

## **NEWS WRAP**

### **AGD**

Along with the Union Government of India's decision to pay more to farmers for their produce, over the last six months the Consumer Price Index (CPI) has been around 21% level. Agriculture based states such as West Bengal, Punjab and Haryana have suffered steeper price rise than others. The rise in food prices is a principal propellor of inflation. The government has been paying a higher amount to farmers, by increasing the minimum support price for different food grains. The government builds up its buffer stock through higher prices. This buffer stock is sold later at subsidised rates, through the public distribution system. The consumer price index gives food items a weightage of 40%. The National Rural Employment Guarantee Act (NREGA) has increased purchasing power in the hands of the rural poor, which has boosted food prices. High purchasing power is reflected in the higher cash circulation in 2010 (Rs 100,185 cr), compared to 2009 (Rs 31,000 cr). The high rise in minimum supply price of rice and wheat in the recent past, has caused a sharp rise in food prices. Higher transportation costs, in addition to natural price rise, has increased the prices of other food products like fruits, vegetables and oil seeds. West Bengal, which is India's largest rice and vegetables producer, tops the inflation list. The state-wise differences in the consumer price index points to poor inter-state mobility of food items.

There is rampant hoarding of food grains. Food marketing involves several layers of middlemen. A small number of traders control the large stocks of grain in West Bengal. Hoarding of food grains is probably the most widespread in the state. The prices are further pushed up by the several marketing layers. With the minimum support price for wheat and paddy rising steeply, the farmers in Punjab and Haryana find incentives to pile up their stocks with Food Corporation of India.

### **OIL SLICK IN GOA**

A passing ship is suspected to have dumped its burnt oil in the sea around Goa. Thick and dark layers of oil are being deposited on the beaches of Goa, with each lapping wave. The rogue ship is yet to be traced, which has caused the oil slick and the pollution. The Goa beaches attract nearly 2.5 million tourists annually. Burnt oil, emulsified by ocean currents into layers of tar balls, are being deposited along the beaches. Acrid and oily layers cover the sand on famous beaches like Calangute, Candolim, Colva and Velsoa, making walking difficult. Feet on the sand are stained. Goa state authorities have initiated a massive cleaning operation. But tar balls continue to float on the beaches.

### **BEDOUINS IN NEGEV**

By the time the Israeli state was founded in 1948, nomads had settled into a largely sedentary lifestyle in the Negev desert. Israel never recognized the land claims of the Negev Bedouin, who were originally nomads. Without basic services like running water or electricity, about a third to half of the Negev Bedouin live in numerous unrecognized villages, generally stuffed with shanties like those in Al Araqib. When the Israelis captured the area in the 1948 war with Arab states, the Bedouin were told that Israel

needed the territory for military training. The Bedouin were instructed to leave the area temporarily. The nomadic villagers moved to a valley adjacent to the boundaries of their villages. The Tori tribe had been living in the area since the 19th century, as could be gleaned from graves in the village cemetery. The Israeli authorities declared the area of the village to be state land in the early 1950s, transferring the title to the Israel land administration. Local residents were never officially notified. Some Bedouin lived in the government-established town of Rahat. Even when they lived elsewhere, the Bedouin continued farming and grazing herd, on their ancestral land.

When it became clear that the Jewish National Fund was about to plant forest in Al Araqib in the late 1990s, Bedouin nomads built homes in Al Araqib. The Israel Land Acquisition contends that the villagers have no right to build anything in Al Araqib. The villagers have lost repeatedly in the Israeli courts, including the Supreme Court.

### **OIL TO CHINA**

In order to reorientate Russia's oil trade towards the east, Russia has recently opened a new pipeline extending Taishet-Skovorodino-Nakhoda, for exporting east Siberian oil to China. The pipeline runs 67 km from Skovorodina in east Siberia to China's north-east frontier. Oil fields in east Siberia are one of the world's last untapped oil provinces. As a decline accelerates at mature oil fields, Russian oil production after rising to an all timerecord of 10.2 million barrels a day, may begin to fall. □□□