for four-five months after October, cotton prices witness a dip due to fresh arrivals in the market. But this year, the clearance given for exporting 55 lakh bales of cotton has 'resulted in a hand to mouth situation' by which virtually no cotton is available in the market to build up stocks.

The Chief Minister said while competing countries such as China, who benefit from our cotton exports, maintain a 'stock to use ratio' of about 33 per cent, India's stock to use ratio was just about 17 per cent.

He argued that there was an urgent necessity to build cotton stock during the remainder of the cotton picking season that lasts up to January so that the textile sector gets the needed raw material.

The handloom and powerloom sectors provide a lifeline to about 5 million people in Tamil Nadu alone and to millions more across the country.

Mr Karunanidhi appealed to the Prime Minister to order an 'immediate suspension of cotton exports' till the requirements of the domestic textile industry are met and sufficient arrivals in the domestic market bring about a substantial reduction in cotton prices.

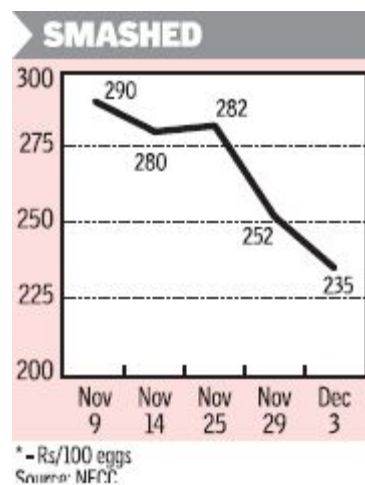
Referring to the increase in cotton yarn prices, he said a substantial quantity of cotton yarn has been registered for export leading to 'reduced availability' of cotton yarn to domestic weaving, hosiery and garmenting industries. He stressed that 'cotton yarn exports are also moderated' so that value addition is possible downstream in the textile industry to enable higher production by different segments.

Mr Karunanidhi requested the Prime Minister to 'cap the level of cotton yarn exports' and provide for imposing an export duty on cotton yarn.

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<http://www.thehindubusinessline.com/2010/12/03/stories/2010120352101700.htm>

Back Poultry product prices cut on subdued demand



Gayathri G

Chennai, Dec. 2

Egg prices were slashed for the second time in five days at the farm gatelevel owing to the start of the Sabarimala pilgrimage season.

At its floor meeting on Thursday, the price fixation committee of the Namakkal zone of the National Egg Coordination Committee decided to cut the price by 45 paise to Rs 2.35 an egg from last week's Rs 2.82. The prices touched a record Rs 2.90 an egg in the first week of November.

“There are couple of reasons behind the cut in prices. First is that the Sabarimala season has set in and the second is that consumption is witnessing a downtrend. The rise in prices to over Rs 3.25-3.50 an egg at retail level has led to buyers resistance,” said Mr R. Nallathambi, President, Tamil Nadu Poultry Farmers' Association.

During the Sabarimala season that is on till January 15, consumption of non-vegetarian

food, including egg, is low in the South. Industry sources see the price cut as a move to pep up offtake. An NECC spokesperson told Business Line that the resistance to the soaring egg price had led to fears that the inventories would build up. "We cannot pile up the stocks as egg is a perishable commodity."

Broiler prices

Meanwhile, chicken prices too have crashed sending jitters to the poultry farmers. Palladam-based Broiler Coordination Committee has decreased the prices of chicken to Rs 37 a kg from last week's Rs 43, while NECC has reduced the rate of layer birds by Rs 4 to Rs 32 a kg.

Namakkal and Palladam prices are seen as the benchmarks of egg and chicken, respectively.

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<http://www.thehindubusinessline.com/2010/12/03/stories/2010120352201700.htm>

Back **Re-sale trade pressure weighs on sugar**

Our Correspondent

Mumbai, Dec. 2

Spot sugar prices on the Vashi wholesale market dropped further by Rs 10 a quintal on Thursday morning but pared losses on fresh retail demand. But in Naka delivery rates, selling pressure from re-sale traders who were clearing their outstanding position weighed on the sentiment and prices dropped Rs 20-25 a quintal.

Mills tender rates were steady at lower level, as millers were not keen to sell below their offer price. The volume at mill level was thin. The sentiment was dull/ bearish on higher quota and less-than-expected retail demand, said Vashi-based wholesale traders.

Mr Jagdish Rawal of B. Bhogilal and Co said that the sentiment was dull due to less-than-expected retail demand at the beginning of the month.

On Wednesday, about ten mills came forward with tender offer, but due to poor response from stockists and traders they could sell only about 12,000-15,000 bags in the range of Rs 2,810-2,850 for S-grade and Rs 2,850-2,890 for M-grade. In terms of volume, resellers sold at a lower price. Millers were not keen to sell at lower rates and some cancelled or postponed the tender, while others kept it open, quoting higher prices. Transportation charges of sugar were steady at higher level. There was nil buying from neighbouring States/ upcountry.

On Thursday, total arrivals at Vashi market stood at 44-45 truckloads (10 tonnes each) and lifting by about 47-48 truckloads.

According to Bombay Sugar Merchants Association, spot sugar rates were: S-grade: Rs 2,921-2,961 (Rs 2,921-2,981) and M-grade Rs 2,950-3,051 (Rs 2,960-3,051). Naka delivery rates were: S-grade Rs 2,860-2,900 (Rs 2,880-2,920) and M-grade Rs 2,900-2,960 (Rs 2,930-2,985).

Date:03/12/2010 URL:

<http://www.thehindubusinessline.com/2010/12/03/stories/2010120352191700.htm>

Back Transporters' stir threat hits turmeric buying

Our Correspondent

Erode, Dec. 2

Turmeric prices crashed by Rs 300 a quintal in markets here on Thursday as bulk buyers kept away in view of the proposed transport strike from December 5. A fall in the futures market also dampened sentiment.

“Bulk buyers are purchasing little in view of the strike call issued by transporters from December 5. Consequently, turmeric sales declined,” said Mr R.V. Ravishankar, President, Erode Turmeric Merchants Association.

He said turmeric from Erode is exported to Rajasthan, Gujarat, Kolkata and Andhra Pradesh.

Transport operators, operating on the North Indian routes, have stopped services from Thursday, so it is very difficult for turmeric traders to despatch goods to other States. Mr Ravishankar said: "Added to this, futures declined by over Rs 500 a quintal. Arrivals were also limited on Thursday in all the four markets."

In the Erode Turmeric Merchants Association sales yard, the finger variety was sold at Rs 9,501-16,079 a quintal and the root variety at Rs 9,144-15,850. Out of the 1,611 bags that arrived, 715 were sold.

At the Gobichettipalayam Agricultural Cooperative Marketing Society, the finger variety was sold at Rs 14,497-16,269 a quintal and the root variety at Rs 14,110-15,969. Out of the 276 bags brought for sale, 225 were sold.

At the Erode Cooperative Marketing Society, the finger variety was sold at Rs 15,769-15,950 a quintal and the root variety at Rs 15,691-15,811 a quintal. Only 184 bags arrived for sale; 109 were sold.

At the Regulated Market Committee, the finger variety fetched Rs 15,389-16,100 a quintal and the root variety Rs 15,329-15,920. Out of the 1,431 bags that arrived, 1,184 were sold.

Date:03/12/2010 URL:

<http://www.thehindubusinessline.com/2010/12/03/stories/2010120352091700.htm>

Back Flour mills demand lifts dara wheat

Our Correspondent

Karnal, Dec. 2

Prices of the dara wheat, used by flour mills, rose marginally on Thursday, lifted by buying interest, whereas prices of the desi varieties ruled flat amid thin trading.

Dara wheat rose marginally, by Rs 5 a quintal, and ruled around Rs 1,240 a quintal. While prices at the retail outlets ruled around Rs 1,250-1,255 a quintal, the fine quality was quoted at Rs 1,260 a quintal.

Mr Sewa Ram, a wheat trader, told Business Line that the market sentiment is low and there are not many buyers in the market. Trade was at a low key and prices ruled almost unchanged, he said. Only 150 quintals of dara variety were offloaded at the flour mills in Karnal on Thursday. The prices of the desi wheat varieties ruled unchanged on Thursday. The price of the Tohfa variety ruled at Rs 2,400-2,430 a quintal, Lok-1 at Rs 1,950, Aaj Tak at Rs 2,350 and Nokia at Rs 2,400.

Despite an uptrend in wheat prices, flour prices ruled steady and were quoted at Rs 1,230 for a 90-kg bag.

After witnessing a drop of Rs 50 at the beginning of this week, chokar prices ruled steady and were quoted at Rs 560-570 for a 49-kg bag.

Paddy trading

Around 4,000 bags of PR-13 were received and they ruled between Rs 910 and Rs 960. The Grade-A variety arrived in 25,000 bags and ruled between Rs 1,020 and Rs 1,075.

About 3,000 bags of Sharbati ruled between Rs 1,450 and Rs 1,550. Sugandha-999 arrived in about 5,000 bags and quoted at Rs 1,650-1,700.

Around 5,000 bags of Pusa (duplicate basmati) quoted at Rs 1,900-2,300. Around 10,000 bags of Pusa-1121 ruled at Rs 2,200-2,400. About 10,000 bags of pure basmati rice quoted at Rs 2,350-2,840. The entire stock was lifted by agencies and rice millers.

Date:03/12/2010 URL:

<http://www.thehindubusinessline.com/2010/12/03/stories/2010120352221700.htm>

[Back](#) Soya oil drops; soyabean gains

Our Correspondent

Indore, Dec. 2

Soya oil prices that were ruling high for the past few days due to strong global cues, edged slightly lower on Thursday with marginal decline in soya oil futures on the National Board

of Trade with the December contract edged marginally lower.

After opening at Rs 584, soya oil futures closed 30 paise lower over Wednesday's close of Rs 578.50 for 10 kg. The contract touched a high of Rs 585.50 and low of Rs 570.

On Wednesday, soya oil futures on the NBOT after opening at Rs 570, closed at Rs 578.80 following cues from bullish Malaysian crude palm oil futures.

With decline in futures, the demand for soya oil dipped. On the spot, soya refined quoted Rs 2 down at Rs 540-Rs 545, while soya solvent ruled at Rs 510 for 10 kg.

On the other hand, soyabean on the back of rise in the futures on the NCDEX and weak arrivals, edged higher in the local mandis.

Indore mandis on Thursday witnessed arrival of 3,000 bags of soyabean (against 2.25 lakh bags at state-level) and it was quoted Rs 20 up at Rs 2,100-Rs 2,150, while soyabean plant deliveries were quoted a little higher at Rs 2,200-Rs 2,250 a quintal.

According to trade sources, about 40-50 per cent of soyabean has already arrived in the market and plant operators have already stocked up soybeans for almost a month. However, prices of the bean will primarily depend upon oil prices. With abundant stock of soyabean, both with the farmers and stockists, crushing of soyabean at plants may continue throughout the year. Despite this, decline in soya oil prices seems unlikely keeping in view the speculation in the futures market.

Date:03/12/2010 URL:

<http://www.thehindubusinessline.com/2010/12/03/stories/2010120352211700.htm>

[Back](#) Global cues keep edible oils simmering

Our Correspondent

Mumbai, Dec. 2

Edible oil prices continued to rise for the fourth consecutive day, taking cues from higher closing of Malaysian markets and in line with world commodity market's uptrend.

On Thursday, spot prices of palmolein rose by Re 1, groundnut oil by Rs 5, soya by Rs 8, cotton refined by Rs 8 and rapeseed by Rs 4 for 10 kg. Increased retailers demand for new month and thin supply position supported the firm sentiment.

In Saurashtra, brands makers were active buyers for good quality groundnut oil.

In Rajkot, groundnut oil prices gained further by Rs 35 at Rs 1,200 a 15-kg tin and Rs 15 to Rs 775 for 10 kg (in loose). Cottonseed oil also rose sharply in Gujarat.

In world market, Malaysia crude palm oil derivatives closed higher on fundamental support, higher export demand and rain hampering production in the near-term.

Sources said bullish crude oil sentiments also added to the market undertone in soya and palm oil complex.

In Mumbai, the total volume was about 800/900 tonnes in resale and direct sale.

Malaysia's CPO futures closed higher with January contracts ending at MYR 3,535 (3,528) and February at MYR 3,500 (3,486).

Mumbai commodity exchange spot rate (Rs/10 kg): Groundnut oil 775 (770); soya refined oil Rs 570 (Rs 562); sunflower expeller refined Rs 675 (Rs 675); sunflower refined Rs 725 (Rs 730); rapeseed refined oil Rs 612 (Rs 608); rapeseed expeller refined Rs 582 (Rs 578); cotton refined oil Rs 565 (Rs 557) and palmolein Rs 546 (Rs 545).

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<http://www.thehindubusinessline.com/2010/12/03/stories/2010120351081800.htm>

Back Area under potato in Bengal likely to fall

POOR RAINFALL.

Shobha Roy

Kolkata, Dec. 2

There could be about five per cent drop in the area under potato cultivation in West Bengal

this year due to delayed sowing caused by poor rainfall in some districts.

The sowing of potatoes in the districts of Bankura, Midnapore, Purulia and Nadia has been lower this year due to the poor rainfall, according to Mr Patit Paban De, Past President, West Bengal Cold Storage Association.

“Potato cultivation in the State is undertaken on about four lakh hectares every year. This year, however, there could be a four-to-five per cent drop in area under cultivation on account of delayed sowing due to poor rainfall,” Mr De told Business Line.

The sowing of the tuber in Bardhaman district, however, has been higher than other years. “This year the boro paddy cultivation in Bardhaman has been curtailed to some extent so the farmers are growing potatoes on that land as well. This has resulted in higher sowing of potato in the district this year, against earlier years,” he pointed out.

It was however, difficult to ascertain the exact production of the crop at present.

“Cultivation will go on for another 10-15 days after which harvesting will begin. Only after the harvesting begins will be able to ascertain the exact production of potatoes,” he said.

Weather dependent

The production of potatoes this year might not be at par with last year. “Last year we had a bumper crop. Production is primarily dependent on the weather, if the winter duration is good this year then we can expect the production to be good as well,” he observed.

Meanwhile, potato prices dropped by about Rs 50 a quintal on account of the offloading of potatoes held by the State Government and a fall in demand from other States. The wholesale price of the tuber (Jyoti variety) was quoted at Rs 580 a quintal on Thursday.

“The State Government has offloaded almost 80-85 per cent of the potatoes held by them so far. The harvesting of potatoes is happening in full swing in other States and that has also brought down the demand for Bengal potatoes,” he said.

West Bengal government had procured 9.75 lakh tonnes of potatoes through the consumer co-operatives under the West Bengal State Consumers Cooperative Federation (Confed) during this year.

The prices were likely to fall by another Rs 50 a quintal over the next few days, he said.

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<http://www.thehindubusinessline.com/2010/12/03/stories/2010120352261900.htm>

Back **Pepper futures soar on buying support, limited supply**

G.K. Nair

Kochi, Dec. 2

Pepper futures shot up on Thursday on strong buying support from operators who had made additional purchases and consequently all the contracts moved up significantly.

According to market sources, the market is under the control of the operators in the commodities market who are pushing it up and pulling it down “guided by the analysts without adhering to the fundamentals”.

These kind of activities in turn benefit our competitors and the importers as the Indian parity shoots up following rise in the futures and remains often out-priced.

This phenomenon also results in depriving the country of exports, they alleged. At the same time, the medium and small players would be forced to move out of the market, they told Business Line.

Inter-State dealers bought good quantities of pepper at Rs 210– 215 a kg.

Exporters were asking for farm grade pepper from the investors at Rs 12 a kg discount but the latter did not accept it. December contract on NCDEX shot up by Rs 536 to close at Rs 22,492 a quintal. January and February increased by Rs 556 and Rs 595 respectively to close at Rs 22,766 and Rs 22,955 a quintal.

Turnover

Total turnover increased by 8,657 to close at 15,650 tonnes.

Total open interest also went up by 453 tonnes to end at 14,858 tonnes indicating good additional purchases.

December open interest dropped by 474 tonnes to 9,381 tonnes. January and February open interest increased by 456 tonnes to 4,723 tonnes and 53 tonnes respectively showing good switching over from Dec to January, they said.

Spot prices shot up by Rs 300 on good buying support to close at Rs 21,000 (ungarbled) and Rs 21,500 (MG 1) a quintal. Indian parity in the international market has gone up to around \$5,200 a tonne and remained not competitive with other origins today.

According to an overseas report while India was firmer other origins remained unchanged.

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<http://www.thehindubusinessline.com/2010/12/03/stories/2010120351131800.htm>

Back Bio-control methods help Tata Coffee shoo away pests

Berry borer incidence reduced in robusta, arabica.

Anil Urs

Hubli, Dec 2

Tata Coffee, as part of integrated pest and disease management (IPM) on its plantations, has adopted bio-control methods to tackle pests and has been able to reduce disease infestation level sharply.

Also the company, through the in-house research and development (R&D), has developed measures to check coffee white stem borer (WSB) and coffee berry borer effectively.

good agriculture practices

“We adopted ‘good agriculture practices’ which include ‘integrated pest, disease and crop management’ technique in managing our plantations. Our effort is to minimise the use of hazardous chemicals and adopt eco-friendly methods,” said a company official.

Tata Coffee has deployed IPM approach in endemic areas, here large-scale installation of Pheromone traps as a monitoring tool has been deployed. To check coffee berry borer, traps have been laid in large numbers with the use of organic solvents and culturing of entomopathogenic fungus - *Beauveria bassiana*.

White stem borer is a perpetual threat to crop production. The environmental factors have a significant impact on the pest incidence. It is not ecologically feasible to eradicate this pest from coffee ecosystem, hence, efforts to keep the pest population below economical threshold level for sustainable production, the official said.

“The result of this focused approach in combating pest is that the infestation level is down from five per cent of the plant population to 2.5 per cent compared to an average of 11 per cent or more in the industry. The results were achieved with eco-friendly methods and with judicious use of chemical. Through these processes we are able to reduce berry borer from 17.95 per cent to 1.6 per cent in Robusta and from 2.03 per cent to 0.6 per cent in Arabica,” he added.

As for pepper wilt disease, the company's research and development (R&D) unit has pioneered the large scale culturing of quality trichoderma fungus for effective use in the biological control of pepper wilt and root diseases of coffee.

“With the integrated disease management strategy involving improved cultural operations, has brought down the wilt casualty from eight per cent to four per cent, well below the industry average of 10 per cent,” said the official.

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<http://www.thehindubusinessline.com/2010/12/03/stories/2010120353150700.htm>

Back Cotton yarn export ceiling to hit textile sector

Short supply

Mills will be forced to divert supplies from domestic market to export markets during this period, reducing availability for domestic consumers of yarn.

Our Bureau

New Delhi, Dec. 2

The quantitative ceiling of 720 million kg that the Ministry of Textiles has imposed on December 1, 2010 on export of cotton yarn during 2010-11 will have adverse consequences for the textile industry, according to Confederation of Indian Textile Industry (CITI).

Export Authorisation Registration Certificates have already been issued for the entire quantity with a maximum period of 45 days for shipment.

In a statement issued here, Mr Shishir Jaipuria, Chairman, CITI, said that this decision would push up yarn exports over the next 45 days, since exports that would have normally taken place during four months up to end March 2011 will now have to be made during the next 45 days.

Mills will be forced to divert supplies from domestic market to export markets during this period, reducing availability for domestic consumers of yarn, CITI said in a statement.

“There was no shortage of cotton yarn in the domestic market so far, though there were complaints of inadequate availability from certain sections of the industry. But now there may be actual shortage for domestic consumers, though for a limited period,” Mr Jaipuria said.

Following the restriction on cotton yarn exports from India, international prices for cotton yarn are slated to shoot up, since India is currently the largest supplier of cotton yarn in the global markets.

The other major cotton yarn exporting countries such as Pakistan, Turkey and Indonesia will be the major beneficiaries of this price increase, the statement said.

The CITI Chairman asked the Government to reconsider the decision to cap cotton yarn exports, in view of the problems that the decision would create.

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<http://www.thehindubusinessline.com/2010/12/03/stories/2010120352681900.htm>

Back Meet on coffee mechanisation

Bangalore, Dec 2

A meeting on the promotion of new technologies in coffee growing and processing will be held today in Hotel Atria, Palace Road, Bangalore, from 10 am. Manufacturers and distributors of equipment for coffee pulping, weeding, harvesting and other operations will be present on the occasion.

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<http://www.thehindubusinessline.com/2010/12/03/stories/2010120351151800.htm>

Back Monsanto to double Dekalb corn acreage

Our Bureau

Dharwad, Dec. 2

Monsanto India Ltd (MIL) plans to double area under 'Dekalb 900M Gold' — a high-yielding hybrid corn variety in Karnataka.

Speaking to reporters at Dekalb Harvest Mela, Mr Ashutosh Nanoti, Regional Sales Manager, Monsanto India, said: "During Kharif, an area of 1.30 lakh acres were covered under Dekalb 900M Gold of which nearly one lakh acres were in North Karnataka districts comprising Dharwad, Gadag, Haveri, and Davangere."

"In kharif 2009, we were able to cover Dekalb 900M Gold in 35,000 acres in the State of which north Karnataka districts' share was 22,000 acres," he added.

Highest area

Karnataka has the highest corn acreage in the country with 13.7 lakh hectares and is one of the few States where the average corn yield is higher at 21 quintals a hectare against

the all-India average of 19 quintals.

Dekalb harvest mela was attended by over 150 farmers from 12 villages, including retailers.

Felicitation

On the occasion, Mr Siddappa Dokannavar, a farmer from Amargol village near Hubli was felicitated for achieving a higher productivity of 36 quintals an acre against the national average of 26 quintals. Another farmer Mr Dayanand S Patil of Garag village shared and demonstrated on his farm the best practice to achieve higher yield.

Monsanto India imparted agronomy education on seed selection, best agronomic practices for corn, sustainable agriculture and need for agri-innovations to boost crop productivity.

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<http://www.thehindubusinessline.com/2010/12/03/stories/2010120351121800.htm>

Back Rain hurts quality

— P.V. Sivakumar



Awaiting buyers: A farm worker waits at the Bhongir Market Yard in Andhra Pradesh's Nalgonda District with a heap of partially damaged paddy for the day's auction. Untimely rains in the State have affected the quality of paddy. The State Agriculture Department has estimated the losses of various agricultural produces at Rs 1,600 crore, with paddy taking the biggest hit. With procurement under way, farmers hope to at least partially recover

input costs of seeds and fertiliser.

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<http://www.thehindubusinessline.com/2010/12/03/stories/2010120351161800.htm>

Back Spot rubber prices improve

Our Correspondent

Kottayam, Dec. 2

Spot rubber prices improved on Thursday. The market improved on supply concerns, while sellers stayed back waiting for the prices to recover at least partially towards closing hours. A marginal weakness in domestic futures failed to make any visible change in the sentiments as the key Tokyo rubber futures rose around 2.1 per cent catalysed by firm oil prices and strong gains in Japanese stock markets. The trend was mixed.

Sheet rubber increased to Rs 196 (195.50) a kg mainly on covering purchases. The grade finished firm at Rs 196.50 (196) per kg both at Kottayam and Kochi, according to Rubber Board.

FUTURES MIXED

In futures, the December series slipped to Rs 197.80 (198.18) and January to Rs 200.86 (201.11), while February contracts firmed up marginally to Rs 204.85 (204.43) and March to Rs 208.00 (207.84) a kg for RSS 4 on the National Multi Commodity Exchange.

RSS 3 recovered at its December futures to ₹ 362.4 (Rs 195.11) from ₹ 354.5 during the day session and then to ₹ 363.2 (Rs 195.53) a kg in the night session on the Tokyo Commodity Exchange. RSS 3 (spot) slipped to Rs. 200.69 (200.84) a kg at Bangkok.

Spot rubber rates (Rs/kg) were: RSS-4: 196 (195.50); RSS-5: 185 (184.50); Ungraded: 180 (179.50); ISNR 20: 191 (191) and Latex 60%: 128 (128).

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<http://www.thehindubusinessline.com/2010/12/03/stories/2010120351141800.htm>

Back Tea exports seen hit by Russian weather

P.S. Sundar

Coonoor, Dec. 2

Wintry conditions in Russia and the rest of the CIS (Commonwealth of Independent States), or countries of former Soviet Republic, are impacting their tea imports from India.

Hot tea consumption increases sharply during winter in Europe and the CIS. The CIS has been regularly buying CTC tea from South India. "Of late, the CIS conglomerate has been showing interest for Pekoe leaf grades including Broken Orange Pekoe Large and regular Broke Orange Pekoe. It looks for cleaner blacker and quality liquor grades, paying in a wide range of Rs 45-85 a kg, depending on its quality grading," an auctioneer told Business Line.

The CIS is a stronger buyer of orthodox tea from Sri Lanka, but picks up such tea from Indian auction centres as well.

But the CIS purchases tea to cater to winter requirements much ahead of winter. "Already, most places in the CIS are reeling under severe winter with temperature ruling minus 15 degrees Celsius. As winter deepens in December, waterways freeze obstructing tea mobility. Our importers tell us that traders have adequate stock to meet winter demands. So, we anticipate a tapering of order in the coming weeks," an exporter said.

Most nations in Europe are also reporting minus 3 to 10 degrees Celsius. "Hot tea consumption has increased there. But importers contend that they have stocks. We are taking a 'wait-and-watch' approach," another exporter said.

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3 Dec, 2010, 12.50AM IST, Sutanuka Ghosal,ET Bureau

Weather-based crop insurance cover from ICICI Lombard

KOLKATA: ICICI Lombard General Insurance Company has been given the mandate to provide weather-based crop insurance for rabi season (2010-11) in Madhya Pradesh, Bihar, Tamil Nadu, Karnataka, West Bengal, Chhattisgarh, Jharkhand and Himachal Pradesh.

The insurance company will cover 69 districts — 30 loanee districts (farmers who have taken loans) and 39 non-loanee districts. The major crops that ICICI Lombard covers for the season are winter paddy, cotton, wheat, mustard, barley, maize, onion, potato, tomato, lentil, peas, arhar, jowar, fenugreek, coriander, cumin, methi, isabgol, brinjal among other crops.

Weather-based crop insurance provides cover against weather-related risks 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 Indian Meteorological Department and National Collateral Management Services Ltd.

3 Dec, 2010, 12.41AM IST, PK Krishnakumar,ET Bureau

Copra shortage forces coconut oil cos to hike prices

KOCHI: The FMCG majors dealing in coconut oil are bracing themselves for another round of price hike fuelled by an acute shortage of copra and high demand, particularly in the southern states.

Some of these companies had increased the prices a couple of months ago following a steady

rise in input costs. With the upswing in prices continuing, they are forced to go for price revision.

Kolkata-based Shalimar, the largest coconut oil brand in the eastern states, increased the price of its brand Shalimar by 20% some weeks ago. "But the way the copra prices have been rising, we have been left with no option but to raise the price again," said JP Sarkar, national sales manager. The company may jack up the prices by another 20%.

"Our margins are definitely getting squeezed as we cannot pass the entire rise in production cost to the consumers. Since we have absorbed some of the input costs, our profits may take a hit," Mr Sarcar said.

Kerala-based KPL Oil Mills is increasing the price of its coconut oil brand Shudhi from the current level of Rs 99.50 per litre to Rs 105 next week, managing director Denny John told ET. This is the first time the prices are crossing Rs 100 mark, he said. Last year, the prices were in the range of Rs 60 to Rs 70 per litre.

Even the state-owned Kerafed has raised the price of its Kera brand to Rs 95 per litre from Rs 89 a few weeks ago. However, this has not hit the consumption, according to managing director Febi Varghese. "Usually, the rise in prices leads to the possibility of adulteration. But consumers seem to have a faith in our quality as our sales have gone up from the level of 800 to 1,000 tonne to 1,200 tonne," he said.

Marico had raised the price of its flagship product Parachute by nearly 5% some time ago to contain the cost of production. Continuous rains in the last few months affected the copra production in the chief producing states.