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Egg price slides steadily

M.K. Ananth

Onset of summer and increase in egg production said to be responsible

Egg consumption down in main North Indian sectors Hyderabad has turned its attention to Chennai market

Namakkal: The price of egg in its production hub of South India dropped by 33 paise from Rs. 2.43 on March 9.

The decision to reduce prices was taken by the National Egg Coordination Committee (NECC) at its zonal office here on Friday.

Early summer is cited as the primary reason for this dip that brought the price of egg to its second lowest price since January 2010.

Drop in egg price in summer is quite expected but the price it has reached is lesser than the lowest price of Rs. 2.15 for this season last year and the monthly average of Rs. 2.37 in March 2010.

This month the price remained at Rs. 2.43 from March 5 to 9 before steadily dropping to Rs. 2.33, Rs. 2.28 and Rs. 2.23 before reaching Rs. 2.10 on Friday.

NECC Zonal Chairman Dr. P. Selvaraj told The Hindu that the drop was to stay in pace with the price of other NECC zones across the country, as the scorching sun has reduced the egg consumption market.

Cold wave

The price reached a record high of Rs. 3.02 and remained the same for nearly 10 days in January due to the extended cold wave in North India that brought good business for the farmers here.

With an equally hot summer that has already begun in the main north Indian markets – Delhi, Uttar Pradesh and Bihar – the consumption market there has seen a dip.

Hyderabad that supplied a major stock to those northern markets in that season has started focusing on Chennai – a highly potential consumer market – at a highly competitive price, forcing the Namakkal zone to drop the price too, the Chairman said.

While local consumption is also marginally dropping we are confident that the reduction of price would help us sustain the market, he added.

Denying any link with the drop in price with the assembly election coming in less than a month's time, Dr. Selvaraj noted that the price would in fact increase if there seemed to be any lack of political stability, he added.

On the other hand the weekly supply of 3.5 crore eggs to government schools under the Nutritious Noon Meal scheme has also started sliding as the board exams have already begun.

Bird flu

NECC sources here denied that the drop in price had anything to do with the bird flu outbreak in Assam, early last week.

The source also attributed the commendable increase in the daily egg production in the zone by more than 21 lakh (from 2.55 crore a day in March 2010 to 2.76 crore in February 2011) as another important reason for the early drop of egg prices.

Following is the price of egg in other NECC zones on Friday: Barwalla - Rs.1.95; Mysore - Rs.1.97; Hyderabad - Rs.1.99; Vijayawada - Rs.2.00; Bangalore - Rs.2.05; Delhi - Rs.2.12; Chennai - Rs.2.23; Mumbai - Rs.2.24; Kolkatta - Rs.2.32.

Date:19/03/2011 **URL:** <http://www.thehindu.com/2011/03/19/stories/2011031957300500.htm>

Farmers' outfit alleges banks warning of auction

Staff Reporter

KRISHNAGIRI: Nationalised banks in the Krishnagiri district have asked farmers here to redeem the jewellery pledged by them for agricultural purpose and pay up what is due to the banks, else they will auction the gold ornaments, K.M. Ramagoundar, State general secretary of Tamizhaga Vivasayigal Sangam and Tamizha Milk Producers Association, alleged here on Friday.

In a petition sent to the Chief Election Commissioner, State Chief Electoral Officer and District Election Officer, he said banks were talking of auction of the jewellery in the warning issued through newspaper advertisements and letters.

The farmers were being warned when they were in deep trouble, and when they had incurred heavy crop losses due to pests. Mr. Ramagoundar said. The haystacks stocked in the paddy fields were also damaged due to rains. In such a situation, the "auction" threat of the banks was highly condemnable, he added. He said the banks disbursed about Rs. 5000 crore as jewellery loans in the State. Mr. Ramagoundar urged the banks to postpone their action against the defaulting farmers. Else, the farmers would be forced to stage agitations in all the districts, he said.

Meanwhile, a senior official of a nationalised bank said the banks would have to follow the norms laid down by the RBI regarding Non Performing Assets.

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Water released for irrigation through Raja Vaikkal

Namakkal: The Raja Vaikkal (water channel) that was closed on February 25 for carrying out maintenance works was opened by Collector S. Madumathi at Jaderpalayam on Friday.

The Collector said that 150 cusecs of water was released from the channel on Friday and would be gradually increased to 245 cusecs.

She noted that the channel would remain open for the next 350 days and benefit 16,413 acres of agricultural land in Namakkal and Paramathi-Velur Taluks.

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Poultry feed missing

Tirupur: About 2.8 tonne of poultry feed kept on a farm premises at Thirumoorthy Nagar, near Udumalpet, was allegedly found missing.

The police said the incident took place when the farm owner had gone to Udumlapet for some personal works on Thursday evening leaving the stock on the farm area.

Ganja seized

The Tirupur South police seized 1.2 kg of ganja from two persons here on Thursday. N. Palanisamy and N. Shanmugam were arrested under the Narcotic Drug and Psychotropic Substances Act.

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Forest Department staff attacked

Staff Correspondent

BELLARY: Two members of the Forest Department were allegedly assaulted in the forests of Sandur on Tuesday night.

The attack allegedly occurred when the Forest Department staff prevented a few people from taking away iron ore mined illegally on forest land in the Ramgadh area. Satish and Yogish, both daily wage workers, and Madhusudhan, a guard, were beaten up by the miners. Satish and Yogish have been admitted to the local hospital.

Field visit

The incident occurred at a time when illegal mining is a major subject of discussion, and is currently being looked into by the Supreme Court. The Central Empowered Committee, appointed by the Supreme Court, is expected to undertake a field visit during the last week of this month.

The Sandur police have registered a case and are on the lookout for the culprits.

It may be recalled that all the forest staff members in Sandur Range had written to their higher-ups last year seeking protection as they anticipated threats from those involved in illegal mining.

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<http://www.thehindu.com/2011/03/19/stories/2011031956920500.htm>

Farmers plan protest on March 28

Correspondent

Kolhapur: A massive procession of farmers and power consumers in rural areas is

scheduled on March 28 to the Legislative Assembly in protest against the Maharashtra State Electricity Distribution Company Ltd. (MSEDCL) and the State Government.

These organisations had failed to provide power to farmers and rural consumers for 11 hours although the MSEDCL had committed to provide 14,057 million units of power to rural areas while deciding the rate structure. Even while providing power for 10 hours, the actual use reached the figure of 12,574 million units. This showed that electricity could be provided for 11 hours as per the scheduled quota, said a press statement signed by Pratap Hogade of State power consumers association, Ashok Kinikar of State Irrigation Federation, Raju Shetty, MP, and chief of Shetakari Sanghatana and leader of Peasant and Workers Party N.D. Patil.

The statement said the State Government was not firm on the issue and had not sent its representative to present its case before the power regulatory commission which was hearing the issue in response to the petition submitted by the State power consumers association.

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THE HINDU Business Line

Covering buys lift rubber further up

Kottayam, March 18:

The physical rubber prices firmed up further on Friday. The market continued to follow the domestic and international trend setters NMCE and TOCOM. The prices moved up mainly on covering purchases while the tyre sector kept a very low profile though they were in the market during the session. There has been no selling pressure even at higher levels as the market is expected to strengthen in tune with the global cues if favourable.

Bridgestone, the leading tyre manufacturer in Japan has started production in most of the factories affected by last week's earthquake. The company is adopting measures to deal with

rolling power outages which are being coordinated by the power suppliers and the government. The company is also expected to begin deliveries on Friday.

In spot, sheet rubber improved to Rs 222 (216) a kg according to traders. The grade closed firm at Rs 221 (215) a kg as reported by the Rubber Board.

RSS 4 flared up at its April series to Rs 231.36 (222.47), May to Rs 237.01 (227.90), June to Rs 243.60 (234.24) and July to Rs 245.19 (235.76) a kg on the National Multi Commodity Exchange (NMCE).

The March futures increased further to ¥411 (Rs 227.99) from ¥400 a kg during the day session but then remained inactive in the night session on the Tokyo Commodity Exchange (TOCOM). RSS 3 (spot) bounced back to Rs 227.37 (208.51) a kg at Bangkok.

Spot rates were (Rs/kg): RSS-4: 222 (216); RSS-5: 217 (212); ungraded: 215 (205); ISNR 20: 217 (210) and latex 60 per cent: 119 (117).

Red hot



Growing hotter: A worker grades chillies spread for drying in Andhra Pradesh's Krishna district. Red chillies at the Khammam market ruled at Rs 8,300 a quintal, up from Rs 5,200 a quintal at the same time last year.

Rubber industries seek lower import duty on latex

Small, medium units hit by price hike in latex

Performance of natural rubber					
	Production	Consumption	Import	Export	Stock at the end
	(Tonnes)				
February 2010	51,500	76,350	12,278	5,556	2,74,580
February 2011p	54,500	79,000	6,831	6,523	3,00,865
April 2009 - Feb 2010	7,80,750	8,51,915	1,64,788	19,055	-
April 2010 - Feb 2011(p)	8,04,450	8,68,230	1,71,161	20,580	-
(% Growth)	(3.0)	(1.9)	-	-	-
<small>(a): provisional</small>					

Kochi, March 18:

In the backdrop of the recent surge and wane in natural rubber prices, the All India Rubber Industries Association (AIRIA) has asked for the immediate correction in the inverted duty structure in rubber latex, on the lines of natural rubber that was effected recently. The import duty on latex stands at a significant 70 per cent, even as that on the finished product is less than 7.5 per cent, AIRIA said.

While growth in natural rubber production has been modest, huge capacity build up is being undertaken by the tyre industry, which could increase the demand for natural rubber in the immediate future. According to the Rubber Board, the cumulative production of natural rubber in the country grew by three per cent to 8,04,450 tonnes during April-February period. Consumption, meanwhile, grew by 1.9 per cent to 8,68,230 tonnes.

The growing demand and prices has prompted AIRIA to write to the Finance Ministry pointing out that the increase in price of latex is threatening the very survival of the industry which comprises mainly of small units. Latex is largely consumed in the country in the production of foam mattresses, medical and surgical articles including gloves, balloons, hot water bottles and some sports goods.

Latex prices

Along with the price of rubber sheet, latex prices have also surged from around Rs 55 a kg in January 2009 to Rs 117 at present , after having peaked to Rs 148. It is surprising that the import duty on latex has been gradually enhanced from 25 per cent in 1999-2000 to 70 per cent recently, while that on finished goods has been reduced from 40 per cent to less than 7.5 per cent during the same period, Mr Vinod Simon, President of AIRIA said.

Mr Simon added, "The facilitated import of finished goods is antithetical to the Government's avowed policy of enhancing domestic value addition." A large number of the small and medium scale units are not able to pass the price hike to the consumers.

The Government has all along considered natural rubber and latex as co-existing products. Natural latex is the first stage output of the rubber tree and is processed to obtain natural rubber. While considering the reduction in customs duty on natural rubber to 7.5 per cent for a limited quantity till March 2011 and subsequently a cap of Rs 20 per kg, the Government should have considered a reduction in customs duty on rubber latex as well, AIRIA said. While natural rubber is attracting duty at Rs 20 a kg at current prices, latex is attracting customs duty of over Rs 100 a kg.

Meanwhile, the Rubber Board has said that rubber production for February has increased by 5.8 per cent to 54,500 tonnes, while consumption has decreased by 2.5 per cent to 79,000 tonnes.

Global Jan tea output down 13.78%

Coonoor, March 18:

2011 has begun with lower tea production across the globe, reveals an analysis of the latest information received from various producing countries.

Global black tea output has fallen by 13.32 million kg (mkg) or 13.78 per cent in January compared to January 2010. Production totalled 83.33 mkg compared to 96.65 mkg last year.

"According to the data compiled by us, all producing nations except Malawi and Bangladesh have posted a lower production. Even in these two countries, the increase has only been marginal", Mr Rajesh Gupta, Director, Global Tea Brokers, told *Business Line*.

Kenya has produced the largest volume of 36 mkg – 1.70 mkg less than January 2010. India's production comes next at 20.93 mkg – as much as 6.16 mkg less. Of this, South India lost 3.87 mkg to dip to 14.52 while North India, 2.29 to dip to 6.41.

Malawi's output rose by 0.50 mkg to reach 6.80 and Bangladesh's production, 0.14 mkg to touch 0.40 mkg.

South mills' demand perks up cotton



Rajkot, March 18:

Cotton price increased on Friday, as arrivals dipped before *Holi*. Besides, demand from mills in the South also supported the rise.

Gujarat *Sankar-6* cotton was up by Rs 300-500 to Rs 59,000-59,500 a candy. Raw cotton stood at Rs 6,750-6,800 a quintal with a gain of Rs 125. About 25,000 bales arrived in Gujarat and 65,000-70,000 in the rest of the country.

Mr Avdhesh Sejpal, a cotton broker, said, "Farmers are in festive mood, so raw cotton arrivals are decreasing."

He said, "After *Holi*, farmers will bring their stocks to the market, which will bring the prices down."

Cotton Corporation of India, on its Web site, has said as on March 13, 245.35 lakh bales of raw cotton arrived in markets across India. Last year at the same time, cotton arrivals stood at 241.40 lakh bales. The per-day arrivals are reported around 1,32,000 bales for this year. Cotton output was estimated at 312 lakh bales in 2010-11, against 295 bales in the last season.

AP Govt puts off decision on cottonseed pricing

Hyderabad, March 18:

The Andhra Pradesh Government has deferred the decision on allowing seed companies to increase prices, with farmers putting up a strong opposition. The Government would hold another round of discussions with representatives of seed companies, seed growers and commercial cotton growers after 10 days.

Compensation

“We have opposed the move to increase seed prices. The companies have failed to compensate the seed growers properly. We have asked the Government and seed firms to clarify on how much money they will pay to the seed growers,” Mr S Rama Rao, State Secretary of CPI(M)-affiliated Andhra Pradesh Rythu Sangham, told *Business Line* after the meeting.

Andhra Pradesh had put a cap on BG-II seed at Rs 750 and BG-I seed at Rs 650, while reducing the trait value (royalty) paid to the Bollgard technology provider Mahyco-Monsanto.

Mr Nagendrudu, who represented AP Seed Growers' Association, said it was the growers who bore the brunt of increase in cost of production. “We are spending Rs 1.60 lakh on an acre as we rear the nursery. But we are paid just Rs 300 for a packet of 750 gram, while the companies spend a little and sell it to commercial farmers at Rs 750 for 450 gram,” he said.

“They should first spell out how much they would like to increase compensation. We demand a compensation of Rs 500 for 750 gram,” he said.

Their assurance in this regard would hold the key because the growers would take a call whether they should take up seed growing for the following season. As it is thousands of farmers have shifted to commercial farming. “The trend would only grow if uncertainty continues,” he argued.

The Friday meeting assumed significance on two counts. It is important for seed companies to prepare their market and distribution strategies ahead of the despatches for the kharif season. Any decision by Andhra Pradesh Government would influence the pricing of the seed in other cotton growing States.

Seed firms plea

After meeting the farmers' representatives, Mr Y S Vivekananda Reddy, the Minister for Agriculture, held discussions with representatives of Seedsmen Association and National Seed Association of India (NSAI). "We have explained to them our point of view. They heard patiently and assured us that they would hold another meeting next week," a company executive, who attended the meeting, said.

Edible oils see sudden spurt on global cues



Mumbai, March 18:

Edible oils witnessed a sudden spurt on Friday, after a bearish week.

Barring sunflower oil, all oils rose Rs 5-7 for 10 kg on firm reports from foreign markets and higher Indore soya futures. Palmolein increased by Rs 7 for 10 kg. Soya oil rose by Rs 3, groundnut oil gained Rs 5, rapeseed oil and cotton oil increased by Rs 7. Indore soya oil futures, in line with firm Malaysian and Chicago markets, rose by more than Rs 8 on speculative buying. In Mumbai, along with higher volume sentiment was bullish on buying support.

In the local market, palmolein volumes increased with support from fresh buying by stockists and higher future markets. About 80-100 tonnes of palmolein was traded in resale at Rs 558-561. In direct trade with refineries, about 650-700 tonnes of palmolein was sold by Ruchi at Rs 558-562 for 10 kg. Allana was offering palmolein at Rs 568. Among indigenous oils, groundnut oil and cotton oil rose in line with bullish run of producing centres. Demand for *Holi* kept morale positive. Resalers were quoting palmolein Rs 561-562 taking cues from firm foreign market,

sources added. In Rajkot, groundnut oil rose by Rs 20 to Rs 1,175 (Rs 1,155) for *tellia* tin and Rs 15 to Rs 760 (Rs 745) for loose 10 kg.

Malaysia's crude palm oil (CPO) futures - NBOT futures: CPO contracts at Bursa Malaysia Derivatives for April closed at MYR3,499 (MYR3,390), May closed at MYR3,473 (MYR3,359) and June closed at MYR3,446 (MYR3,338) a tonne. Indore NBOT soya oil contract for April was at Rs 618.30 (Rs 609.20).

Mumbai commodity exchange spot rate (Rs/10kg): Groundnut oil 745 (740), soya refined oil 598 (595), sunflower exp. ref. 630 (635), sunflower ref. 680 (680), rapeseed ref. oil 615 (608), rapeseed expeller ref. 585 (578), cotton ref. oil 595 (588) and palmolein was 563 (556).

Sugar sees mixed trend



Mumbai, March 18:

Sugar prices at the Vashi market witnessed a mixed trend on Friday, after rising for two days. Spot price was steady with nominal demand. At the *naka* level, prices for S- and M-grade lost and gained Rs 10 a quintal each. Because of the absence of resale selling at the mill level, market sentiment was positive. Firm trend in other major producing States supported trade in Maharashtra. Markets are hopeful of the government will make a favourable decision on sugar exports.

Mr Jagdish Joshi, a wholesaler said traders were expecting the Government may take a positive stand on the mills' demand for allowing exports. India is expected to have a surplus this year. Rising temperatures will lead to higher demand for sugar in the coming days. Fresh upcountry

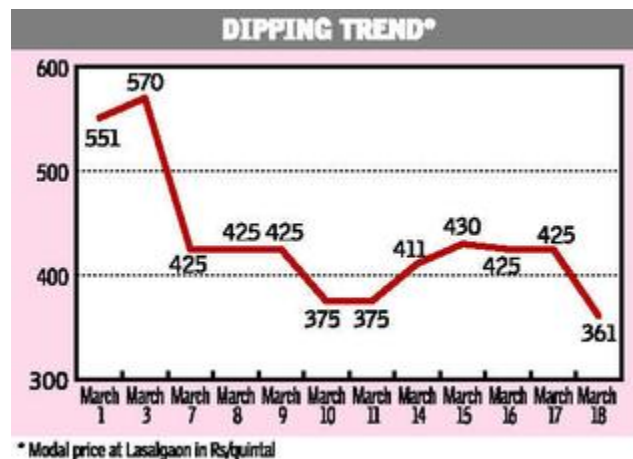
and local demand will push up prices further. Volume at the mill level improved sharply this week. This year, output is expected at 245-250 lakh tonnes, he added.

On Friday, arrivals in the Vashi markets were at 54-55 truck loads (each of 100 bags), and local dispatches were at 52-53 truck loads. About 13-15 mills, under tender offer, sold nearly 75,000-80,000 bags (of a quintal each) at Rs 2,665-2,710 for S-grade and Rs 2,710-2,770 for M-grade.

Bombay Sugar Merchants Association's spot rates: S-grade Rs 2,801-2,841 (Rs 2,801-2,841) and M-grade Rs 2,846-2,916 (Rs 2,841-2,921).

Naka delivery rates: S-grade Rs 2,760-2,780 (Rs 2,770-2,790) and M-grade Rs 2,820-2,870 (Rs 2,800-2,860).

Onion prices continue to fall as arrivals flood markets



Chennai, March 18:

Onion prices continued to rule below Rs 450 a quintal this week as arrivals continued to swamp markets in Maharashtra and Gujarat, the main growing regions.

Though prices tended to look up a bit in the early part of the week as arrivals slid marginally, rates dropped sharply on Friday. In Lasalgaon, Asia's biggest onion market, the modal price or the rate at which most trades took place slid to Rs 361 as over 2,200 tonnes of onions arrived. Last Friday, the modal price was Rs 375 and with arrivals lower than 2,000 tonnes on Tuesday, the price increased to Rs 430.

Arrivals overshadow export price

In Gujarat, prices have dropped to levels of around Rs 300 a quintal in line with the general trend in the country.

There was little impact of the Centre's decision to cut the minimum export price (MEP) for onion to \$275 a tonne on Thursday.

“The lowering of the MEP has been overshadowed by higher arrivals. Quality onions are now available at Rs 400 a quintal,” said Mr Rupesh Jaju, Director of Nashik-based United Pacific Agro Pvt Ltd.

Enquiries from overseas markets such as Asia-Pacific and West Asia are coming in but falling prices are deterring buyers, who are looking for bargains in case of further drop. “We are getting enquiries from even Europe,” said Mr Jaju. Some exporters are building up inventories, buying the bulb for around Rs 400 a quintal.

“We have begun to get enquiries from the Philippines. We expect them to start buying from April,” said Mr Madan Prakash, Director of

Rajathi Group that exports onion.

Prices are expected to be under pressure for another fortnight as growers are keen to dispose of their stocks.

“The rabi crop is due to hit the market from next month onwards. So growers are not holding back these late kharif onions,” said Mr

Prakash.

Like last year, there is a possibility of growers holding back rabi onion. Traders see this happening if prices continue to rule low since

the next arrivals will not be before October. “Prices could stabilise in another two weeks,” said Mr Jaju.

Pulses drag on lack of buying



Indore, March 18:

Majority of pulses ruled sluggish at Indore *mandis* on subdued demand, while downtrend in chana, tur and chana dal continued on Friday on lack of buying support and poor demand. On Thursday, chana saw a sharp rise with prices in the spot quoting as high as Rs 2,450 a quintal on active buying interest from stockists and millers. However, the market saw correction in the second-half of the day with profit booking dragging prices to Rs 2,400- 2,410 a quintal on decline in buying support at higher rate.

On Friday morning, chana prices in the spot opened at Rs 2,370-2,375 a quintal, Rs 30-35 down from the previous day's close but due to low demand from the millers and stockists, prices further declined to Rs 2,350-2,360 a quintal, down Rs 60 compared with its price on Thursday.

Chana (desi) quoted at Rs 2,325 and chana (mausmi) quoted at Rs 2,300-2,500 a quintal. Chana dal, however, ruled firm with chana dal (bold) in the spot quoted at Rs 3,100-3,150 a quintal, chana dal (average) quoted at Rs 3,000-3,050 and chana dal (average) quoted at Rs 2,900-2,950 a quintal.

Downtrend continued in masoor with prices in the spot further declining by Rs 25 at Rs 3,275 a quintal on slack demand, while masoor (medium) quoted at Rs 3,050 a quintal. In the past two days, masoor has witnessed a fall of Rs 50. Masoor dal remained steady with masoor dal (bold) in the spot quoted at Rs 3,950-3,975 a quintal, masoor dal (medium) quoted at Rs 3,800-Rs 3,825 and masoor dal (average) quoted at Rs 3,700-3,725 a quintal. Tur continued to rule sluggish on poor buying support. In the spot, tur (Maharashtra) quoted Rs 50 down at Rs 3,850-

3,875 a quintal, while tur (red) quoted at Rs 3,600 a quintal and tur (nimari) quoted at Rs 3,400-3,500 a quintal.

Rice prices remain flat amid tepid selling



Karnal, March 18:

Rice prices remained flat amid tepid selling at low margins. After witnessing an uptrend at the beginning of this week rice prices are ruling flat.

Mr Amit Chandna, proprietor of Hanuman Rice Trading Company, told *Business Line* that though the trade inquires were on the higher side, the traders were not getting the expected level of orders. With not many buyers in the market, traders are selling on lower margins. Market has not seen any major alteration in prices of aromatic and non-basmati rice since Monday and it is hard to anticipate any move of the market at present, he added.

Prices

Prices of Pusa 1121 rice (steam) ruled at Rs 5,180-Rs 5,250 a quintal, Pusa-1121(sela) ruled at Rs 4,200-Rs 4,325, and Pusa-1121(raw) at Rs 5,100-Rs 5,140. Basmati (sela) was sold at Rs 6,200-Rs 6,250 and basmati (raw) at Rs 7,300-Rs 7,340. Prices of duplicate basmati ruled at Rs 3,960-Rs 4,060 a quintal.

Brokens such as, Tibar was quoted at Rs 3,000-Rs 3,520, Dubar at Rs 2,200-Rs 2,620 and Mongra was at Rs 1,900-Rs 2,120.

Sharbati (sela) quoted at around Rs 2,600-Rs 2,720 while the Sharbati (steam) at Rs 3,000-Rs 3,160.

Permal (sela) ruled at Rs 1,900-Rs 2,100 and Permal (steam) was at Rs 2,100-Rs 2,190 a quintal. For the brokens of Sharbati variety, Tibar was quoted at Rs 2,450, Dubar was at 2,120 and Mongra was at Rs 1,490.