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Food inflation eases to 10.15 per cent

Special Correspondent

NEW DELHI: Food inflation based on the Wholesale Price Index (WPI) eased a tad to 10.15 per cent for the week ended November 13 from 10.30 per cent in the previous week, mainly owing to a drop in prices of vegetables and pulses even as other protein-rich items continued to rule dearer.

Apart from the lower prices of edibles owing to improved crop arrivals in markets throughout the country, the high base effect contributed to the slide in food inflation for the sixth straight week. The food price spiral during the like week last year stood at 15.06 per cent, as per the WPI data, and that is why the inflation figure for the November 13 week is pegged lower statistically.

According to Crisil's chief economist D. K. Joshi, food inflation should be headed downward at a gradual pace from now on and be in single digit by December. "Base effect kick-in is one reason for this decline, apart from improved harvest. By December, food inflation should be in single digits. We expect overall inflation at six per cent and food [inflation] at 6-7 per cent by March-end," he said.

On a year-on-year basis, the prices of pulses declined by 7.58 per cent, as did vegetables by 3.76 per cent, mainly owing to a sharp drop in potato prices by as much as 48.70 per cent even as onions turned dearer by 17.03 per cent.

Likewise, the protein-rich food items continued to be more expensive with the prices of egg, meat and fish up by about 23 per cent. Fruits and milk also remained costlier by 21.85 per cent and 16.90 per cent, respectively, on an annual basis.

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Ryots gear up for Rabi crop in Prakasam

Staff Reporter

They will take up cultivation in 8 lakh acres during the season

Distribution of subsidised bengalgram seeds to farmers begins

State urged to extend supply of Krishna water up to April 2011

— Photo: Kommuri Srinivas



In jitters: A farmer in Chintala village in Prakasam district patiently waits for his two-and-a half acre field to dry up to take up bengalgram cultivation.

ONGOLE: With rains under the influence of cyclonic storm JAL abating, farmers in Prakasam district, farmers are gearing themselves up to take up cultivation in a record eight lakh acres during Rabi, the main cropping season in the district.

“Farmers have already taken up cultivation of paddy in over 1.50 lakh acres and

transplantation will be completed in another 1.50 lakh acres by the middle of next month", Agriculture department officials said.

The peasants coming under the Nagarjunasagar command area had taken up Paddy cultivation in one lakh acres and under Komamuri canal system in another 50,000 acres. "Transplantation is picking up in over 23,000 acres under the Ralapadu project and another 4,000 acres under the Kanaparti lift irrigation scheme", they added.

However, the woes of ryots cultivating Bengalgram in over one lakh acres in the district still continued as their fields have been rendered waterlogged due to excessive rains during the northeast monsoon season.

"It will take at least a fortnight for the fields to dry up," a 45-year-old farmer, B. Krishanaiah said while talking to The Hindu in Chintala village near here.

"Tobacco cultivation has picked up in the Western light soils only during this week.

Transplantation of Tobacco, the principal commercial crop in the district has been completed in over 20,000 acres. Its cultivation will be taken up in another 60,000 acres in 15 to 20 days by growers", the officials said.

Meanwhile, department officials began distribution of subsidised Bengalgram seeds to farmers in, among other areas, Nagulapupadu, Kothapatnam and Tangutur.

A tenant farmer in Chintala village Krishna Reddy wanted the Government to arrange additional credit for farmers as their crops this year were likely to be affected by virulent pest attacks in winter as a result of late sowing.

CPI(M)-led Andhra Pradesh Rythu Sangham District Secretary N. Ranga Rao wanted the government to arrange for supply of subsidised Bengalgram seeds to tenant farmers, who take up its cultivation in 12,000 acres.

The farmers' leader urged the government to extend the supply of Krishna waters up to April 2011 as farmers could not take up Rabi cultivation early in view of excessive rains.

Farmers in Parchur, Inkollu, Martur and Ballikorava take up Maize cultivation in about

30,000 acres while ryots in Podili area take up Sunflower cultivation in another 30,000 acres, the officials added.

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Sugarcane farmers' demand Rs. 2,500 per tonne of cane



For a cause: Sugarcane farmers staging dharna at old Collectorate in Sangareddy on Thursday.

SANGAREDDY: Soon after the cotton farmers it was the turn of sugar cane farmers to come to the roads.

Demanding the administration to bring pressure on factory managements to offer Rs. 2,500 per tonne, hundreds of sugar cane farmers held dharna at Sangareddy town on Thursday. As many of them came on tractors to participate in the dharna, the traffic in the town came to a halt at many places for some time. The farmers who came from different areas surrounding Sangareddy gathered at Balaji Gardens and held a procession to the old

Collectorate.

The district administration headed by Joint Collector T. Vijaya Kumar held discussions with factory managements on this issue for three times in the past but failed to convince them to offer a price that was acceptable to farmers.

While the farmers were demanding Rs. 2,500 per tonne the managements have been offering Rs. 2,000. There was wide gap between the offer and the demand and efforts by officials to bridge the gap were not fruitful. According to sources the managements were coming forward to offer Rs. 2,100 but it was not acceptable to farmers.

After receiving a memorandum from the farmers, Mr. Vijaya Kumar assured to hold one more round of discussions with factory managements in this regard. The representatives of Trident, Ganapathi and NSFL would participate in discussions.

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Floriculturists stage protest

Staff Correspondent

'Flower merchants, middlemen do not use prescribed scales'



IN SUPPORT OF DEMAND:Floriculturists staging a dharna at the flower market in Chitradurga on Thursday.

Chitradurga: Floriculturists on Thursday staged a protest at the flower market here alleging that flower merchants and middlemen were cheating farmers by not using the prescribed scales to measure flowers while purchasing them.

They alleged that the merchants, instead of using scales, they measured using arms which gave the wrong length. Owing to these discrepancies in measurement, farmers were losing profit. The merchants maintained different yardsticks to measure length, one for farmers and another for customers and retailers.

The farmers alleged that they have been demanding the officials concerned to maintain the rule of law to ensure that the merchants used the prescribed scales, but the officials failed to heed them.

“We have been asking the officials of the Weight and Measures Department to make the merchants follow the norms, but they never do that. When we stage protests, they hold out assurances but the situation remains the same,” said a farmer, Nagaraj.

He also alleged that the farmers have no choice but to sell flowers only to middlemen as they don't allow the farmers to sell flowers directly.

He demanded that the Government curb this practice and allow the farmers to sell the flowers directly in the market.

He said that if allowed, the farmers would sell flowers at a better price which would not only help farmers but also the customers.

The farmer alleged that the middlemen were cutting into the profit margin of the farmers and also selling flowers to customers at a higher price.

Meanwhile, Kumar, an official of the department, visited the market and assured the farmers of bringing the matter before Deputy Commissioner Amlan Aditya Biswas urging him to resolve the issue.

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<http://www.thehindu.com/2010/11/26/stories/2010112666692600.htm>

Indian farmers give Harvard lecture

Narayan Lakshman

Washington: While high-level agricultural cooperation between India and the United States has focused on bringing advanced technologies to India, the flow of knowledge is sometimes reversed at the grassroots level and in academic circles.

This week two Indian farmers from Jalgaon district in Maharashtra travelled to Boston, where they told a rapt audience at Harvard University's prestigious Business School about how they had used drip irrigation to dramatically increase their farm yields.

Speaking to The Hindu, Hemchandra Patil (40) and Rajendra Patil (50) said that at the invitation of the American institution they had travelled to the U.S. to explain how, over 10 years, a unique system of drip irrigation farming techniques helped them expand their farm holdings from between two and 12 acres to nearly 40 acres.

Adapting techniques

A partner to the Patils in this success story was one of the early pioneers of drip irrigation in India — a company called Jain Irrigation Systems. Dilip Kulkarni, president of the Agro Foods Division at Jain Irrigation, told The Hindu that while drip irrigation had been relatively rare in India prior to 1985, the company's founder, Bhavarlal Jain, played a key role in adapting drip irrigation techniques used in large-scale farms in the U.S. to the small farming conditions found commonly in India.

The key technology adaptations involved modification of the drip irrigation system to suit the low-water-pressure conditions in India and also recalibration of the equipment to distribute water across smaller farm holdings.

Increase in earnings

Mr. Hemchandra Patil said the efficient use of water that drip irrigation implied had helped him increase his earnings per acre, for example for onion cultivation, from around Rs. 10,000 to Rs. 40,000 or more.

He added that the Jain Irrigation Systems had been instrumental in this process, not only by giving him access to the drip irrigation equipment but also by holding regular technical seminars, usually conducted by an agronomist, on appropriate cultivation methods. The Jain Hi-Tech Agricultural Institute at Jalgaon was the forum for these seminars, he said.

In response to a question on why drip irrigation was not more popular and the less efficient technique of flood irrigation was widespread, for example, in States like Tamil Nadu, Mr. Kulkarni said that there were several reasons for this.

First, he explained, many farmers held the “wrong idea [that] more water means more paddy.” This was especially prevalent in South Indian States, where rice, a crop that is relatively intensive in its use of water, is widely cultivated.

Further, Mr. Kulkarni noted, the cost of drip irrigation could sometimes be prohibitive, especially for small farmers, as it averaged about Rs. 25,000 per acre.

However combined with a 50 per cent subsidy from the State government, the Jain Irrigation had also evolved a system of providing the system upfront to the farmer and helping the farmer obtain a bank loan for the remainder through a tripartite agreement involving the farmer, the bank and Jain Irrigation itself.

Success unnoticed

The success of the system, which has also focussed on contract farming and market-access solutions, has not gone unnoticed.

Even before the farmers' Harvard presentation the World Bank and the International Finance Corporation (IFC) recognised the transformative potential of the system in giving it the IFC's Inclusive Business Leadership Award, a rare honour.

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Production of 5.75 lakh tonnes of foodgrains expected

Staff Correspondent

Harvesting of kharif crops to continue till January-end

In Raichur district, crops have been cultivated on 2.54 lakh hectares

Cotton yield is expected to go up with its cultivation taken up on a large scale

Raichur: Raichur district is expected to produce about 5.75 lakh tonnes of foodgrains (5.67 lakh tonnes of cereals, 8,000 tonnes of pulses), 79,000 tonnes of oilseeds and 2.28 lakh bales (each 170 kg) of cotton during the kharif season this year.

The harvesting of kharif crops in the district began a fortnight ago and will continue till January-end, according to official sources in the Agriculture Department.

The crops have been cultivated on 2.54 lakh hectares in Raichur as against the target of 2.99 lakh hectares achieving an overall 85 per cent of the targeted area.

The area under cereals is 1.10 lakh hectares as against the target of 1.35 lakh hectares; under the pulses it is 42,840 hectares as against the target of 21,125 hectares; the area under oilseeds is 79,600 hectares as against the target of 1.21 lakh hectares and cotton has been cultivated in an area of 24,500 hectares as against the target of 22,400 hectares.

With this, about 95 per cent of the targeted foodgrain production was expected to be achieved by the end of the kharif season.

With regard to oilseeds production, it was expected to achieve about 65 per cent of the target because of the reduced production of groundnut and sunflower crops.

The actual production of cotton was expected to cross the targeted production as its cultivation area has been increased.

According to an estimate, 4.97 lakh tonnes of paddy, 13,800 tonnes of toor dal and 35,000 tonnes of sunflower crop are expected to be produced this kharif season.

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'Organic farming is the way forward'

Special Correspondent

OFM releases Rs. 40 lakh to each taluk to promote organic farming

Proposal to increase the number of organic farmers in each taluk to 2,500



Chairman of the Organic Farming Mission A.S. Anand inaugurating the workshop on organic farming in Shimoga on Thursday.

SHIMOGA: Organic Farming Mission (OFM) Chairman A.S. Anand said here on Thursday that Rs. 40 lakh had been released for each taluk to promote organic farming.

Mr. Anand told newsmen that the money being released was to be managed by the farmers engaged in organic farming. He said the decision to this effect was taken in the belief that less than 10 per cent of the money released would be spent towards administrative expenses as against the 62 per cent being spent on administrative expenses in other departments.

Mr. Anand said Karnataka was the first State to have embarked on such a unique experiment entrusting such a big administrative responsibility on organic farmers.

He said OFM had spread its activities to 169 taluks in the State. He said women who played a major role in farming activities were involved in organic farming practices in a big way. The idea behind it was to involve the entire family of farmers in this exercise.

“Women's role should not be restricted to the maintenance of the RTC documents only,” he said.

Mr. Anand said a proposal had been made to Chief Minister B.S. Yeddyruappa to enhance the budgetary allocation for organic farming from Rs. 100 crore to Rs. 300 crore next year in appreciation of the growing interest being shown by farmers in it.

The Government had constituted “Amrut Bhoomi Trust” to guide and assist the activities of the Organic Farming Mission, he added.

He said it was proposed to increase the number of organic farmers from 500 to 2,500 in each taluk in view of the fact that over 15,000 farmers had taken up organic farming in the State on their own so far. He was all praise for the programmes aired by All India Radio for the promotion of organic farming. “What is important is that farmers themselves are giving tips to other farmers on their experiences in organic farming,” he said.

Mr. Anand inaugurated the two-day divisional-level workshop on “organic farming” organised jointly by the Information Department (Bangalore Rural Division), departments of Agriculture and Horticulture and the Organic Research Station of Navule. He said the farming sector could not improve unless there was a change in society's attitude towards it. Organic farming could regain its rich tradition if agricultural science graduates returned to agriculture instead of seeking jobs elsewhere.

He suggested that farmers should learn to live with the soil, developing emotional bond with it. "Then only organic farming will succeed," he said. It was wrong to construe agriculture as merely a commercial proposition as farmers had developed intimacy with soil and seeds. They worshipped water as the divine "Ganges," he added.

If the Rashtrakavi Kuvempu hailed a farmer as "Negila Yogi" in one of his poems in 1930, it was not without any significance. "But with the passage of time, agriculture came to be considered as a physical item," he said.

Zilla Panchayat chief executive officer A.B. Hemachandra, who was the chief guest, said he was developing a network to promote the use of organic manure, appreciating the fact organic farming had become inevitable under the present circumstances.

Director of Organic Research Centre Vishwanath Shetty said organic farming had made rejuvenation of soil possible.

Progressive farmer D.R. Prafullachandra was present.

Deputy Director of Information (Bangalore Rural Division) D.P. Muralidhar welcomed the gathering.

Senior Assistant Director of Information Department Devarajaiah proposed a vote of thanks.

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<http://www.thehindu.com/2010/11/26/stories/2010112654260500.htm>

Steps to arrest vegetable prices soon: Minister

Special Correspondent

Market intervention planned

Four hypermarkets to come up in three months VS to convene high-level meet to review situation

THIRUVANATHAPURAM: The Kerala State Civil Supplies Corporation will intervene in the market to arrest the soaring price of vegetable, Food and Civil Supplies Minister C. Divakaran has said.

Mr. Divakaran told reporters here on Thursday that market intervention was being planned in association with HortiCorp and the Vegetable and Fruit Promotion Council Kerala (VFPCCK). Four hypermarkets would be opened at Thiruvananthapuram, Karunagapally, Kottayam and Thalassery within three months, he said.

The Minister said that Chief Minister V.S. Achuthanandan would soon convene a high-level meeting of the Food and Civil Supplies, Home and Finance Ministers to review the situation. Hundred new Maveli Stores would be opened in panchayats. On the basis of sales turnover, the stores would be enhanced to supermarkets. Mobile Maveli Stores too would be commissioned soon.

A wheat processing unit would be set up on a build-operate-transfer basis in Pathanamthitta. A food processing training centre and chemical analytical laboratory too would be set up under the corporation. Extensive raids were conducted to weed out corruption in the public distribution system.

Licences of 62 wholesale ration depots were cancelled and 59 licences of wholesale kerosene depots were suspended and two cancelled upon detecting irregularities. Licences of 746 retail ration shops were suspended and 35 of them cancelled.

The raids to check black-marketing and hoarding yielded essential commodities worth Rs.259.03 lakh. Thirty-seven persons were arrested and four persons prosecuted.

Helpline

A civil supplies helpline, 18004251550 has been set for the public to register complaints about the rationing system. Fourteen items including rice, sugar, chillies and pulses are being sold at much cheaper rates than those in the open markets.

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A meeting ground for horticulture farmers

Special Correspondent

Bangalore: As many as 10 States are participating in the seventh edition of the inter-State horticultural fair, Horti-Sangam 2010, being held in Lalbagh till November 28.

Inaugurating the fair being organised by the State, in collaboration with the National Horticulture Board, Horticulture Minister S.A. Ravindranath said the fair would provide an opportunity to growers to find new markets and interact directly with consumers. He said it was also an opportunity for local farmers to interact with horticulture farmers from other States and explore the possibility of growing these fruits and vegetables in Karnataka.

This year, the focus is on the northeast from where a range of fruits are on display. Special attractions are spices from Nagaland, especially the red-hot Naga chilli, Bhut Jolokia. Agri products, such as pickles and preserves, are also on display.

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India losing 5,334 million tonnes of soil annually due to erosion: Govt



PTI A farmer at his barren agricultural land near Bikaner. Photo: PTI

India is losing 5,334 million tonnes of soil every year due to soil erosion because of indiscreet and excess use of fertilisers, insecticides and pesticides over the years,

Parliament was told today.

About one millimetre of top soil is being lost each year with a total loss of 5,334 million tonnes annually due to soil erosion, Minister of State for Agriculture K. V. Thomas said in a written reply in Rajya Sabha.

The rate of loss is 16.4 tonnes per hectare every year, the minister said while quoting from a study conducted by Central Soil Water Conservation Research and Training Institute (CSWCRTI), Dehradun.

Experiments conducted by Indian Council of Agricultural Research (ICAR) indicated that non-judicious and imbalanced use of inorganic fertilisers (NPK) over years may result in deterioration of soil fertility/nutrient deficiencies, Mr. Thomas said.

On whether wrong irrigation practices were also responsible for this, the minister said excessive use of irrigation water in canal command may lead to secondary salinisation, affecting, thereby, the soil and crop productivity.

Detailing about corrective steps taken by the government, he said in order to promote judicious use of chemical fertilisers the government is advocating soil test based balanced and Integrated Nutrient Management (INM).

INM relies on conjunctive use of both inorganic and organic sources of plant nutrients like Farm Yard Manure (FYM), compost, bio-fertilisers and green manuring.

The government has launched "National Project on Management of Soil Health & Fertility" during 2008-9 to promote soil test based judicious use of fertilisers for improving soil health and its productivity, Mr. Thomas added.

Besides location specific bio-engineering measures developed by the CSWCRTI Dehradun for controlling soil erosion vis-a-vis top soil, the government has launched several programmes during different plan periods including Integrated Wasteland Development Programme and National Watershed Development Programme for rain-fed areas, he said.

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THIRUVANANTHAPURAM, November 26, 2010

Horticulture expo from December 2



The Hindu Agriculture Minister Mullakkara Retnakaran inaugurates the ticket sales of Horti expo 2010 by handing over a ticket to Assistant General Manager of Indian Bank P.J. Jacob in Thiruvananthapuram on Friday.

The Agriculture Department and the State Horticulture Mission will organise an international horticulture expo here from December 2 to 6.

The Horti expo 2010 will showcase value-added products made from ornamental plants, vegetables, fruits, medicinal plants, spices, tubers and honey and related agricultural practices.

International companies such as Anthura, Holland; Jiffy Plugs, Sri Lanka; Albani e Ruggieri, Italy, and Ginagar Plastic, Israel, will participate in the expo besides the Indian Agricultural and Processed Food Products Export Development Authority, Coconut Development Board and Coir Board.

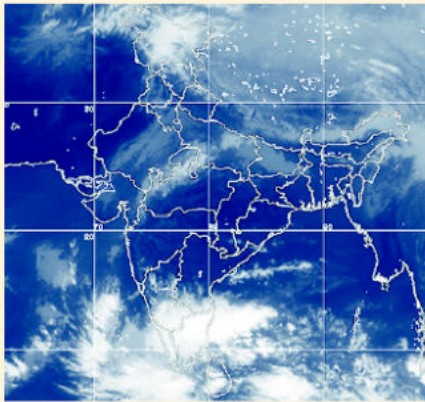
Agriculture Minister Mullakkara Ratnakaran told the media that more than 200 institutions would be joining the exhibition. About 200 air-conditioned and non air-conditioned stalls were being readied for them. The objective was to introduce people to new techniques and specialisations in the field of horticulture.

The Minister said the main attraction of the expo would be a floral arrangement 'Paitruka Keralam' being prepared by experts in flower arrangement in the country to introduce Keralites to various aspects of flower arrangement. The ultimate objective was to tap the potential for cultivation and marketing of flowers in the State.

Chief Minister V.S. Achuthanandan would inaugurate the expo at Chandrasekharan Nair stadium on December 2 at a function to be attended by Ministers and others. A seminar on future farming would be held in connection with the expo on December 3 and 4. Besides, competitions would be organised in flower arrangement, vegetable carving and cookery. Variety entertainment programmes would be held in the evenings.

Mr. Ratnakaran said that about one-lakh persons were expected to visit the expo. Entry would be restricted with passes (Rs.25).

Weather

WEATHER														
ANDHRA PRADESH						Kanyakumari 30 22 12 295		over Kerala and Tamil Nadu.						
Anantapur	30	21	0	217		Karaikal	29	24	4	333	Isolated rainfall occurred over coastal Andhra Pradesh, Rayalaseema, Lakshadweep and coastal Karnataka. Mainly dry weather prevailed over interior Karnataka and dry weather prevailed over Telangana.			
Aroyavaram	28	19	2	301		Kodaikanal	16	10	7	669	The following stations recorded very heavy-to-heavy rainfall in centimetres:			
Bapatla	30	23	tr	332		Madurai AP	29	23	17	601	Pamban 16, Needamangalam (Tiruvapur dt.) and Rameshwaram (Ramanathapuram dt.) 11 each, R.S.Mangalam (Ramanathapuram dt.), Ramanathapuram and Tondi 9 each and Tiruvadanai (Ramanathapuram dt.) 7.			
Calingapatnam	30	22	0	612		Nagapattinam	30	23	16	315	The other chief amounts of rainfall recorded in Centimetres are:			
Gannavaram	32	23	0	320		Palayamkottai	30	23	12	212	Mudukulathur and Paramakudi (both Ramanathapuram dt.) and Ilayankudi (Sivagangai dt.) 6 each, Trithala (Palakkad dt.), Kadaladi (Ramanathapuram dt.) and Ambasamudram (Tirunelveli dt.) 5 each.			
Hyderabad AP	31	22	0	102		Pamban	28	24	158	562	Belgaum Airport recorded the lowest minimum temperature of 16 degree Celsius in the plains of the region.			
Kakinada	32	25	0	704		Parangipettai	28	25	16	365	FORECAST (valid until Saturday morning): Rain or thundershowers would occur at many places over Tamil Nadu, Puducherry and Kerala and at a few places over Coastal Karnataka. Isolated rain or thundershowers may occur over Interior Karnataka, Andhra Pradesh and Lakshadweep.			
Khammam	33	22	0	209		Puducherry	29	24	5	673	Heavy Rainfall Warning: Isolated heavy to very heavy rain would occur over Tamil Nadu, Puducherry and Kerala during next 48 hours.			
Kavali	31	24	3	752		Salem	28	22	3	426	Outlook For Subsequent Two Days: No significant change.			
Kumool	31	23	0	92		Thanjavur	29	23	4	333				
Mehabubnagar	32	22	0	60		Tiruchi AP	30	24	8	289				
Machilipatnam	31	24	0	670		Tondi	29	23	86	593				
Nandyal	31	22	0	151		Tuticorin	30	22	26	203				
Narasapur	30	24	31	489		Ooty	19	10	0	—				
Nellore	31	25	1	761		Valparai	24	17	6	690				
Nizamabad	34	21	0	117		Vedaranyam	30	22	8	—				
Ongole	32	24	0	392		Vellore	29	23	0	334				
Ramagundam	33	22	0	147		LAKSHADWEEP								
Tirupathi AP	31	23	1	436		Amini Divi	33	25	tr	294				
Tuni	32	23	0	511		Minicoy	31	24	15	263				
Vizag AP	31	24	0	634	Kavarathi	33	25	0	180					
Vizag	31	0	tr	750	OTHER STATIONS									
KARNATAKA					INSAT PICTURES AT 11-30 hrs. Observations recorded at 9-30 a.m. on Nov. 25.									
Agumbe	27	16	0	733	Mangalore AP	33	23	0	748	Thiruvananthapuram AP	31	23	7	624
Bangalore AP	25	18	0	247	Mysore	27	19	0	322	Thiruvananthapuram City	31	24	10	620
Bangalore	26	19	tr	285	Mandya	27	17	0	267	Vellanikkara	29	23	1	943
Belgaum AP	28	16	0	179	Panambur	33	24	0	634	TAMIL NADU				
Bellary	31	20	0	217	Raichur	31	19	0	42	Adiramapattinam	31	24	13	375
Bijapur	29	17	0	165	Shirali	33	24	0	399	Coimbatore AP	27	21	6	375
Chitradurga	27	20	0	425	KERALA				Coonoor	19	13	2	666	
Chickmagalur	29	19	0	386	Alappuzha	30	24	2	764	Cuddalore	30	24	tr	561
Chintamani	25	—	0	233	Kannur	33	23	4	732	Chennai AP	31	24	0	404
Gadag	29	18	0	250	Kochi AP	31	24	3	1061	Chennai	31	25	0	455
Gulbarga	32	20	0	139	Kottayam	31	23	2	953	Dharmapuri	26	21	0	469
Hassan	27	17	0	—	Kozhikode	33	24	4	704					
Honavar	33	24	0	531	Punalur	30	23	4	1099					
Karwar	31	23	1	704										
Madikeri	24	17	0	444										

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Food inflation declines further to 10.15 per cent

India's annual food inflation eased further to 10.15 per cent for the week ended Nov 13, having fallen sharply by two percentage points to 10.30 per cent the week earlier, showing a downward trend for the sixth consecutive week.

The annual inflation rate for the primary articles group rose marginally to 13.38 per cent during the week under review compared to 13.30 per cent in the week ended Nov 6, according to data released by the commerce and industry ministry Thursday.

Food inflation as well as the inflation based on wholesale prices have moderated in the past few weeks due to aggressive monetary tightening policy adopted by the country's central bank and robust supply of food grain.

The overall inflation based on wholesale prices fell to 8.58 per cent in October from 8.62 in the month before.

Fuels and power inflation was unchanged at 10.57 per cent.

The Reserve Bank of India (RBI) earlier this month hiked both its short-term borrowing and lending rates by 25 basis points, tweaking its policy rates for the sixth time since the start of this calendar year to curb inflationary expectations.

The continued fall in food inflation will now shift the focus of the central bank and the government on declining industrial output, which fell to 4.4 per cent in September.

Weather

Chennai - INDIA

Today's Weather



Cloudy

Rain: 06 mm in 24hrs

Humidity: 70%

Wind: Normal

Friday, Nov 26

Max Min

25.6° | 24.2°

Sunrise: 6:11

Sunset: 17:39

Barometer: 1012.0

Tomorrow's Forecast



Rainy

Saturday, Nov 27

Max Min

30° | 24°

Extended Forecast for a week

Sunday

Nov 28



25° | 24°

Rainy

Monday

Nov 29



28° | 25°

Rainy

Tuesday

Nov 30



28° | 26°

Rainy

Wednesday

Dec 1



28° | 25°

Rainy

Thursday

Dec 2



27° | 25°

Rainy

26 Nov, 2010, 01.08AM IST, Bhargav Trivedi,ET Bureau

Cotton exports to miss target; quality crop earns a premium

AHMEDABAD: Unseasonal rains in Gujarat and Maharashtra are changing all calculations in cotton trade. Exporters who rushed to book export contracts for 55 lakh bales, a maximum limit set by the government, assuming a bumper cotton crop are now finding it difficult to meet their export obligations.

With a fall in quality stock arrivals in Gujarat, Maharashtra and Andhra Pradesh markets, trade sources don't see a 100% of fulfillment of shipments by December 15 deadline. As a result, there is a Rs 3,000 premium on top grade Gujarat cotton. So far, only 15 lakh bales have been delivered and a major portion of 40 lakh bales is yet to be shipped.

"Due to unseasonal rains, arrivals have been low, creating a shortage of quality stock," said Tushar Sheth of Cotton Trade India, an Ahmedabad-based cotton portal. "Exporters are in a soup. They have contracted Gujarat-based varieties like Shankar 6 and are forced to pay a premium as prices in state are ruling higher than those in states like Maharashtra," he added.

Currently, buyers are paying roughly Rs 3,000 premium per bale (170 kg) for the required quality. Shanker-6 variety has been witnessing high demand from the international yarn producers due to its good mic, staple length as well as strength. Besides, a sophisticated ginning industry in Gujarat supplies goods with a very low contamination. Cotton processed in Gujarat contains 1.5-2% of impurities — much lower than the trash content of 3-3.5% elsewhere.

On Thursday, exporters bought cotton at a rate of Rs 44,200-44,500 while Maharashtra rate

was lower at Rs 42,500-42,800. Prices made their high of Rs 47,000 during the last week when international market touched its all-time high level. December delivery future at ICE touched a level of 155 cents per lb last week. “There is all chance that exporters would not be able to deliver committed goods as arrivals are low.

Currently, their requirement is one lakh bales per day and arrivals are just half of that,” said Mr Sheth. Arrivals in Gujarat have dropped to just 25,000 bales from the 65,000 bales a week ago. Majority of market yards also closed down their activity till next Sunday. Only three yards — Jasdán, Amreli and Vankaner — were open on Thursday.

Elsewhere in the country, the arrivals decreased to 1.4 lakh bales from the 2.5 lakh bales last week. “Rain has stopped now and arrivals may return to the normal levels. But quality will be an issue,” said a Rajkot-based ginner. Askash Chapdiya, MD of Rajkot-based Fem Cotton, said, “I don’t see shipment above 32-35 lakh bales by December 15 as ginnerers are not able to produce quality stocks.

The current arrivals are containing higher moisture levels and so ginnerers don’t get the required output.” Normally, cotton contains 8-9% moisture but new arrivals contain 13-14% of moisture. “Cotton crop has seen big damage during the last week. Standing crop’s colour also turned yellow,” said BK Kikani, former vice-chancellor of Junagarh Agriculture University.

Business Standard

Friday, Nov 26, 2010

Cheap spices abroad pull exports down

George Joseph / Kochi November 26, 2010, 0:34 IST

The growth in spices exports has decelerated in the past few months due to stiff competition from China and Nigeria. These countries are offering spices at lower price than India.



In the first seven months of the current financial year, 68 per cent of the export target has been achieved. However, looking at the slowdown, achieving the remaining might not be easy. The export target for this year is fixed at 465,000 tonnes valued at Rs 5,100 crore.

During April-October, 317,800 tonnes of spices and spice products valued at Rs 3,685.3 crore (\$805.1 million) were exported as against 299,250 tonnes valued at Rs 3,260.1 crore (\$1,125 million) in the same period last year.

Pepper exports dipped 14 per cent, cardamom (small) 25 per cent and export of nutmeg and mace decreased 58 per cent during the period. Export of cardamom (large), turmeric, cumin, celery, fenugreek and mint products also fell, according to the data. But, the export of value-added products like curry powder and spice oils and oleoresins increased.

Exports of garlic increased a whopping 127 per cent in volume and 238 per cent in value at 15,250 tonnes. Exports were badly affected during September-October and are expected to be low this month also due to lean season in the production of major spices.

The declining trend is mainly due to India's failure to cope up with the aggressive export strategies, especially on the price front, by other countries.

Like in pepper exports, India is unable to compete with prices offered by Vietnam, Brazil and Indonesia. During October, Indonesia shipped 6,500 tonnes of pepper, Brazil 2,900 tonnes, Vietnam 6,296 tonnes, while India exported only 1,500 tonnes.

In case of ginger, China and Nigeria are real threat to India as their prices are very low compared to that offered by India.

According to traders, exports would be on track by next year once the fresh crop reaches the market. India and Vietnam will be the centres for pepper exports by January -February. Likewise, chilli exports would improve by February. The continuous rain for the last seven-eight months also affected the production and processing of various spices and therefore, the quality was also low.

The new year is expected to be promising as the fresh crop will attract more overseas demand. When harvesting begins in India, it is off season for other countries like Brazil and Indonesia. So, exporter expect increase in demand during the summer season.

Emami hopes to make it to top 3 in edible oil

Ajay Modi / New Delhi November 26, 2010, 0:33 IST

In a plan to become one of the top three companies in the edible oil business, the Kolkata-based Emami Group is looking to acquire production capacity in one of the northern states. It is also embarking on a Rs 700-crore expansion plan.

"We are looking for an acquisition in, preferably, Rajasthan," said Aditya V Agarwal, director. Emami will have to follow an aggressive strategy to find a place in the top three, currently dominated by Adani Wilmar, Ruchi Soya and KS Oils.



It produces 1,600 tonnes per day (tpd) of edible oil in its Haldia (West Bengal) plant, being expanded to 2,800 tpd at an investment of Rs 250 crore. The company has launched various categories of edible oil (mustard, soya, sunflower, etc) in Karnataka, Tamil Nadu, West Bengal, Bihar and Orissa under the 'Healthy and Tasty' brand. The product is in the process of being launched in Andhra, Madhya Pradesh, Chhattisgarh, Uttar Pradesh and Jharkhand.

A new unit is being set up at Krishnapatnam in Andhra with an investment of Rs 200 crore. This will have a refining capacity of 1,200 tpd. The company is also actively considering setting up a port-based unit in Gujarat. "This could have a capacity between 1,000-1,500 tpd and will require an investment of around Rs 250 crore. A final decision on this will be taken in the next couple of months," Agarwal said.

India's annual per capita consumption of about 12.7 kg is well below the world average of 20 kg, providing growth opportunities for the industry, points out a recent Rabo India report. Non-packaged oils are estimated to account for nearly half of consumption in both urban and rural markets. However, the development of the retail sector in India, backed by rising income levels, has provided an opportunity to sell branded packs, especially in the urban markets. The branded segment is growing at 20 per cent annually, with sunflowers and soy oils leading the market.

Onion set to remain dear

Dilip Kumar Jha / Mumbai November 26, 2010, 0:29 IST

Supply disrupted due to transportation problems; prices double in last 1 month.

Onion prices will remain high for some more time on inadequate supply in major mandis across the country, following unseasonal rainfall.



Early crops, harvested in major centres of Karnataka and Nasik and stored in open plinths, were severely damaged following tow days of unseasonal rains. Subsequently, high moisture content in the new crop went up further resulting into massive spoilage.

“New crop stored and sold today in mandis cannot be transported to far off places due to high moisture content. Apparently, markets do not absorb large quantities in one or two days. Therefore, the quantity of onion available today in mandis is bound to spoil after two days,” said Nitin Parakh, proprietor of Vashi-based Hari Om Traders.

Since, supply has also been disrupted due to problems in transporting from major producing centres, a vacuum is likely to be created in the market in the next couple of days resulting into further price spike, he added.

Prices of both the old and new crop have doubled in the last one month, despite the government’s intervention through a rise in the minimum export price (MEP) recently. With only 5-8 per cent stock available, the old stock is quoted between Rs 33-38 a kg. This would translate into consumers paying up to Rs 44-45 to procure a kg of onion.

The commodity that brought down the Bharatiya Janta Party-led National Democratic Alliance government earlier this decade, is currently trading between Rs 10-25 a kg for the new crop depending on the quality. The new crop with high moisture content is selling at Rs 10 per kg, while onion with low water content is priced at Rs 25 a kg in the Vashi wholesale market.

Four days of continuous rainfall damaged the crop in Karnataka and Nasik, the two major producing centres of early variety onion. About 60 per cent of the harvested quantity was damaged, especially in Kurnool and neighbouring districts of Karnataka.

The next crop is expected from Gujarat. If the sun shines bright, then the movement of onion will ease out. But, consumers are not going to get relief from high prices until the last week of December, said a Mumbai-based onion trader.

Export demand is still bullish especially from Colombo and the Middle East, as Pakistan has lost the markets due to unavailability of crop. The onion crop in Pakistan was washed away this season following devastating floods. As a result, global buyers are rushing towards Indian markets. But the demand is very low at the current price between \$900-950 a tonne for Colombo and \$1,000 a tonne for the Middle East.

About a week ago, the government had raised the minimum export price of onion by \$150 a tonne to \$525 a tonne from \$375 a tonne earlier. However, the move failed to make any significant shift in price sentiment in the market.

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By P Jonathan Ambrose

26 Nov 2010 12:35:44 AM IST

UT's horticulture scene gets a fillip

PUDUCHERRY: The horticulture sector in Puducherry has recorded a spurt in activity from last year, thanks to the setting up of the Pondicherry Horticulture Mission (PHM) and funds from the Centre. Now, over 800 farmers have stopped growing paddy and are into producing vegetables like brinjal, tomato, yam, lady's finger and even flowers and fruits.

The PHM was formed in 2009 as an autonomous body under the National Horticulture Mission (NHM). Though the NHM was launched in 2005 for promoting horticulture, it did not have an impact in the Union Territory. On the contrary, the PHM proved quite successful.

It encouraged farmers to switch from paddy to other crops and also addressed issues of depleting water resources. Moreover, it provided sustainable source of income.

"Horticulture has been gaining popularity under the PHM in Puducherry. The Union Government has allocated Rs 1 crore as funds this year, while last year it was just Rs 35 lakh. More than two villages are into turmeric production this year as the spice is always in demand. Also, the government is giving a back-ended subsidy (amount given after cultivation of crops) of Rs

12,500 per hectare,” said S Kalyanasundaram, additional director of agriculture (horticulture). This was much higher than the subsidy for vegetables that stood at Rs 10,000 per hectare, he added.

Besides subsidy, what prompted farmers to take up horticulture? According to Geetha Nathan, general secretary, Farmers’ Association, reasons are many. “While many farmers are shifting to horticulture due to scarcity of water, lack of labour has been another deterrent. Paddy is a labour intensive crop. It also needs liberal use of fertilizers. But the prices of fertilizers have doubled this year, giving more problems to farmers.” This year, 25 hectares of land have been converted for fruit cultivation. According to government officials, horticulture has proved much profitable than paddy as fruits and flowers always have good market. Festivals and marriages contribute a lot to this demand. According to R Sathyaseelan, director, agriculture, training programmes introduced over the years have begun to show results. Education trips to Tamil Nadu where local farmers took classes on horticulture form part of these programme. Now, after a few years of effort, Puducherry is meeting its demand for vegetables and is also transporting the excess to neighbouring Tamil Nadu. feedback@expressbuzz.com

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Back Food inflation dips to near 3-month low

Little respite for households as prices rise on sequential basis.

Small relief		
(in %)		
ITEM	Year-on-year inflation*	Week-on-week inflation*
Cereals	1.50	0.18
Wheat	-0.74	0.23
Vegetables	-3.76	4.48
Potatoes	-48.70	8.58
Onions	17.03	10.64
Fruits	21.85	1.22
Milk	16.90	0.00

*Rates for week ending Nov. 13, 2010

Our Bureau

New Delhi, Nov. 25

Food inflation continued its downward trend for the sixth straight week, dipping to a near three-month low in mid-November.

Prices, however, continue to pinch consumers as high inflation in key food items persists on a week-on-week basis.

Food inflation, based on the annual Wholesale Price Index, rose 10.15 per cent for the week ended November 13, marginally lower than the 10.3 per cent annual rise reported in the previous week. While the dip in the year-on-year inflation is being attributed in part to the increased supply of agricultural commodities, the base effect continues to play a big role in the declining trend, according to data released by the Government on Thursday.

Pulses

For instance, on an annual basis, pulses were down 8 per cent and vegetables dipped 4 per cent, mainly on account of a sharp drop in potatoes because of the base effect.

For households, the dip in annual food inflation estimate brings little respite as prices of food items inched upwards on a sequential basis, including those that have contributed to the drop in the annual inflation reading.

Vegetables

On a week-on-week basis, vegetables were up nearly 5 per cent, with potatoes surging 9 per cent.

Onions, which clocked an annual inflation of over 17 per cent, were also up 11 per cent on a sequential basis.

Also, eggs were up 16 per cent on a week-on-week basis, poultry chicken surged 5 per cent, along with maize, barley and gram.

Non-food items

Among the non-food items, higher inflation was seen in products such as raw jute, niger seed, coir fibre, raw rubber, raw cotton and copra.

According to the data, fuel inflation held at close to 11 per cent on an annual basis.anil@thehindu.co.in

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Back Cashew Development Corp turns the corner

The KSCDC was set by the State Government to groom it as a model employer to benefit thousands of workers.

It has since grown into a 30-factory and 20,000-worker enterprise.



Vinson Kurian

If a resurgent Kerala State Cashew Development Corporation (KSCDC) were to have its way, it would soon have the Great Russian Bear and the Indomitable Chinese Dragon munching nuts out of its hand!

It is not for nothing that the scholarly Managing Director of KSCDC, Dr K. A. Retheesh (who has a doctoral thesis on 'Cashew Industry: Problems and Potential'), nurtures this ambition of scaling the Great Wall and negotiating the Caspian in as short a time span as possible to sell the wonder nut from God's Own Country.

WHERE IT MATTERS

Looking East may be an accepted Government policy, but for Dr Retheesh, it's looking to where it matters most in the East.

Hence China, and then Russia, the BRIC sibling to the northwest – these two countries have been identified as the two emerging big markets for value-added cashew products from the KSCDC.

This is the stage where KSCDC has reached today, following a reversal of fortunes over the past five years since Dr Retheesh has been in charge at the helm.

He is quick to acknowledge the great support he had had through these testing times from

his Chairman, Mr E. Kasim, himself a veteran trade union leader, and the Minister for Labour, Mr P. K. Gurudasan, who hails from Kollam, the Cashew Capital, and where the KSCDC is headquartered.

Dr Rethesh also cites with pride the words of praise from the grand patriarch of Kollam's cashew kingdom, the late Mr Gangadharan Pillai, for the various diversification and marketing efforts that he has piloted within the organisation.

The late Mr Pillai had always viewed with scepticism the business-as-usual-approach of each new managing director who would slip in now into a revolving chair and exit it later doing precious nothing to salvage the organisation which had been in dire straits for the most part since inception in 1969.



Dr K A Rethesh, Managing Director, KSCDC.

MODEL EMPLOYER

And there hangs a tale. The KSCDC was set by the State Government with a view to grooming it as a model employer to benefit thousands of workers - among them women, children and even the differently-abled.

It has since grown into a 30-factory (of which 24 are in Kollam district alone) and 20,000-worker enterprise – but that is only a part of the story.

Unprofessional management, constant labour unrest and operational losses fed into each other eating into the vitals of the industry bringing the effective number of working days at

KSCDC to even zero at one point of time.

This has had a debilitating impact on the overall environment and factories began to shut down one by one, as if there was no tomorrow – which, literally, was the case for the emaciated worker population.

There was nothing the hapless workers and the industry to look forward to when, slowly but surely, things began to look up from 2003-04, when the number of working days logged to 33 from 0 of the previous year.

The number had earlier peaked to 207 in the second year of operations, and had fluctuated widely in the following years before touching a nadir in 2002-03. And, here is when Dr Rethesh took over.

Working position of the corporation over the last 10 years			
*- in Rs lakh			
Year	No of factories	Days worked	Turnover*
1994-95	34	50	3,848.93
1995-96	34	13	1,218.94
1996-97	34	38	1,954.72
1997-98	34	80	4,450.25
1998-99	34	63	8,039.28
1999-00	34	151	16,318.73
2000-01	34	165	16,275.30
2001-02	30	23	5,083.69
2002-03	30	0	164.61
2003-04	30	33	1,222.78
2004-05	30	80	3,346.88
2005-06	30	226	9,307.74
2006-07	30	163	6,381.84
2007-08	30	165	6,117.55
2008-09	30	209	13,181.16
2009-10	30	284	17,855.04

WINNING CONFIDENCE

Speaking to Business Line, he said his initial effort was to win the confidence of the workers, which he did by ensuring a steady stream of raw nuts for processing by tying up with the State Trading Corporation.

This had a rub-off impact on the workers whose productivity started making appreciable improvement.

This emboldened Dr Rethesh and the management to go for an incremental recruitment of 10,000 workers that helped to bring to par the cardinal ratio of 3:3:1 between shillers, peelers and a grader that would go to ensure quality for a given volume of processed cashewnuts.

This, in turn, set off a chain of process that began to bring some respectability to the profitability, Dr Rethesh said.

This was the time when the idea of diversification struck him and the management.

The KSCDC went in for tie-up with the Central Food Technology Research Institute (CFTRI) to dish out new products.

A branding exercise was also launched that brought all products under the 'CDC Cashews' brand.

GAME CHANGER

The tie-up with the CFTRI helped launch four value-added products: Cashew Soup, Cashew Powder (used as taste enhancer), Cashew Vita (food supplement) and Cashew Bits (roasted broken bits of cashew nut that would otherwise have gone waste).

And, the game changer came when a survey commissioned by the Centre and carried out by the Indian Institute for Foreign Trade (IIFT) came up with the revelation that China and Russia would be two international markets with great potential that the KSCDC could tap, provided it has a suitable marketing and distribution strategy in place.

This is what is engaging the minds of the Dr Rethesh and the rest of the management. KSCDC is looking at Hong Kong as a gateway to reach out into China, Dr Rethesh said

and exploratory studies are on.

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Back Edible oils up on sharp rise in palm oil exports

Our Correspondent

Mumbai, Nov. 25

In edible oil markets, spot prices of most of the oils increased sharply on Thursday taking cues from higher closing of Malaysian markets on sharp increase in palm oil exports for current month and expected crop loss in India's producing areas due to recent unseasonal heavy rain.

Imported oils such as palmolein and soya oil rose by Rs 5 and Rs 6, respectively. Sunflower oil and rapeseed oil rose by Rs 5 for 10 kg. Groundnut oil shot up by Rs 10 on higher Rajkot market where groundnut oil price gained Rs 25 a tin and Rs 20 for 10kg. Only cotton oil was steady on higher arrivals and record crop. Sentiment was bullish as speculators were batting for long-term. Volume also increased with the firm reports from producing centres.

Malaysian Bursa market Palm oil futures climbed after concerns eased about an escalation in clashes between South and North Korea, boosting commodity prices, and as soya bean oil gained on dry South American weather. In line with foreign markets, Indore NBOT soya futures also gained sharply. Malaysian CPO futures closed higher by 86.97 ringgits.

Unseasonal rain in producing areas, especially in the Saurashtra region, has affected the standing crop in the farm level and also quality. Arrivals in local markets were also declined this week due to rain. On Thursday late evening good volume took place on higher closing of Malaysian market. Most of volume was for future delivery. A total of

1,200-1,300 tonnes of palmolein was traded. Unseasonal rain has adversely affected soya bean, cotton and groundnut crop badly in Maharashtra and Gujarat, Said traders.

Malaysia's BMD and NBOT futures: Malaysia's BMD CPO futures closed at December, MYR 3,372 (MYR 3,286), January closed at MYR 3,306 (MYR 3,209).

Indore NBOT soya oil futures December closed at Rs 573 (Rs 571.50), January was Rs 584.50 (Rs 579)

Mumbai commodity exchange spot rate (Rs/10kg): Groundnut oil 770 (760), soya refined oil 560 (555), sunflower expeller refined 675 (675), sunflower refined 720 (715), rapeseed refined oil 608 (603), rapeseed expeller refined 578 (573), cotton refined oil 550 (550) and palmolein 524 (518).

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Back IIFT survey sees good potential for cashew products in China, Russia

Vinson Kurian

The Kerala State Cashew Development Corporation (KSCDC) has largely depended on bulk exports of whole cashew kernels to 'roasters and salters' (who in effect as the middlemen) in the US and the EU. The profit margins under these trade channels have been negligible as the buyers completely control the market and thereby international prices.

It has been long since these middlemen proved 'meddlemen' for KSCDC but there was hardly anything that the latter could do about it – unless it thought on its feet and 'innovate its way out' of the muddle.

IIFT STUDY

It is in this background that the Indian Institute of Foreign Trade (IIFT) landed the task of doing a survey for export potential for value-added cashew products from KSCDC in

Russia and China.

Prof Sunitha Raju of the IIFT observes that in an effort to develop new market channels like direct sales of consumer products, the KSCDC has been promoting value-added cashew products, namely Cashew Soup, Cashew Powder (a spice mixture for cooking), Cashew Vita (health drink) and Cashew Bits under the brand name, 'CDC Cashews.'

Preliminary testing of these products in the domestic market has received a favourable response. The company is exploring the possibility of developing these value-added consumer packs into major exportables.

CHINA MARKET

Cashew consumption in China increased from 7,000 tonnes in 2003 to 18,000 tonnes in 2007. Further, the consumption is expected to increase to about 25,000 tonnes by this year. The average import volume in 2008 was 18,000 tonnes.

In terms of value, the import of cashew kernels has increased from \$1.4 million in 1996 to \$18.3 million in 2007.

In China, cashews are used in cooking as well as a snack. Amongst the KSCDC portfolio, there are three products that are accepted in the Chinese market. These are cashew kernel (plain and roasted), Cashew Vita and Cashew Soup.

GOOD POTENTIAL

These products have a potential to penetrate the market with a certain degree of product and packaging adaptation. Sweetness in Vita and the strong pepper taste in the soup needs to be toned down. Roasted and plain cashews must be re-positioned as tasty snack and Soup and Vita as a convenient drink and beverage. SEPARATE PACKAGING

For Cashew Vita and Soup, one-cup packets may be introduced. Twelve packets can be packed into a box (as in tea bags, coffee sachet packings).

The packaging is to be done in India as per the labelling requirement of China. These packaging requirements can be easily met by the KSCDC as the company has the needed

technical capability to do so.

As an entry strategy, the KSCDC can adopt 'direct exports.' In the long run, this will provide the company with the advantage of establishing CDC brand of cashews in China.

Simultaneously, the company can reduce the initial market risks by ensuring a proper selection of importers; identifying the appropriate retail mix; and by chalking out a promotional strategy.

The KSCDC should also explore the possibility of exporting to Hong Kong and establishing a marketing network with Hong Kong-based importers. A large number of Hong Kong-based importers have active trade engagements in China which would also enable easy penetration into the Chinese market.

OWN BRAND

In order to develop a long-term strategy or a sustained presence in the Chinese market, the KSCDC needs to establish its own brand in the packaged nut market. The KSCDC therefore needs to carefully plan aggressive TV and print campaign to educate the consumer. This needs to be closely monitored by company officials to be based in China for which a small marketing office needs to be opened in that country.

RUSSIAN MARKET

One of the beneficiaries of this high economic growth has been the Russian consumer whose disposable income has increased at an average annual growth of 11 per cent, which represents a faster clip than the growth clocked by the country's GDP.

The rising disposable income has changed the lifestyles of the Russian consumer towards splurging on luxury goods and a shift towards the western consumption patterns.

In the food segment of the retail trade, nuts are emerging as an important snacking option. Given the high growth in the demand for this category, the potential for developing cashews as a snacking option is very high in Russia.

The potential demand for cashews in confectionary and bakery segments is also very high

in Russia. Recent estimates indicate an annual growth of two to three per cent of confectionary products.

RIGHT STRATEGY

To promote a brand in the market of nuts, more than just ordinary steps are required as the consumer does not recognise any nut brands.

A recommended marketing strategy would be to advertise products along with aggressive distribution drive.

Nuts, as well as any other snack, are the product of impulse demand. As such, there is a need for ensuring that at least 30 to 40 per cent of the stores are stocked up in required quantities.

The value chain analysis has clearly identified high margins for cashew trade in Russia. After adjusting for transportation, certification costs and value-added tax, the expected profit per kg is \$1.56.

To capitalise on these gains, the broad approach to the marketing strategy should be to advertise and to carry out aggressive distribution drive.

Given these market requirements, the KSCDC should look at first promoting plain and roasted cashews, to be followed up later with developing the demand for value-added products.

The first priority of the company should be to have packed products available in all modern trade outlets across the country.

The brand should cover the hyper, super and discounted formats and should work with both federal chains (with outlets across the country) and regional chains (focused in specific regions of the country).

AWARENESS BUILDING

To address the issue of category penetration and awareness building for Indian cashews

in Russia, the following steps are required:

.Customer education: This would mean educating the trade ad channel players about the virtues of Indian cashew and how it is a healthy yet self-rewarding snacking proposition.

. Education if consumer: Consumer would have to be educated that Indian cashew are premium products and to recognise the same as a health snack.

A sustained campaign needs to be launched to achieve the above two objectives in both TV and print medium.

There also has to be an extensive public relations exercise for 12 to 24 months at an approximate cost of \$5 million.

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Back Sugar shoots up as mills quote higher

Our Correspondent

Mumbai, Nov. 25

Sugar prices at the Vashi market shot up by Rs 30-40 in naka delivery in line with the continuous increase in mill tender rates on Thursday. Due to poor demand in the month-end, spot prices were arrested with the rise of Rs 20-30 a quintal. As most mills have sold their current month's quota and very few are left now, they are quoting higher prices. The sentiment was bullish.

Poor demand

Mr Hemant Vora of Kavita trading co. said arrivals seemed higher than demand as local demand was very poor. The total daily arrivals this week is lower than last week's. There was no selling pressure from the mills as most have sold more than 90 per cent of their current month's quota. Some mills have stopped the sales. The parity at mills rates is higher than current market's rates. Market prices are Rs 40-50 below the parity due to lack

of local demand. Absence of Resale D/O selling also supported the bullish sentiment. In the late evening, market prices were further up by Rs 10. Traders are not expecting higher free sale quota for December-10 due to slower progress in production.

In Maharashtra and Uttar Pradesh, half of the mills are yet to start crushing. Recent heavy rain has delayed cane cutting in the Maharashtra. Mills continue to offer tenders at higher rates. This gives support to naka and at the spot level also. For This month, a total of 14 lakh tonnes of free sale sugar quota was declared by government. Traders are not expecting any big changes in December-10 quota, Mr Vora added. On Thursday/Friday only 8-10 mills came with tender offers and sold about 30,000-40,000 bags in the range of Rs 2,845-2,860 for S-grade and M-grade Rs 2,880-2,920 (excise paid) to state/local traders. Demand from neighbouring states was absent.

Arrivals

Total arrivals at the Vashi markets were 22-25 truck loads (each of 10 tonnes) and lifting was only 18-20 trucks.

According to the Bombay Sugar Merchants Association, spot sugar rates were S-grade Rs 2,900-2,941 (Rs 2,870-2,921) and M-grade Rs 2,931-3,001 (Rs 2,906-2,971). Naka delivery rates were S-grade Rs 2,890-2,930 (Rs 2860-2,890) and M-grade was Rs 2,930-2975 (Rs 2,910-2,930).

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Back High input costs hit purchasing power of coffee growers

Anil Urs

Hubli, Nov. 25

Purchasing power of coffee growers who intensively use fertilisers has fallen in the last three years though coffee prices have recovered.

International Coffee Council (ICC) in a study, ICO indicators and selected economic

variables, said: “We note that the purchasing power of coffee farmers who make intensive use of fertilisers has fallen during the last three years despite the recovery in coffee prices.

“In fact, the increase in prices of agricultural inputs and labour costs has counteracted much of the positive effects of the recovery in coffee prices in exporting countries.”

The ICC undertook the study of certain economic variables such as use of fertilisers contributing to strengthening or weakening, or neutralising the real impact of changes in coffee prices on the value of trade. Other variables impacting coffee export earnings, such as currency exchange rates against the US dollar and inflation, were also studied. Acknowledging that there has been a steep increase in cost of inputs such as fertiliser, pesticides, fuel, organic manure, in addition to labour costs, Mr Marvin Rodrigues, Vice-Chairman, Karnataka Planters' Association (KPA), said: “The increase in prices of fertiliser, while substantial, is not as significant as the increase in other input costs.

Most growers have no intention to cut back on the usage of fertiliser (which was done during the crisis years of 2000 to 2004).

“Shortage of fertiliser has been a major issue for growers in the last few years. Growers have to procure fertilisers months in advance, resulting in an increase in holding costs. They also have to make do with whatever is available, resulting in a lack of availability of balanced nutrients to the plant — like NPK, sulphur, etc. This results in lower production.”

Study of three fertilisers

The study compared ICO composite indicator and the prices of three fertilisers — phosphate, potash and urea.

The study states: “The prices of phosphate and potash remained stable for most part of the period under study, although prices of both rose sharply in 2007. The price of urea showed greater volatility and also rose sharply between 2006 and 2008.”

As for the ratios between the ICO composite price and the prices of fertilisers, “The behaviour of the ratios until around 2005 was dominated by swings in coffee prices, which were much more volatile than fertiliser prices during the same period. Since then, the

prices of fertilisers have suffered large oscillations, and the ratios have fallen.”

Methodology

The study is based on observation of annual averages of the ICO composite indicator price during the period from 1970 to 2009. The evolution of the composite price was then compared with the behaviour of prices for fertilisers currently used in coffee farming.

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Back Nabard prepares Rs 1,597-cr credit plan for Dharwad

Nabard has identified the potential for setting up rural godowns and market yards and also to strengthen agriculture marketing infrastructure.

Anil Urs

Dharwad, Nov. 25

The National Bank for Agriculture and Rural Development (Nabard) has prepared Rs 1,596.68-crore potential linked credit plan (PLPs) for Dharwad district for the financial year (FY) 2011-12.

Unveiling the Dharwad district credit plan at the DCC meet, Mr Y.N. Mahadevaiah, Nabard- AGM, said “Of the total credit plan amount, Rs 829.20 crore is set aside for investment under agriculture and allied activities, for non-farm sector Rs 146.52 crore, and for other priority sector Rs 620.96 crore.”

According to the district's potential linked credit plan (PLPs) for the FY 2011-12, Nabard has identified the potential for setting up rural godowns and market yards under centrally sponsored schemes of rural godowns, and also to strengthen agriculture marketing infrastructure. “Banks in the district have disbursed only Rs 1 crore. As for the rural

godowns and market yard infrastructure in Dharwad district, there are 11 godowns having a capacity of 7,900 tonnes. Whereas neighbouring districts such as Koppal, Raichur and Bellary have already spent and created huge capacities. Compared to those districts, Dharwad has negligible infrastructure,” he added. Mr Mahadevaiah said that there are 22 nationalised, RRBs and co-operative banks having 257 branches. Definitely, the banks can take up funding of rural godowns and market yards to the extent of Rs 53.70 crore in the financial year 2011-12.

At the DCC meet, the Reserve Bank of India Manager Mr R Ramachandran, Vijaya Bank's AGM Mr B.A. Tata, Lead district bank manager Mr Basavarajaiah and representatives of Dharwad Zilla Panchayat were present.

The DCC meet discussed broad sector-wise PLP projections for FY 2011-12 and is as follows: For crop production, Rs 632.82 crore is planned.

Activities to be taken up under this are water resources, land development, farm mechanisation, plantation, horticulture and sericulture, dairy and storage godowns and market yard.

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Back Tea prices at N. Indian auctions rise a tad

Our Bureau

Kolkata, Nov. 25

This week (Sale 47), the total offerings (packages) at the three North Indian auction centres at Kolkata, Guwahati and Siliguri were 434,346 compared with 426,795 in the corresponding sale of the previous year, according to tea auctioneers J Thomas & Company Private Ltd.

However, the offerings at Kolkata auction at 170,556, comprising 135,294 of CTC/dust, 30,164 of orthodox and 5,098 of Darjeeling were less than those in the same sale of the

previous year – 174,975, comprising 137,466 of CTC/dust, 32,385 of Orthodox and 5,129 of Darjeeling.

The offerings at two other auction centres of course were higher — Guwahati 155,134 (150,065) and Siliguri 108,656 (101,755).

Better liquoring Assam CTCs were around last to occasionally dearer, while the remainder were irregular and at times lower following quality.

Better Dooars were firm to dearer while the remainder were irregularly lower. Tata Global was active while Hindustan Unilever continued to be selective. Western India operated actively on better liquoring teas.

Local dealers' support

Exporters operated on larger brokens.

Good support came from local dealers and other internal sections.

Orthodox offerings were generally firm with selected lines appreciating. Teas showing a decline in quality were irregularly lower.

West Asia and CIS shippers were active. North India operated on the bolder whole leaf.

Hindustan Unilever supported the fannings and larger brokens. Fair support was from local dealers.

Darjeeling: Selected few whole leaf invoices showing seasonal improvement in quality sold well with competition. Brokens tended firm and often dearer.

Fannings met with useful competition from local buyers and sold at dearer rates. The Major Blender and Tata Global Beverages operated. Keen overseas interest was mainly on wholeleaf grades. Bazaar operated for fannings.

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Back Low arrivals lift wheat; flour rules flat

Our Correspondent

Karnal, Nov. 25

Low arrivals lifted the wheat prices of Dara and Desi wheat varieties on Thursday. Prices of Dara wheat variety rose marginally by Rs 10 a quintal, and ruled at Rs 1,240 a quintal against Rs 1,230 quoted at the beginning of this week. The fine quality was quoted at Rs 1,260.

Mr Sewa Ram, a wheat trader, told Business Line that due to low arrivals from Uttar Pradesh, prices of dara variety continued to witness an uptrend. While after witnessing a steady trend at the beginning of this week, prices of desi wheat rose by Rs 50 a quintal, he said. About 200 quintals of dara variety were offloaded at flour mills in Karnal on Thursday.

Prices of desi wheat varieties witnessed a good rally and went up by around Rs 50 a quintal. Prices of Tohfa variety ruled at Rs 2,450-2,500 a quintal, Lok-1 at Rs 1,970-2,210, Aaj tak Rs 2,400 and Nokia Rs 2,410.

Despite price rise in wheat, flour prices ruled flat and were quoted at Rs 1,250. Chokar prices continued to rule firm and were quoted at Rs 615 for a 49-kg bag.

Paddy Trading

Around 5,000 bags of PR-13 arrived, and ruled between Rs 950 and Rs 980. Grade-A variety arrived in 35,000 bags and ruled between Rs 1,020 and Rs 1,050.

About 5,000 bags of Sharbati also arrived and ruled between Rs 1,420 and Rs 1,500. Sugandha-999 arrived in about 3,000 bags, and quoted at Rs 1,460-1,640.

Around 5,000 bags of Pusa (duplicate basmati) arrived and quoted at Rs 2,050-2,300. Around 10,000 bags of Pusa-1121 quoted at Rs 2,300-2,490. About 10,000 bags of the paddy of pure basmati rice arrived here and quoted at Rs 2,400-2,870.

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Back Heavy arrivals hit turmeric

Our Correspondent

Erode, Nov. 25

Because of the heavy arrival of turmeric to the market for sale, the bulk buyers quoted decreased rate than Wednesday's price.

Some turmeric farmers without showing any resistance sold their product, as they feel the present price is attractive.

But some farmers expecting prices to go up further did not sell their product.

The turmeric, which was sold over Rs 15,000 on Wednesday, showed a decrease of Rs 300 a quintal on Thursday. In the Erode Turmeric Merchants Association sales yard, finger variety was sold at Rs 9,399 to Rs 15,259 a quintal, root variety Rs 9,099 to Rs 15,226 a quintal. Out of 3,671 bags arrived, 947 bags were sold.

In Gobichettipalayam Agricultural Cooperative Marketing Society, finger variety was sold at Rs 14,179 to Rs 15,389 a quintal, root variety Rs 14,067 to Rs 15,169 a quintal.

Out of 298 bags kept for sale 220 bags were sold.

In the Erode Cooperative Marketing Society, finger variety fetched Rs 14,589 to Rs 15,176 a quintal, root variety Rs 14,569 to Rs 15,169 a quintal.

Out of 1,127 bags arrived for sale, 782 was sold.

In the regulated market, out of 2,091 bags arrived for sale, 1,771 bags were sold.

The finger variety was sold at Rs 14,666 to Rs 14,764 a quintal, root variety Rs 14,669 to Rs 14,999 a quintal.

In all the four sales centres, the turmeric price decreased by Rs 300 to Rs 350 a quintal.

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Back Winter demand from North to boost egg

Our Bureau

Chennai, Nov. 25

Egg prices, which hit a record Rs 2.90 a piece earlier this month, are likely to firm up in the face of rising consumption owing to winter demand in the North.

The farm-gate price of egg this week was raised to Rs 2.82 a piece from last week's Rs 2.80 (it is sold at Rs 3-3.25 in the retail market), on account of perceived decline in the layer population and recovery in domestic consumption after the austere months.

According to a National Egg Coordination Committee (NECC) official, Namakkal zone, prices will continue to rule firm till the end of Sabarimala season.

Industry sources told Business Line that farmers have begun placing layer chicks (which will start laying eggs after 24 weeks) during the austere months so that they can build up inventories. (A chick takes 24-weeks to hatch eggs). However, they feel egg prices will not come down as the poultry feed prices jumped by 30-50 per cent in the past two years.

Meanwhile, Palladam-based Broiler Coordination Committee has reduced the price of live birds by Rs 5 a kg from last week's Rs 48a kg. NECC has maintained the prices of its layer birds at last week's level of Rs 36 a kg.

Namakkal and Palladam prices are the benchmarks for eggs and chicken, respectively, in the country.

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Back Positive global cues perk up soya

Our Correspondent

Indore, Nov. 25

Both soya seeds and oil edged higher in Indore mandis on Thursday on positive global cues and decline in arrival.

Against 2.25 lakh bags at State-level, arrival of soyabean in Indore mandi was recorded at merely 3,500 bags and it was quoted about Rs 30 up at Rs 2,150-Rs 2,200 a 100 kg. Similarly, at plant level also, soyabean prices saw a gain of Rs 15 at Rs 2,200-2,260 a 100-kg. On the back of rising soyameal exports and its robust demand from China, soya seed prices perked up at the National Commodities and Derivative Exchanges where soyabean December contract extended previous day's gain and closed at Rs 2,320, while its January contract closed at Rs 2,268 a quintal, respectively.

Besides positive global cues, weak arrival and improved domestic demand also contributed to rise in soya in the spot. However, compared with previous year, soyabean is still being traded Rs 200 a quintal lower.

Similarly, soya oil prices also edged higher, continuing its previous day's rally on the back of rise in KLC which closed (over Rs 108) after opening at Rs 79 on Thursday. In the spot soya refined quoted at Rs 535-Rs 540 for 10 kg, while in the resale it was quoted at Rs 528-Rs 532. Similarly, soya solvent also gained marginally at Rs 506-Rs 510 for 10 kg.

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Back Spot rubber stays steady

Aravindan

Kottayam, Nov. 25

Physical rubber prices finished unchanged on Thursday. The market sustained at previous

day's closing levels lacking quantity sellers though the domestic futures were weak on NMCE. According to sources the sentiments were mainly driven by continuous rains and supply concerns and the volumes were narrow. Sheet rubber finished flat at Rs 199.50 both at Kottayam and Kochi according to Rubber board and dealers.

Among other reports, supply of natural rubber (NR) from the ANRPC region, which accounts for about 92 per cent of the global output, is now expected to fall 3.8 per cent in the fourth quarter (October-December) of the current year as per revised figures reported by Member countries in the third week of November.

China's consumption of NR (including NR-rich grades of compound rubber) is anticipated to rise by 7.1 per cent to 3.26 million tonnes during 2010 and by 6 per cent to 3.45 million tonnes during 2011. The growth attained in 2009 was 10.9 per cent. In India and Malaysia, consumption of NR is likely to keep a low pace during the fourth quarter according to Natural Rubber Trends & Statistics, November 2010 released by ANRPC.

Futures decline

RSS 4 declined at the December series to Rs 200.55 (202.14), January to Rs 203.55 (205.01), February to Rs 205.90 (207.43) and March to Rs 209.01 (210.47) a kg on National Multi Commodity Exchange (NMCE).

The volumes stood at 5906 lots and the turnover at Rs 120.69 crores. The total open interest in all series was 6397 lots.

The December futures for RSS 3 improved to ¥359.6 (Rs 195.92) from ¥356.3 during the day session but then fell back to ¥355.4 (Rs 193.65) a kg in the night session on the Tokyo Commodity Exchange (TOCOM). The grade (spot) recovered partially to Rs 200.15 (199.50) a kg at Bangkok.

Spot rates were (Rs/kg): RSS-4: 199.50 (199.50); RSS-5: 187.50 (187.50); ungraded: 183.50 (183.50); ISNR 20: 192.50 (192.50) and latex 60 per cent: 130 (130).

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Back Rain-battered paddy

— K.K. Mustafah



Planting pattern disturbed: Farmers shift paddy saplings for transplantation at a field near Thrissur, Kerala. The recent heavy rain and wind have wrecked havoc in the paddy planting pattern in the State as tender saplings were submerged in flood waters. The Union Government has started the Agro-meteorological Advisory Service (AAS), an agricultural forecasting system, in order to optimise the use of natural resources for increasing crop production and has sought the service of the India Meteorological Department for the same.

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Back Pepper futures rise on buying support

G.K. Nair

Kochi, Nov. 25

Pepper futures moved up on bullish activities and some buying support amid limited supply.

All the contracts went up marginally. Exporters were holding back while investors were showing some interest to buy at Rs 12 below the December delivery price for farm grade

pepper while sellers were offering at Rs 10 below the December price.

Small and medium buyers having no modern drying facilities were not ready to buy because of the rainy conditions prevailing in the State.

Meanwhile, the sale of 500 GL pepper is viewed as a liquidation done purposely by those holding it as a prelude to the arrival of the new crop, which used to hit the market normally by the third week of November. But, this year the arrival is likely to be delayed due to erratic rainy conditions, market sources told Business Line.

Thus, a wrong signal has gone to the market in India and abroad. Probably cued by it overseas buyers are also now on a wait-and-watch hoping the prices might drop once the new crop arrived.

Indian parity stood at \$5,050 a tonne (c&f) and said to be slightly above the Indonesian price.

Indonesia said to have reduced its price so as to remain below the Indian parity, export sources claimed.

Domestic demand is yet to pick up and whatever comes, at present, is met by direct supplies from Karnataka and Kasargode and Kannur districts of northern Kerala, traders said.

Spot market was sluggish with thin activities as both buyers and sellers were limited, they said.

December contract on NCDEX was closed at Rs 22,395 up by Rs 181 a quintal. January and February were also up by Rs 171 and Rs 196, respectively, to close at Rs 22,592 and Rs 22,799 a quintal.

Total turnover was up by 357 tonnes to 11,140 tonnes. Total open interest increased by 378 tonnes to 14,236 tonnes showing additional purchases.

December open interest moved up 9 tonnes while that of January increased by 366 tonnes to 2,590 tonnes. February open interest declined by two tonnes. Spot prices remained

unchanged at previous levels of Rs 21,000 (ungarbled) and Rs 21,500 (MG 1) a quintal.

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Back Coonoor tea prices decline 9%

P.S. Sundar

Coonoor, Nov. 25

Tea prices at the auctions of Coonoor Tea Trade Association are ruling almost 9 per cent lower than this time last year, reveals an analysis of the market report.

Prices now average Rs 65.11 a kg against Rs 71.54 last year. In effect, each kg of tea now fetches Rs 6.43 less. This decline works out to 8.99 per cent.

The decline is sharper in respect of orthodox teas, which are mostly exported. Their prices average Rs 78.63 a kg – as much as Rs 13.74 less than last year.

The prices of CTC teas, which are mostly consumed within the country, have fallen by Rs 5.87 to an average of Rs 63.99. Currently, more volumes of CTC and orthodox teas are being sold at lower prices than this time last year.

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