

# THE HINDU

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Monday, November 29, 2010

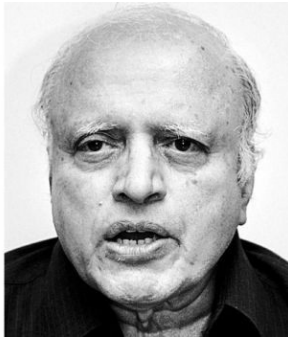
Date:29/11/2010 URL:

<http://www.thehindu.com/2010/11/29/stories/2010112959841000.htm>

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## Give prestige to labour: Swaminathan

Staff Reporter



**M.S. Swaminathan**

MUMBAI: Recalling Mahatma Gandhi's call for ending the "divorce" between intellect and labour, M.S. Swaminathan, chairperson of the M.S. Swaminathan Research Foundation (MSSRF), said on Sunday that it was about time we gave "prestige to labour."

Dr. Swaminathan was speaking at the '7th Convention of the Grameen Gyan Abhiyan (Rural Knowledge Movement) on Information Communication Technology and Food, Health and Livelihood Security in an Era of Climate Change. The two-day event at the University of Mumbai concluded on Sunday.

Dr. Swaminathan said the Genome Saviour Awards recognising village-level contributions to genetic resource conservation was a step in that direction. A similar approach was needed in the field of water conservation. "We must give prestige to labour, to the grassroots workers," he said.

Dr. P. Krishnaiah, chief executive, National Fisheries Development Board, Hyderabad, pointed out that agriculture, dairy and fishing were not treated as “respectable activities.” People in these occupations were seen as having entered them due to lack of alternatives, he said.

With the target date of 2015 for the Millennium Development Goals (MDG) ahead of us, there was a need to “speed things up,” so that we could “leapfrog to achieve at least the fundamental targets” such as reducing infant mortality rate, Dr. Swaminathan said.

“Resources are not a problem. There are many schemes, but we have to deliver as one. Technology may be leapfrogging, but we must not allow rural India to be where it is. It is in nobody's interest.”

Dr. Swaminathan said information and communication technology (ICT) had certain social advantages, an important one being the narrowing of the gender divide through bridging the digital divide. “Women have taken to technology like fish to water. Many gyan chaupals are headed by women,” he said.

In the context of the discussions on business models for the ICT, Dr. Swaminathan said: “We should still insist on government providing infrastructure.” Businesses could respond through corporate social responsibility. Business would prosper if the consumption capacity, in other words the purchasing capacity, of rural India increased.

Bharatiya Janata Party national president Nitin Gadkari, however, advocated a minimum role for the government. He had little faith in government systems, despite the fact that his party ruled several States. Instead, “we must identify good NGOs and individuals who genuinely want to contribute to society.”

Mr. Gadkari cited examples from Bihar where the simple bicycle had transformed the lives of school girls. He listed power failure as a key problem facing ICT in rural areas. Efforts were needed to tap solar energy so that information systems could run smoothly. Dr. Basheerhamad Shadrach, executive director, telecentre.org Foundation, said the government had to “think beyond its bureaucracies and systems” and come up with out-of-the-box approaches to implementation.

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<http://www.thehindu.com/2010/11/29/stories/2010112956610200.htm>

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## Rain poses threat to paddy crop

Staff Reporter

*Continuous showers for the past one week inundates fields*



**submerged:A farmer taking stock of his paddy field at PR Puram in Nagapattinam on Sunday.**

NAGAPATTINAM: First it was lack of water for agriculture; and now it is the deluged fields caused by excess rains. For the average farmer of the tail end of the delta, it was always the above binaries that threaten to spell loss of agricultural produce.

On Sunday, the continuous rains of the past week showed no sign of abating virtually sealing the dependency of farmers to the vagaries of monsoons. The rain-induced, deluged paddy fields with submerged crops stand testimony to this.

Most of the fields that were currently at crucial stages of ear-head formation and initiation, post-tillering, stood water logged up to 1.5 foot, while fields in low lying areas stood completely submerged.

According to Kaveri Danapalan, Cauvery Delta farmers protection Association, pointed to various factors that had delayed transplantation works. The delayed release of Mettur

water by 1.5 months than the scheduled date; labour deficit; and delayed release of Co-operative loans were the main causes for the delay in the cultivation. The farmers fear the possibility of chaff in the event of continued submergence of crops. With the current status of inundation, there was already a loss of 50 per cent in samba productivity, observed Mr.Danapalan. Also, the drainage of fields was often made difficult due to blockage of channels by water hyacinths and ipomeas. Further, lagunal formations by sand reefs at points of confluence of rivulets with the sea has equally affected run-off of floods into the sea.

“In addition to the district's own vulnerability to monsoon vagaries, flood water from Thanjavur, Tiruvarur, parts of Tiruchi and Pudukottai posed more challenges to the farmers here,” says Mr.Danapalan.

Further, the Vennar division with a capacity of 3,000 cusecs of minimum supply level (MSL) has about 8,000 cusecs, posing a threat of breach of embankments, Mr.Danapalan said.

Over 1,12,000 hectares were brought under Samba this season. The rainfall figures for the past 24-hour period were as follows: Vedaranyam 53.40 mm, Thalainayar 48.80 mm; Tharangambadi 46.10 mm; Mayiladuthurai 33.60 mm; Thirupoondi 33 mm; Manalmedu 23.80 mm; Nagapattinam 23.40 mm; Kollidam 17 mm; Sirkazhi 27 mm; with an average of 32.79 mm.

Holiday today

A holiday has been declared for all schools and colleges in Ariyalur and Pudukottai districts and for schools in Nagapattinam district on Monday

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TIRUCHI, November 29, 2010

**Uncertainty looms large over farming community**



The Hindu Thick growth of hyacinth has been a bottleneck for free flow of storm waters at several villages in Tiruverumbur block following sharp showers last week. Picture shows agricultural workers clearing the vegetation at Kovalai canal in Vengur village on Monday.  
Photo: M. Moorthy

Samba crop raised in over 1,100 hectares in Tiruverumbur block in the district have been inundated due to the continuous downpour experienced in the last few days.

Farmers of the block whose crop have been totally submerged in waist deep waters are in the cross road, pinning their hope on some relief or other from the government. Sensing the gravity of the problem, the agriculture department officials have already started assessing the crop damage in the block.

The loss has come as a severe blow to the farmers as they have transplanted the nurseries just a fortnight ago. Unexpected rainfall this month has caused havoc. There is widespread apprehension among the farming community that if water did not drain within the next two days, the chances of saving the standing crop will be remote.

The standing crop stood inundated in 22 revenue villages in the block and the farmers of

Vengur; Kuvalakudi; Natarajpuram; Arasangudi; Kiliyur; Pathalapettai; Tirunedungulam; Koothaipaar and Kalkandarkottai are the worst hit.

A cross section of the farmers said that inundation could have been well avoided, had certain long-term strategies been taken up in the union. Most important is the need for desilting and deepening of Ananda Cauvery drainage channel, a major channel discharging the storm waters from these villages. The thick growth of water hyacinth in almost all the major water bodies, choking the free flow of water, was yet another major factor confronting the farmers.

“The need for desilting the Ananda Cauvery has been oft-repeated demand of the farmers for a long time, but of no avail”, regrets T. Sangilimuthu, president, Tiruverambur block unit of the CPI(M) affiliated Tamil Nadu Vivasayigal Sangam. “It is high time that the government accords priority for restoring the excellent discharge system designed during the British rule with farsightedness”, he says.

Although crops at upper reaches are safe, the problem of inundation commences at Arasangudi panchayat and extends up to Inthaliyur on the Tiruchi – Thanjavur border. A sheet of water is seen in various fields. Adappanpallam area in Arasangudi has been one of the worst hit areas, with transplanted crop submerged in waist deep water.

N. Sathiyarajan and A. Mariappan, farmers, who have raised Co-43 variety in Adappanpallam, have almost lost all hopes of salvaging the crop, with opportunities for drainage remaining grim.

M. Murugesan of CPI(M), president, Pathalapettai panchayat, says that 250 acres in various parts in his panchayat, had been damaged.

Apart from the let up in the showers since Monday, another solace for the officials and farmers is the non-discharge of water in to Cauvery from Mettur for the last few weeks.

Already a team of agriculture department officials led by R. Ravi, assistant director of agriculture, Tiruverambur, conducted survey of the damage on Monday. The Joint Director of Agriculture, J. Sekar visited these areas on Saturday.

## MLA's efforts

K. N. Sekaran, MLA, Tiruverumbur constituency, who inspected the rain damage in different villages on Monday said that he would apprise the Chief Minister M. Karunanidhi of the damage caused to the standing crop and plead for adequate relief to the affected farmers.

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THANJAVUR, November 29, 2010

## New variety of black gram invented



Special Arrangement The new variety of black gram - Shekhar 1 (KU 301).

Black gram (urdbean) will be black in colour usually. But black gram in green colour has been invented by C.S.Azad University of Agriculture and Technology of Kanpur. The new variety Shekhar 1 (KU 301) from C.S.Azad University of Agriculture and Technology is green in colour which resembles green gram. Weight of 1000 grains is 44 grams.

According to Assistant Director of Seed Certification, Agriculture department, Thanjavur, the new variety can be tried by farmers of Cauvery delta districts in place of T9 variety of

black gram which has become more susceptible to yellow mosaic disease.

The suitable season for sowing Shekar one is after March 20. It is moderately resistant to powdery mildew disease and also highly resistant to yellow mosaic disease.

Last year, the variety was raised both in Margazhi (December-January) and Chithirai (April-May) pattams under seed form condition and it performed well, the assistant director of seed certification said in a press release issued here on Monday.

Interested farmers can contact Joint Director of Agriculture or Assistant Director of Seed Certification, Thanjavur. They can contact over phone 04362-231066.

Published: November 29, 2010 18:28 IST | Updated: November 29, 2010 18:28 IST  
KATTAPPANA, November 29, 2010

### **Drive against pesticides gains momentum**

The Agriculture Department will observe anti-pesticide week from December 3 to 10 in Idukki and monitoring of pesticides sprayed on estates will be intensified during the period.

Principal agriculture officer K.K. Chandran told *The Hindu* on Monday that campaigns among estate workers would be organised in association with grama panchayats, non-governmental organisations and research centres against the use of Endosulfan during the period.

He said Endosulfan and pesticides beyond the date of expiry would be seized from sales outlets and legal action would be initiated.

Mr. Chandran said there was a tendency among farmers to buy pesticides beyond the date of expiry at reduced rate and spray it above the prescribed limit, especially in small-scale cardamom plantations. This had resulted in withering of crops which also created health problems.

He said there was prescribed dose for each pesticide and the farmers often flouted it when the price of cardamom went up, producing negative results.



During the campaign, the farmers would be exposed to all unhealthy practices and the ill effects of Endosulfan would be explained to the estate workers.

Officials of the department had been posted at check-posts through which Endosulfan was being smuggled into the cardamom plantations.

Farmers using Endosulfan or pesticides above the prescribed limit would not be allowed any financial or other help of the department, he said.

Field studies would be conducted and samples would be tested to analyse the pesticides used in vegetable farms and the level of dosage, Mr. Chandran said.

The decision to intensify the campaign against the use of yellow or red labelled pesticides and Endosulfan in the cardamom and tea plantations follows a meeting of officials convened by Agriculture Minister Mullakara Ratnakaran at the mini civil station in Thodupuzha on Saturday.

**Date:29/11/2010 URL:**

**<http://www.thehindu.com/2010/11/29/stories/2010112954340500.htm>**

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### **'Land acquisition only if farmers agree'**

Staff Correspondent

BELLARY: G. Janardhan Reddy, Minister for Tourism and Infrastructure Development, has said that agricultural land in Kuditini and surrounding villages will be acquired for industrial purposes only if farmers are willing to part with them.

Speaking after launching the work on various development projects in and around Moka village in Bellary Rural Assembly constituency on Sunday, Mr. Reddy said that large-scale industrialisation would be taking place in the district with an investment of around Rs. 2-lakh crore. This would help solve unemployment problem. Large tracts of land were required for setting up industries, he said. "Land acquisition will be taken up only if farmers

agree to give up their land," he said.

The Government had earmarked Rs. 2,500 crore for the overall development of the district. Works on laying a four-lane road from Bellary to the State border near Moka, drinking water schemes and construction of houses were launched on Sunday, among others.

Presiding over the function, Minister for Health B. Sriramulu, who represents Bellary Rural, said several development works had been taken up in Moka and surrounding villages. G. Somashekar Reddy, MLA and Chairman of Karnataka Milk Federation, also spoke.

**Date:29/11/2010 URL:**

**<http://www.thehindu.com/2010/11/29/stories/2010112952440700.htm>**

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## **Farmers seek release of pending compensation**

Staff Correspondent

Bijapur: The members of Bharatiya Kisan Sangha, Bijapur district unit, submitted a memorandum to Chief Minister B.S. Yeddyurappa during his visit to Nidoni village, urging him to release pending bills from 2006-07 for uncrushed sugarcane.

Sanga president Gurunath Bagali has stated that the State Government had declared that it would pay compensation of Rs. 31.18 crore to farmers of Indi and Sindagi taluks for the uncrushed sugarcane from the year 2006-07 in January 2009. So far, the farmers had received only Rs. 15 crore, he said.

He also stated that the Chief Minister had promised to release the remaining amount within a fortnight during his visit to the district in November last year. But the farmers had not received any money from the district administration and there was no response from the State Government.

He also demanded that the officers concerned should be instructed to conduct a meeting of sugar factory owners to discuss the crushing capacity of their factories and also instruct the officers to make arrangements to transport the sugarcane to neighbouring districts if

the factories in the district have limited capacity.

**Date:29/11/2010 URL:**

<http://www.thehindu.com/2010/11/29/stories/2010112957190300.htm>

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### **Off season rain may hit Arabica coffee production**

CHIKMAGALUR: Sahadev Balakrishna, chairman of the Karnataka Planters' Association (KPA), said here on Sunday there will be a drop in production of Arabica coffee this year because of unseasonable rain in November.

Mr. Balakrishna told presspersons the damage was more in areas where there was early ripening of coffee berries. . He said the KPA would appeal to the Coffee Board and the Union Government to exempt import and custom duties for plantation machineries and provide 50 percent subsidy for harvesting machines, pulping machines and coffee dryers.

**Date:29/11/2010 URL:**

<http://www.thehindu.com/2010/11/29/stories/2010112954110300.htm>

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### **Shortage of seed hits farmers**

RAJAHMUNDRY: Increase in seed prices is likely to affect the prices of rice in East and West Godavari districts in coming months. The recurring expenditure per acre is going to shoot up in Rabi season from Rs.12,000 to Rs.18,000 as the prices of seed per 75 kg bag has gone up from Rs.1200 to Rs.3000. More over the shortage of seed causing hardship to farmers in the two districts. According to officials of the Agriculture Department, 4.80 lakh acres will be covered under Rabi season in East Godavari district for which 15,000 metric tonnes of seeds would be needed. However, heavy rains in last two months damaged nurseries to a large extent.

Farmers are not showing interest to purchase seed from AP Seeds and other companies. Hence, the demand for farming seed has increased in villages.

Generally, farmers go in for MTU-1010 and MTU-3026 varieties (Bondas) which will yield

crop in 135 days and other seeds in 4 months. Water will be available for Rabi up to March and the Agriculture department is advising farmers not to go for Bonda variety.

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<http://www.thehindu.com/2010/11/29/stories/2010112961420300.htm>

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## Nallakannu calls for free power to horticulturists

Special Correspondent

— Photo: R. Ashok



**veteran speak: CPI leader R. Nallakannu addressing farmers at a seminar in Tiruchi on Saturday.**

TIRUCHI: The State government should ensure free power supply for all agriculturists and should withdraw the penalty imposed by the Tamil Nadu Generation and Distribution Corporation on a horticulture crop growers, said R. Nallakannu, senior leader of the Communist Party of India.

Speaking at a seminar on 'Protection of land, water and food' organised jointly by the Tamil Nadu Farmers Association and Tamil Nadu Agricultural Labourers' Association here on Saturday, Mr. Nallakannu said there should not be any crop-based discrimination for free power supply to agricultural pump sets.

On the fine imposed on a few horticulture crop growers in the district on the charge of misusing free power, he said it was not fair to say that only paddy and sugarcane growers were eligible for the free power supply. On the other hand, Tiruchi district was also an

important centre for producing banana and other horticultural crops.

Mr. Nallakannu said that the concept of special economic zone and intervention of alien farming and agri business culture would do more harm than good to the Indian farmers. Referring to the accord reached between the United States and India, he said that Indian agriculture would bear the brunt of the same.

He said that the foreign agricultural pattern was quite different from the Indian system in several aspects. With less population, foreign farmers owned more area of lands in contrast to poor land holdings in our country.

The special economic zone concept had thrown a large number of farmers out of agriculture.

With the XII Five Year Plan round the corner, the Centre should pay serious attention to the livelihood of farm labourers, he said, adding that the policy makers at the Centre had failed to pay adequate attention to the fate of farmers, their livelihood and employment.

Referring to the flood situation in the Vaigai, he said that it only reflected the poor water storage and management. "Every spell of rain should not turn a flood management programme. On the other hand, efficient storage policy should be evolved," he said.

V. Durai Manickam; N. Periyasamy, former MLA; Pamaiyan, bio farmer; D. Indrajith and M. Selvaraj spoke on the need for protecting land, water and also for proper upkeep of lakes and tanks.

Earlier, the meeting adopted a resolution urging the State government to ensure free power supply for all farmers and withdraw the penal action initiated against horticulture crop growers in Tiruchi. Another resolution sought construction of a check dam across the Cauvery in Mutharasanallur near Tiruchi. It also wanted linking of the Cauvery, Sarabanga, Manimuthar, Karaipattanaru and Ayyaru.

**Date:29/11/2010 URL:**

**<http://www.thehindu.com/2010/11/29/stories/2010112960780300.htm>**

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## Problems galore at vermi compost units

G.V.R. Subba Rao

*VMC proposes to add 10 more plants to the existing 18*

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*There are no platforms for drying waste, no pits and no road access at most of the plants*

*VMC has no details of rate of production and amount collected through sale of manure*

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**The vermi compost plant at Ajithsingh Nagar in Vijayawada wears a deserted look.**

VIJAYAWADA: The concept of opening many vermi compost plants in the city, apparently, drew the attention of many cities that were looking for solutions to management of municipal solid waste till recently.

Equally enthused, the Vijayawada Municipal Corporation (VMC) is proposing to construct 10 more plants with the 13th Finance Commission (13FC) funds. But, the harsh truth is that many of the existing plants are not functioning properly.

Repairs still pending

Barring a few, there are problems galore in most of the 18 plants scattered across the city.

There are no platforms for drying the waste, no pits, no road access, no shelters, non-availability of the waste are a few problems encountered by the plant operators. Some of them like the plants in Ajithsingh Nagar have been shutdown; one of these plants was reduced to ashes in a fire accident, and has not been repaired till date. The proposals to repair it are still pending, sources say.

According to information, the VMC has no details such as rate of production at the plants and amount collected through sale of manure. The sanitary inspectors, who were supposed to collect this information, did not furnish the information though it was stressed at a meeting a couple of months ago.

Some of the plant operators have been "submitting the audit reports" to the corporation, but even they have not mentioned the rate of production. Consequently, the VMC has no idea of the installed capacity, waste processed, manure produced and the viability of the plant.

Each plant requires 20 to 40 tonnes of waste to produce the manure, and it takes at least 3 to 4 months for compost to be produced. As there is no segregation of waste at source (residential houses), the plants are facing severe problems.

And, to tide over this, some of them are depending on rythu bazaars and residential hostels.

This is defeating the very purpose of vermi compost plants, officials say.

## Funds

Notwithstanding the situation, the VMC prepared plans to set up another 10 plants under 13FC funds. It is estimated that each new plant would cost Rs. 5 lakhs. The VMC submitted proposals under the head of 'Integrated Solid Waste Management under PPP mode' (excluding vehicles and equipment) to Commissioner and Director of Municipal Administration a couple of months ago.



**Zia Haq, Hindustan Times**

Email Author

New Delhi, November 29, 2010

First Published: 00:19 IST(29/11/2010)

Last Updated: 02:15 IST(29/11/2010)

## **Farm output surges, growth may touch 7% this year**

India's sluggish agriculture sector — its biggest impediment to a high growth rate — is finally poised to take off.

Farm growth won't just meet its target of 4% this year, it could even climb to never-seen levels, possibly 7%, government officials, planners and independent economists told *HT*. "We may see 6-7% growth, depending on how the rabi (winter) crops go," Planning Commission member Abhijit Sen said.

The main reason for this optimism is the outstanding kharif (summer) output, which alone delivered nearly 3% farm growth over last year, Sen added.

Agriculture secretary P.K. Basu too said a turnaround was in the offing.

This will mean more money in the hands of two-thirds of all Indians, who depend on farm income. Rural spending will rise, which will push up manufacturing and thereby, the economy.

Prone to seasonal swings and dependent on the monsoon, farm growth has been volatile in recent years. In 2009-10, the worst drought in three decades shrank farm growth to almost zero.

High farm growth won't quite alter the overall projected growth of 8.5% for this year, as agriculture's share in gross domestic product — the sum total of all income from all sectors — is barely 16%. "However, it will mean more robust contribution to the economy," finance secretary Ashok Chawla said.



What's driving farm growth? "Our agriculture seems to be finally responding to prices," NR Bhanumurthy, economist with state-owned National Institute of Public Finance and Policy (NIPR), said. The NIPR's own forecast is 5.6% farm growth.

Periodic hikes in minimum support prices (MSP) have worked. Between 2004 and 2010, MSP — the assured price at which the government buys paddy and wheat — was raised by 78.6% and 75%, respectively.

Fast-changing consumption patterns have prompted more high-end crops to be grown and high food prices may have a role too, economists say. Cheaper farm loans — at 5% this year from 7% till 2009 — also helped.

Another reason is the "low base" effect: following last year's drought, growth was practically nil, so this year may shine in comparison. But the drought also meant farmers this year worked aggressively to make good their losses, Bhanumurthy said.

<http://www.hindustantimes.com/StoryPage/Print/632094.aspx>

## Weather

Chennai - INDIA

### Today's Weather



Partly Cloudy

**Monday, Nov 29**

Max    Min  
27.3° | 22.4°

Rain: 0.2 mm in 24hrs

Humidity: 70%

Wind: Normal

Sunrise: 6:13

Sunset: 17:39

Barometer: 1010.0

### Tomorrow's Forecast



Rainy

**Tuesday, Nov 30**

Max    Min  
28° | 23°

### Extended Forecast for a week

Wednesday

**Dec 1**

Thursday

**Dec 2**

Friday






**Dec 3**

Saturday

**Dec 4**

Sunday

**Dec 5**

				
29°   25°	28°   25°	29°   24°	27°   26°	27°   25°
Cloudy	Rainy	Cloudy	Rainy	Rainy

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buzz

*By Express News Service*

*29 Nov 2010 03:24:44 AM IST*

Central districts under water: Delta devastated

ARIYALUR: Floods in the Vellar and wild stream caused by heavy rains for the past three days, have cut off transport to nearly 15 villages. Paddy, sugarcane and maize crops raised in around 1,000 acres have been affected.

Nearly 800 lakes have got filled up due to the continuous rains for the past few days in the district.

The Chetty lake, Siththeri, Andimadam Vilandhai Big Lake were brimming and excess water was being let off through drain canals.

Since the wild stream had flooded the Sillakkudi ground bridge, buses services on the route have been suspended.

Following floods in Marudai river transport connectivity to more than five villages has been cut. Similarly, there is a heavy flow over the ground bridge near Kallankurichy, and traffic to Kadugur, Ayan Athur and Chinna Nagalur villages has been disrupted.

The Chinthamani canal near T Pazhur is experiencing floods and water has entered paddy fields near Annakaranpettai, submerging crops in 150 acres. On the whole, paddy, sugarcane and maize crops in 1,000 acres have been submerged.

In Kulothunganallur area near Jayamkondam, a flooded wild stream has submerged paddy

crop.

A breach in the Vilandhai lake in Andimadam was sealed by Public Works Department officials by placing 300 sand bags. But, again a breach occurred on Saturday night.

The flood water was being diverted via Big Lake canal.

Since the breach could not be set right, there would be water scarcity in summer, residents averred.

*By Express News Service*

*29 Nov 2010 03:17:53 AM IST*

Madurai: Paddy in 1,281 HA submerged in floods

MADURAI: Paddy cultivated in 1,281 hectares were submerged in the floods in the district.

Compensation will be provided to the affected farmers after the damage has been assessed, A Tamilarasi Ravikumar, Minister for Adi Dravidar Welfare, said on Sunday.

After inspecting the Vandiyur tank along with Collector C Kamaraj, the minister told reporters that 10 persons have lost their lives in floods for whom `5 lakh compensation has been released so far. As many as 302 houses were damaged. Among them, 48 were completely destroyed. For damaged houses, `3.5 lakh compensation has been provided so far, she said. "We will take up the issue with the Chief Minister along with Union Minister M K Alagiri to speed up relief works," she mentioned.

Later, the minister and the collector proceeded to Thenpalanji village and Vadapalanji Sundararajapuram to inspect the damage to crops. She assured the affected farmers that compensation would be provided after assessing damaged to the crops.

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**THE ECONOMIC TIMES**

Mon, Nov 29, 2010 | Updated 08.05AM IST

28 Nov, 2010, 02.02PM IST, AGENCIES

## **Cotton price surge threatens 'cheap fashion'**

DHAKA: In the home of cheap clothing manufacturing, the record price of cotton is causing havoc for producers -- and the pain will pass down the chain to buyers in developed countries, analysts say.

Bangladesh, the third-biggest producer of clothes worldwide, is one of the cheapest locations for manufacturing in the world and its factories churn out clothing for leading brands from Wal-Mart to H & M and Gap.

After reluctantly agreeing to a sharp rise in the minimum wage, under pressure from the government and violent protests from workers, the industry is now grappling with price and supply issues with its main raw material.

Cotton's price on world markets reached 1.50 dollars a pound (0.45 kilograms) for the first time on November 9, double its level of 12 months ago.

"Top global retailers have for years cut buying prices of clothing to ensure higher profits for their shareholders. But they must now understand that the era of cheap fashion is all but over," Hasan Khaled, former chief of Wal-Mart's Bangladesh buying office, said last week.

"Western consumers will have to bear some pain of higher cotton prices even though they are facing tough times due to the global meltdown," said Khaled, who now buys clothing for US retailers such as Sears and JCPenney.

Garment-making is the backbone of Bangladesh's economy, accounting for 80 per cent of exports, even though the country has no domestic source of cotton.

Instead Bangladesh buys one million tonnes of cotton a year, making it the world's second biggest importer after China, according to the country's commerce ministry.

Although prices on commodity markets have cooled in the last two weeks, Bangladeshi clothing manufacturers are having to manage a crisis.

According to the Bangladesh Knitwear Manufacturers and Exporters Association, most of its members who took orders from western retailers months ago are being forced to cancel them, renegotiate prices, or take a big hit on profit.

"Many buyers understand the situation and they have agreed to raise prices by 30-40 per cent. But even they are not adjusting order prices fully," said Ziaul Islam Chowdhury, head of top producer Knit Asia.

"As a result, many exporters are being forced to cut profit margins for the sake of reputation. The export figures in recent months show tremendous growth but it does not show the kind of bleeding going on in the sector," he said.

The government has said it is "deeply worried" over the rising cotton price and has launched a policy of "cotton diplomacy" intended to secure supplies for its industry.

Accompanied by top textile millers and cotton importers, Bangladesh's Commerce Minister Faruk Khan has visited top producing nations India and Uzbekistan in the last month.

"Ensuring cotton supply to our millers is now a national security issue," he said, a day after returning from Uzbekistan.

Zaena Miller, a London-based clothing analyst for research group Euromonitor, said calling an end to the era of cheap fashion was premature, but warned consumers already face price rises and more will come next year.

Retailers will adopt different pricing strategies depending on their business models, she said.

Low-cost specialists will look to absorb as much of the cost as possible, which will reduce their profits, while others will raise prices on some, but not all, of their clothing ranges.

As a general trend, they will try to sell at full price, which means fewer price-cutting promotions, and the trend could even be a boon for charity shops where second-hand clothes are on sale at a fraction of their original cost.

"There will definitely be slight price raises," she said. "And next year they will be more notic

## Business Standard

Monday, Nov 29, 2010

### **Cotton exports may miss target**

**BS Reporter / Chennai/ Hyderabad November 29, 2010, 0:47 IST**

Cotton exports from the country are likely to miss the target this season as production has been hit by unseasonal rains in Gujarat and Maharashtra and floods in Andhra Pradesh, according to a senior official of the Union ministry of textiles.

"We (ministry of textiles) are of the opinion that cotton exports before the December 15 deadline for closing exports are expected to touch just 2.5 million bales (170 kg per bale) as compared with the permitted 5.5 million bales," said V Srinivas, joint secretary (cotton).

Speaking to mediapersons during a road show here, he said, "It looks like it (exports) will be around 2.5 million bales. However, trade bodies say it will be 2 million bales, which looks reasonable," he said.

He said that the ministry had set a maximum limit of 5.5 million bales for exports, assuming it to be a bumper harvest. "Shortage of cotton products both in domestic and international markets pushed up prices."

Union minister of state for textiles Panabaka Lakshmi said the Centre had sanctioned 40 integrated textile parks across the country, of which 25 were operational.

"The central government has committed Rs 1,400 crore, as against a projected investment of approximately Rs 20,000 crore towards development of these textile parks. The remaining parks will go on stream next year," she added.

### **Sugar ends higher, coffee falls amid euro crisis**

**Reuters / New York/ London November 28, 2010, 0:38 IST**

ICE sugar futures reversed early losses to settle higher for the fourth straight day yesterday due to fund buying, while coffee fell as Europe's debt crisis pushed the euro to a two-month low against the dollar and as investors worried about conflict in Korea.

Cocoa futures settled stronger as the London market led the way up, ahead of the second round of presidential elections in top grower Ivory Coast. Volume was thin after the US Thanksgiving holiday on Thursday and the ICE agricultural markets dealt in a slightly abbreviated session.

ICE raw sugar futures found strength in follow-through buying from Wednesday as demand continued to be viewed as strong, particularly in China, dealers said. "This China (situation) where they seem to be running out of most everything, seems to be supporting the market," said Jack Scoville, analyst for brokers The Price Group in Chicago.

ICE March raw sugar rose 0.30 cent or 1.1 per cent to end at 28.25 cents a lb, closing the week up eight per cent. Volume was light at around 36,305 lots, down nearly half from Friday after Thanksgiving in 2009.

Liffe March white sugar finished up \$1.10 at \$718.40 a tonne. “The algorithmic traders (system funds) are the likely buyers. There are few traders from the trade houses around due to yesterday’s Thanksgiving,” a sugar futures broker said.

Dealers said the market faced stiff resistance above 30 cents a lb, having touched a 30-year high of 33.39 cents a lb on November 11, underpinned by low global stock levels.

“Concerns that total sugar recovery levels will fall in India’s cane are leading to fears that the country may not have the necessary surplus required to lift exports to a world that is crying out for more sugar,” Macquarie Bank said in a report.

The European Commission has delayed plans to export a further 350,000 tonnes of out-of-quota sugar, after European Union governments raised concerns over the impact of the move on market prices, EU sources said.

Dealers said the softs had disconnected from market fundamentals due to an uncertain outlook for the euro and the threat of fresh hostilities on the Korean peninsula.

“The recent bailout of Ireland was like putting a plaster on a wooden leg — we’re not getting to the core of the euro zone debt problem,” said Pierre Sebag of London-based sugar consultancy Sugar K.

A newspaper reported that euro zone nations were pressuring Portugal to follow Ireland’s lead and seek a bailout. Portugal and Germany’s finance ministry denied the report. Coffee futures settled lower along with the commodity complex, with investors still concerned about contagion stemming from the euro zone’s debt problems.

ICE March arabica coffee futures dropped 4.75 cents or 2.3 per cent to finish at \$2.0270 a lb, closing the week down four per cent, the biggest weekly loss since August 8.

WORLD SUGAR BALANCE				
	In mn tonne, raw value		Change	
	2008-09	2009-10	In mn tonne	in %



Production	152.482	157.160	4.678	3.07
Consumption	164.153	166.585	2.432	1.48
Surplus / deficit	-11.671	-9.425	-	-
Import demand	50.068	54.281	4.213	8.41
Export availability	50.070	52.156	2.086	4.17
End stocks	60.368	53.068	-7.300	-12.09

*Source: ISO quarterly market outlook, February 2010*

### **Vietnam harvest**

Robusta coffee futures eased, with the harvest in top producer Vietnam expected to gather pace over the next few days. Liffe January robusta coffee futures slipped \$13 to settle at \$1,816 a tonne. Vietnam's coffee exports this month fell an estimated 1.96 per cent from last November to 1.33 million bags, the government has said, as foreign firms refrained from buying much on fears of supply problems due to low stocks. Cocoa futures settled higher.

Dealers said a short-term focus in the cocoa market was Sunday's presidential run-off election in Ivory Coast. Many fear street violence if the result is disputed, potentially disrupting the flow of cocoa to ports.

Liffe March cocoa settled up 27 pounds at 1,874 pounds. ICE benchmark March futures crept up \$1 to settle at \$2,794 per tonne, finishing the week down 2.6 per cent. Volume for US cocoa totalled a thin 7,150 lots, down from the 8,788 lots reached on Friday after Thanksgiving last year.

Cocoa arrivals to ports in Ivory Coast by November 21 leaped past last season's levels after a surge in late declarations before Sunday's election.

### **Cotton exports to miss target this year: Govt**

**BS Reporter / Chennai/ Hyderabad November 28, 2010, 0:31 IST**

Exports before deadline will be around 2.5 mn bales

India's cotton exports are likely to miss the target this season as production has been hit by floods in Andhra Pradesh and unseasonal rain in Gujarat and Maharashtra, according to a senior official of the Union Ministry of Textiles.



“We (the textile ministry) believe cotton exports before the December 15 deadline (for closing exports) will be just around 2.5 million bales (170 kg a bale) as compared to the permitted 5.5 million bales,” said Joint Secretary (cotton) V Srinivas.

Speaking to mediapersons during a roadshow to promote the scheme for integrated textile parks in Hyderabad, Srinivas said the ministry should wait for more clarity on the quantity of cotton that would be exported. “It looks like it (exports) will be around 2.5 million bales. However, trade bodies say it will be two million bales, which seems reasonable,” he said.

Stating the ministry had earlier set a limit of 5.5 million bales, assuming a bumper harvest this season, Srinivas said it had become difficult for exporters to meet obligations. “Shortage of cotton products, both in domestic as well as international markets, pushed up prices.”

Union Minister of State for Textiles, Panabaka Lakshmi, said the Centre had sanctioned 40 integrated textile parks across the country, of which 25 are operational.

World cotton demand & supply situation (in million tonnes)						
	2005	2006	2007	2008	2009	2010
	-06	-07	-08	-09	-10	11*
Beginning stock	11.89	12.55	12.78	12.23	11.96	8.93

Production	25.68	26.02	26.02	23.33	21.77	25.34
Consumption	24.99	26.50	26.50	23.51	24.6	24.99
Exports	9.73	8.37	8.37	6.61	7.77	8.43
Ending stocks	12.55	12.78	12.23	11.96	8.93	9.27
<i>Note: Year beginning August 1; * projected</i>						
<i>Source: International Cotton Advisory Committee</i>						

“The central government has committed Rs 1,400 crore, as against a projected investment of approximately Rs 20,000 crore towards development of these textile parks. About 25 parks are operational at present, while the remaining will go onstream next year,” she added.

## THE HINDU Business Line

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[Back](#) Call of the farm

*Technology can help farmers grow biz, avers this player..*



Real-time information helps in decision-making.

D. Murali

The previous IT (information technology) wave was more in outsourcing, but youngsters now are no longer satisfied with just a pay package and a cubicle life, observes Venkata Subramanian, Founder and Managing Director, eFarm, Chennai (<http://bit.ly/F4TeFarm>). With hardware and software costs becoming so affordable, entrepreneurs with a niche idea and know-how to combine the IT strength to a craving business need can see great success, he adds, during a recent lunch-hour interaction with eWorld.. “We are optimistic that the next generation will be the ones who will bring about a change in agriculture...”

Yes, it is agriculture that Venky is talking about. And if you wonder whether agriculture can attract the talent that it needs, he reasons that a key factor behind the decline of agriculture is the moving away of general talent to cities/ services industry; and that thanks to the current downturn in services and manufacturing, people seem to be looking at the real green on other side of the valley.

“We see a lot of enquiries coming from people currently in the IT industry wanting to shift over — partly out of frustrations and work pressures and partly from the need to apply their talents to new domain areas so far unexplored. We also see a lot of entrepreneurship activities mushrooming in campuses and students increasingly taking to launch businesses and become job-creators rather than job-seekers. Even otherwise, the need to go organic and turn to safer food sources is making many urban people look seriously at the farm sector today.”

Excerpts from the interview.

D. MURALI



Venkata Subramanian

Is there money for the IT industry from agri sector?

As India's agri economy has been perceived as a slow-growth sector, and farmers being invariably illiterate, it is a common misconception that there is not much scope for any 'high-tech' ICT (information and communications technology) usage in this domain.

But being an IT person myself (for over a decade), and now running an agri supply chain company working with farmers and traders on a daily basis, one thing I can confidently say is that the reality is otherwise: This is one industry which is badly in need of simple solutions to help bring in efficiencies and growth.

Even a small farmer, owning 2 acres of land, has asset worth anywhere from Rs 20 lakh to a crore, owing to real-estate boom. Thus, his income from the land may be low, but his net asset value is high. Almost all farmers today have a mobile phone, and buy talk time – not from subsidies but at the same cost as an urban customer. Not all farmers are poor; there definitely is a creamy layer here too.

Where do you see the relevance of technology in making the lives of our farmers better?

Some of the ICT implementations which were done earlier probably failed as they put the cart in front of the horse. They were too far ahead of technology (such as wireless in villages, before the telecom revolution superceded them; or ICT kiosks in villages – now broadband is so cheap that every town, the Xerox-service shops have all transitioned to cyber cafes). Or, though the technology was in place, the applications were not — thus the farmers did not know how to use email or web-chat as it did not relate to the way they did business.

With the mobile telephone revolution, cellular coverage is across segments and geographies, and has become the great unifier and enabler.

As farmers constantly need to communicate with various buyers, traders and suppliers through the mobile phone, they are already adapting to the new mediums faster than we think. In fact, the handsets which they use are standard 'English' based. They have learnt the menus by using the graphical icons and button positions, even if they don't 'read' the language. This has been a great way to break the language barrier.

The IT industry previously has always been trying to 'sell' them a software solution. Rather, the approach should be to build something which 'they' want.

Can you describe a few examples of how you have implemented technology solutions for farmers?

Some of the solutions we developed are so simple that they are almost laughable — but the ground reality is that since agri sector has been devoid of any IT usage, we literally had to build from ground-up.

Farmers, though complaining of getting poor prices, when actually confronted with the question — 'what price do you want' — often sheepishly never give an answer. They are always used to having the middlemen set the price for them – which is why the dependence on the middlemen is so high.

Reason: they never keep accounts and don't know what their input costs are. Shocking,

but true! They just keep spending all their money, take loans, and wait till the harvest is sold to even know what returns they got.

The first application we built was a simple spreadsheet where we input-ed all the costs of the farmer, his crop details, yield patterns, to arrive at a 'break-even' price. The farmer now knew what bare minimum price to expect and whether he made a profit or loss from a sale more accurately.

The second system we built was to consolidate their supply information. We found that the government data about crops are outdated and often not dynamic enough as some crops (especially vegetables) have very short life-cycles. Also, any changes to weather, or pest attacks had great impact in availability.

We recorded what the farmer was cultivating, the land areas, expected yield, harvest frequencies and built a simple mobile-based application to keep the data updated periodically. This gave a dynamic status of the supply situation to enable forward planning and marketing.

The third system (currently under development) is a mobile-based trading system where the farmer's supply information is automatically broadcast to all interested buyers. Transactions can be handled through SMS, or offline on calls. The trucks can also be booked through mobile, as the logistics providers' data are also available in the system, thus saving the farmer a lot of time, and also offering lot more choice to reduce the dominance of the local agents. We could thus assist farmers even in areas where eFarm doesn't have a physical on-ground presence.

In summary, the key gap in the agri sector is the lack of data. A combination of server-side application and mobile front-ends can help build the database, keep it updated, and also provide valuable transactional info for more accurate analysis.

This will make the whole farm-to-city supply chain more transparent, faster and efficient. Many of these systems already exist for other industries; these only need to be customised.

What are the other components of the agri supply chain demanding the attention of IT?

There are several highly sophisticated solutions for supply chain management in the organised industries. But what often stumps IT solutions providers when they deal with farmers is that they may 'individually' be not having the scale or size to directly 'buy' the entire solution.

This, in a way, is a problem and a boon. For, this is one industry which is the most ideal for SaaS-based model/ a 'pay-per-use' transactional model which is what all IT vendors are moving to.

Let's look deeper into the specific needs:

First, neither the supply nor the demand data about this industry are clearly available. Government has so far been the sole controlling body of this industry with data collection left to census cycles and crude projections. Also, there are numerous different departments within the overall agriculture ministry having silos of data, mostly redundant.

Ironically, the Revenue Departments have accurate details of farm pattas, ownerships and digital maps of farm lands (thanks to e-governance and huge demand for real-estate), but we don't know what is being grown in that land! The most critical need of this industry, therefore, is to map out what the farmers are cultivating and also to conduct market surveys/focus groups to assess actual demand volumes (both domestic and export).

The solutions space itself is varied, and there is no 'one person or company' who handles all departments. So be ready to deal with different people and entities which need to be 'connected' to complete the system. The system should open up to multiple parties interacting asynchronously.

Thus the 'supply side planning' (a.k.a. production planning systems) such as farm management and cropping/ harvesting planning may appeal to farmers. The logistics side planning may appeal to truckers. Order placement modules may appeal to end customers such as traders, wholesalers, caterers, export houses, food processors. The inventory management modules may appeal to warehouse/cold fleet operators.

Secondly, the end users in this industry are more comfortable with mobile phones/ SMS than with PCs/web sites. The applications should shield complex operations and offer the



end user simple interfaces accessible from a basic phone (read not smart-phone).

Thirdly, though the end users' needs may be simple, let's not forget that the internal processes and needs are quite complex. There are over a thousand agriculture crops and produces, each with multiple varieties. The quality and grading of a product are sometimes based on size (large/ small), sometimes on texture (bright/ dull), and sometimes on ripeness etc. Needless to say, the price varies with the quality.

To add more, the weight of product may also vary with water content – a wet produce weighs more than dry one. Perishability is a key factor which makes the 'pricing' system more dynamic. Prices vary with time, as produce quality diminishes. Some products (like leafy vegetables) will depreciate 100 per cent of their value in less than a few hours. Inventory management under such circumstances is also more complex, whereby physical stock and system data have to be collected more periodically.

Now that even basic phones have GPRS facility, and 3G has already been launched, even a simple mobile phone based tracking system to monitor the movement of the 'vegetable subjwallah' is not that far-fetched [now.dmurali@thehindu.co.in](mailto:now.dmurali@thehindu.co.in)

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**Back Govt agencies import urea at higher prices this fiscal**

*Three canalising agencies contracted urea imports when the prices were ruling high.*

<b>Import prices*</b>		
(\$/tonne, c&f India)		
	<b>Urea</b>	<b>DAP</b>
Apr	296	533
May	281	524
Jun	260	508
Jul	277	513
Aug	303	547
Sep	338	601
Oct	363	633

\*Indicative rates.

Harish Damodaran

New Delhi, Nov 28

An elemental rule of trade is to buy when it is cheap. This principle does not seem, however, to apply to governmental imports of urea, where most of the buying for this fiscal has happened with global prices on the boil. Since April 1, the three official canalising agencies – State Trading Corporation of India, MMTC and Indian Potash Ltd (IPL) – are said to have contracted some 4.6 million tonnes (mt) of urea imports. Of this, hardly 1.1 mt were booked during the April-June quarter at an average landed price of \$275 a tonne (cost & freight, Indian ports). The balance purchases have taken place after international prices had soared well past \$300 a tonne. The latest one, by IPL for around 0.5 mt, was concluded just a couple of days ago at \$397-399 a tonne. The previous two contracts in September and October, involving an aggregate quantity of 1.5 mt, were reportedly struck at between \$347 and \$365 a tonne. With domestic production at 21-21.5 mt, India needs to import roughly seven mt of urea this fiscal to meet an estimated consumption of over 27 mt. After including the already booked 4.6 mt and another 2 mt through the Oman India Fertiliser Company joint venture route (at a favourable long-term negotiated rate of about \$133 a tonne), there is still another 0.5 mt of imports left to be done for 2010-11.

#### DAP Imports

It is quite the opposite in the case of di-ammonium phosphate (DAP), where imports, unlike urea, are not canalised through State agencies. The quantum and timing of imports to be made is left largely to fertiliser firms that have to take decisions based on commercial intelligence.

During 2010-11, the country is expected to produce 4-4.1 mt of DAP and consume 12 mt, translating into an import requirement of around eight mt. As against this, companies have contracted 8.3 mt, of which seven mt have already arrived. Moreover, while international prices of DAP, too, have firmed up since July (see table), the Indian importers booked their entire material by June, when prices fell to \$475-500 a tonne, compared to their current \$620-630 levels.

## Incentives

“It is all about incentives. The canalising agencies are not in the business of selling urea to the final consumer (i.e. farmer). And since they are fully compensated for the urea they bring in at whatever prices, there is no real incentive to buy at the right time at the cheapest possible rate”, an industry analyst pointed out. But on seven mt of annual urea imports, it matters quite a lot if contracts take place at over \$350 a tonne or at below \$250 (June prices). The difference works out to \$700 million or Rs 3,200 crore-plus – maybe not much for a scam-weary country, but not too small either!

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## Back Crop woes

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*It is time to be vigilant on food inflation as global cues are unfriendly and domestic crops are prone to production risks.*

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Global agricultural markets are suddenly beginning to show signs of bullishness, in tandem with growth-driven commodities such as energy and metals. Corn (maize), sugar and even cotton are trading at elevated price levels in the international market because of tight supplies around the world. The global corn output for 2010-11 is projected at 810 million tonnes while consumption is forecast higher, at 840 million tonnes. Wheat is no different, with production estimated at 644 million tonnes and consumption for the year higher at 660 million tonnes. Stock draw-downs are inevitable, so is the effect on market prices. It is

indeed worrisome that Argentina, the world's second largest corn exporter, is facing dry weather conditions. Any fall in output will affect world supplies early next year.

Elsewhere, too, there are concerns. From being an exporter for five years, China is set to become an importer of corn this year. There is a huge public outcry in China about food inflation because of falling inventory and rising prices. Growers are said to be reluctant to sell produce in anticipation of higher prices. Market intervention measures have had limited success. The government is mulling more serious options such as the ones we in India are used to — storage restrictions, price controls, and so on. To fight food inflation, Chinese banks are following a two-track policy — tightening credit for the commodities sector, on the one hand, and encouraging agriculture on the other. For the first time, China's Banking Regulatory Commission has called on banks urgently to offer special financial support to the farm sector in the face of severe shortage of corn, cotton and sugar, among other crops.

It is only a matter of time before the Indian market feels the effect of these developments, although it is a marginal player in crops such as corn. Despite the rebound in kharif crops production, food prices are not exactly consumer-friendly. The extended monsoon in parts of the country is delaying arrivals. While recent rains may help improve soil moisture for rabi crops, they have also delayed planting in many regions. How the weather pans out over the next three months is critical. The progress of major rabi crops such as wheat, pulses (mainly chana, masoor), oilseeds (mainly rapeseed/mustard and groundnut) as well as rice needs to be monitored closely. New Delhi should be ready with an action plan to deploy massive the public stocks of wheat and rice. It is absolutely essential that speculation in essential food commodities is put down with an iron hand. Commodity futures exchanges should be directed to tighten position limits and impose stiff margins when warranted. Importantly, any smug feeling that the recent small decline in the rate of food inflation has generated is completely misplaced. It is time to be vigilant as global cues are unfriendly and domestic crops are not insulated from production risks.

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**[Back](#) **Pepper futures turn volatile****

G. K. Nair

Kochi, Nov. 28

Pepper trade last week witnessed high volatility in line with the fluctuations in the stock market, especially after the scams. Bears capitalised on the situation by spreading news that foreign investors were taking their investments out consequent to the scams. The fluctuation in currency exchange rates added to this. All this negatively affected the market.

At the same time, domestic buyers also stayed away anticipating the new crop, estimated to be below 50,000 tonnes this year, would hit the markets by the end of November. But contrary to their expectations the new crop arrivals will be delayed because of the erratic weather. To compound their problem, reports of Brazil reducing its prices, as harvesting in Brazil's Victoria region has started and good quantities of pepper will be available in the coming days, also contributed to the bearish sentiment, market sources told Business Line.

Meanwhile, on the domestic front Karnataka was offering "low bulk density" pepper at lower rates, ready to be delivered anywhere in India. But there were no buyers as its processing is difficult for small and medium processors in the present rainy conditions. Also, such material sieved out from earlier imports from Vietnam is available in some upcountry markets, they alleged. All this strengthened the bears, they alleged.

prices

During the week, turnover declined marginally while open interest moved up slightly. The market trend, according to

experts, are not based on the fundamentals. All contracts fell during the week. December, January and February fell by Rs 642, Rs 600 and Rs 666 to close on the weekend at Rs 21,746, Rs 21,990 and Rs 22,156 a quintal.

Total turn over dropped by 197 tonnes to close at 55,827 tonnes. Total open interest moved up by 243 tonnes to close at 13,885 tonnes. Spot prices during the week fell by Rs

400 to close at Rs 20,700 (ungarbled) and Rs 21,200 (MG1) without any selling pressure or increase in availability, they said.

Indian parity in the international market on Saturday was at \$4,925 a tonne (c & f) and would remain competitive provided Indonesia did not lower its price on Monday, they added.

#### Overseas buyers

The US markets are closed for the weekend because of Thanksgiving holidays, therefore, overseas market trend is not clearly known.

However, overseas buyers are expected to cover a bit more for Christmas and New Year as many have not maintained inventories because of the high prices almost through out this year. Contrary to their expectations the prices did not fall when the new crop in each producing country arrived hence their long wait turned futile. Therefore, some demand is believed to be lying uncovered, which might be the reason for firm prices in all origins, they claimed. Given this, chances are some orders will come to India as there are end users who prefer quality over price in the US markets, where pepper is the highest-used spice, they said.

The black pepper market was steady and prices increased last week, according to the International Pepper Community

(IPC). In India, market was more active than last week. Futures prices increased at around 1-4 per cent. Local and f.o.b prices in Kochi, however, were relatively stable.

In Lampung, Sarawak, Vietnam and Sri Lanka, local prices increased by around 2 per cent. F.o.b. prices in Lampung and Sarawak increased by 2 per cent and 4 per cent. In Vietnam, prices were stable at \$4,125 and \$4,450 a tonne for black 500g/l and 550g/l respectively.

Due to limited stock at the local market, white pepper price was stronger locally. In Bangka, the prices increased by 2 per cent both for local and f.o.b. In Sarawak, local prices increased by 4 per cent and 3 per cent for f.o.b. Eleven per cent increase in white

pepper price was recorded locally in Vietnam. The f.o.b. price, however, increased only by a per cent. White pepper prices in Hainan were reported stable.

Production of pepper in Brazil for 2010 will be less than 2009. This was reflected by the export performance during

the last two months. In August and September 2010, export of pepper from Brazil was 4,650 tonnes, recording a significant drop of around

34 per cent when compared to the shipments of 7,020 tonnes in August-September 2009. During January – September 2010, total exports from Brazil stood at 21,890 tonnes, registering a decrease of 5 per cent from 23,100 tonnes shipped out in the same period last year. Up to December 2010, export from Brazil is predicted to be around 34,000 tonnes as against 35,648 tonnes in 2009.

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**Back Non-availability of quality breeder seed an issue in AP: Nabard**

Our Bureau

Hyderabad, Nov. 28

Non-availability of quality breeder seed of pulses and oil-seeds is a major constraint for seed production in Andhra Pradesh, according to a status paper released by the National Bank for Agriculture and Rural Development (Nabard).

Inadequate quantities, lack of interest and motivation among the private players towards the production/supply of pollinated crop varieties and lack of control on price fixation for hybrid seed produced by private seed industry was also a major concern, Nabard said.

However, the State had some positive developments on the Seed Replacement Rate (SRR) front. "Contrary to lower SRRs in other parts of the country, SRR in Andhra Pradesh are comfortable," the paper said.

The average SRR in the State during kharif 2009 is 66 per cent while the proposed SRR for kharif 2010 was 71 per cent.

The average SRR for rabi 2009-10 was 75 per cent, while the target for 2010-11 was 75 per cent.

The SRRs for paddy varieties during kharif and rabi seasons of 2009-10 were 82 and 84 per cent respectively which were the highest in the country, Nabard said. During 2009-10, a total quantity of 21.577 lakh quintals of seed of private sector hybrids of cotton, maize, jowar, bajra, paddy, sunflower and fodder jowar were produced in the State, against the total seed production of 52.64 lakh.

Also about 38.17 lakh quintals of seed were distributed in the State during 2009-10.

Andhra Pradesh had become the 'seed hub' or seed capital of India, the paper stated.

More than 500 companies, including MNCs, were engaged in seed production in the State and many of them had developed R&D infrastructure facilities for evolving hybrid varieties to suit the requirements of the farmers, it added.

#### Public research

However, there was a need for strengthening public research with resources to develop public hybrids so that the quality seeds were made available to farmers at affordable prices. "Further, this would create a competitive environment," the status paper pointed out.

The Nabard Managing Director, Mr K. G. Karmakar, had formally released the paper along with a national status paper at a seed-industry – bankers workshop here on Friday.

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**<http://www.thehindubusinessline.com/2010/11/29/stories/2010112950741200.htm>**

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**[Back](#) Tea prices oscillate at Coonoor sale**

P.S. Sundar Coonoor, Nov. 28



Teas worth Rs 1.43 crore remained unsold at Sale No: 47 of the Coonoor Tea Trade Association auctions as there were no takers for 17.5 per cent of the 12.41-lakh kg on offer.

## CTC

In the CTC market, Homedale Estate, auctioned by Global Tea Brokers, topped at Rs 135 a kg. "Raj Traders bought our Red Dust (RD) for Rs 135 — the highest price among all teas of bought-leaf factories this week. In the leaf market, Nisha Enterprises bought our Broken Orange Pekoe (BOP) for the highest price of Rs 128. In all, our six grades got Rs 100 and more," Homedale Managing Partner Mr Prashant Menon told Business Line.

Vigneshwar Estate got Rs 133, Deepika Supreme Rs 126, Hittakkal Estate and Professor Rs 122.5 each, Shanthy Supreme and Wavertree Rs 120 each. In all, 50 marks fetched Rs 100 and more.

## Orthodox teas

Among orthodox teas from corporate sector, Chamraj got Rs 190, Curzon Rs 185, Highfield Estate Rs 168, Kairbetta Rs 165, Prammas Rs 157 and Havukal Rs 150. In all, 34 marks got Rs 100 and more.

"Orthodox leaf oscillated gaining and losing Rs 2-3 a kg. High priced CTC leaf gained up to Rs 3 and plainers Rs 5-10, but mediums lost Rs 2-3. Orthodox dust was irregular. High priced CTC dusts gained Rs 2-5, but mediums lost up to Rs 2. Bolder and blacker dusts managed to gain up to Rs 5," an auctioneer said.

Quotations held by brokers indicated bids ranging Rs 40-45 a kg for plain leaf grades and Rs 80-117 for brighter liquoring sorts. They ranged Rs 48-55 for plain dusts and Rs 90-125 for brighter liquoring dusts.

On the export front, Pakistan bought selectively for Rs 45-70 a kg and the CIS, for Rs 40-56. Small volumes were bought by Tunisia, Bangladesh and Kenya.