

Home budgets slip on costly oil, daal

In the second part of a series on spiralling prices, K. Lakshmi throws light on the varying rates of cooking oil and pulses across the city



After gold, cash and electronics, groceries seem to be the latest target of thieves in the city.

Last Thursday, sugar, spices, pulses, cooking oil and a 25-litre can of kerosene, apart from gold jewellery and cash, were stolen from a house in Kolathur.

Not too surprising, considering the steep hike in prices of essential commodities such as cooking oil and daal over the past few months.

Cooking oil is costlier by 10-20 per cent. V. Anjali, a resident of Aminjikarai, said she scouted for stores and supermarkets offering discounts or shopped at fair-price outlets.

“Till a few months ago, I would buy a month’s groceries and supplies at Rs. 3,000. Now, I have to shell out an additional Rs. 1,000 as the cost of everything, from rice and oil to pulses, has shot up,” she said.

Some households have also begun cutting down on consumption or switching to cheaper brands or non-branded items to cope with the spiralling costs.

Chennai gets cooking oils from across the State, including Erode, Kangeyam, Virudhunagar, and also from Gujarat and Kerala. Wholesale merchants in the city said most customers bought branded cooking oils to ensure quality. The prices differed according to quality, a wholesaler said.

“Gingelly oil is the costliest among cooking oils. It was priced at Rs. 190 a litre until five months ago. The shortage of sesame seeds has led to skyrocketing of prices,” said S. Sivakumar, a wholesale oil trader in Aminjikarai. The cost of other oils, including sunflower, is also on the rise. Some customers had resorted to buying less of costly edible oils to tide over the inflation, said Mr. Sivakumar.

Among pulses, the prices of Bengal gram and red gram have increased steadily. Merchants in Sowcarpet are confident prices will fall over the next few days. “We will get new arrivals soon as this is harvest season. The prices will be stable till May,” said merchant Popat B. Jain.

Chennai receives lorry loads of pulses from Maharashtra, Andhra Pradesh and Karnataka. Besides price variations in the wholesale and retail markets, rates differ in various localities within city limits too. The recent

fuel price hike had indirectly added to the rising prices of pulses due to higher transportation charges, a wholesaler said.

However, some retailers insisted they did not increase prices arbitrarily as that would result in a fall in sales. "Most customers from the middle class hesitate to buy commodities at high prices. We cut down on profit margins to sell them at reasonable rates. That is why many products are cheaper in our area. Also, non-branded items sell better," said retailer K. Niranjana of Vysarpadi.

Since there is no regulatory mechanism to control prices of essential commodities, the rates widely vary.

While S. Chandresan, general secretary of Tamil Nadu Food Grains Merchants Association, said export of some grains must be limited in order to bring down prices, K. Mohan, general secretary of Tamil Nadu Vanigar Peramaippu, suggested online trading of essential commodities must be banned.

Pointing to the current practice of traders and agents deciding on prices of pulses and oils in the open market based on demand and yield, Mr. Mohan said the government must form a committee comprising traders, farmers and government representatives to monitor pricing.

Water level

: Water level in the Papanasam dam on Sunday stood at 48.27 feet (maximum level is 143 feet) with an inflow of 93.19 cusecs and a discharge of 4.75 cusecs. The level of Manimuthar dam stood at 80.63 feet with an inflow of 9 cusecs and no discharge.

Cashew farmers from Cuddalore say officials are a tough nut to crack

A farmer threatens to drink pesticide in front of Collector



Cashew farmers decided to stage a hunger strike in Chennai.— PHOTO: C. Venkatachalapathy

Distressed over the denial of proper relief, cashew farmers of Cuddalore district affected by cyclone "Thane" expressed their anguish to Collector R. Kirloshkumar at a grievance day meeting held here recently.

S. Murugan, a third generation cashew farmer from Siruthondamadev in Arasadikuppam village, told *The Hindu* that in the aftermath of the cyclone, the government organised disbursement of relief at the rate of Rs. 3,000 per hectare for the loss of cashew trees.

As the disbursement was made haphazardly, many affected farmers are yet to get the benefits.

The promise made by Horticulture Department officials that farmers who had lost their cashew trees would get subsidy for sinking community borewells and drip irrigation along with free hybrid cashew saplings, was breached with impunity.

Mr. Murugan said that officials insisted upon the farmers who had suffered partial losses in the cyclone to remove all the standing crops too to fully avail themselves of government benefits.

Hoping that officials were really concerned about their well-being, farmers cut the cashew trees that survived the cyclone. Besides, the cashew farmers had formed clusters to get a community well for each cluster with 10 farmers, and with a landholding of 25 acres, but the officials have turned a blind eye to their demands despite repeated attempts.

Attempts of farmers with land holding of 15 acres to avail of subsidy has also not fructified. Officials continue to give excuses by stating that their requests were under consideration and that the nod has to come from the government.

Farmers complained that as officials were not helping them, they had decided to stage a hunger strike in Chennai.

A farmer named Veera Chera Chozha Pandian (52) of Vegakollai took out a pesticide bottle stating that if the government did not come out with suitable rehabilitation measure, farmers would be forced to end their lives.

Egg price scales new heights

Steadily climbing wholesale price of egg scaled a new record high price four times in an equal number of days (Thursday to Sunday) in the biggest egg production centre in the country (Namakkal).

On Sunday the price of egg was fixed at Rs. 3.84 which is its highest price over the years, two paise more than its previous high price of Rs. 3.82 that was fixed by the National Egg Coordination Committee (NECC) here on Saturday.

This is the first time egg rate has climbed so many times in consecutive days.

The wholesale price of egg was fixed at its highest price of Rs. 3.70 on February 11 (five paise more than its previous highest price of Rs. 3.65) and was maintained for 10 days before it was increased by three paise to Rs. 3.73 on Thursday and by seven more paise on the following day to Rs. 3.80 on Friday.

NECC has cited drastic price hike of raw materials for making poultry feed, due to various reasons, as the driving force of this steady hike in wholesale egg rates.

Chairman of NECC Namakkal Zone Dr. P. Selvaraj said that the price hike was due to good demand for egg across the country — especially in the Northern part of the country.

“Price of egg is higher in many other zones compared to Namakkal due to which price of the commodity here has also been increased to match the price hike in those zones. Wholesale price of egg may soon touch Rs. 4,” he added.

Usually the decision to increase or decrease price of egg is taken only thrice a week — Monday, Thursday and Saturday — but due to good demand it has been increased on consecutive days — including Friday and Sunday.

Sapling planting campaign

The Corporation administration carried out a sapling planting campaign in the city on Sunday in connection with the 65th birthday celebrations of Chief Minister Jayalalithaa.

A total of 1,000 saplings of neem, banyan, pungan, poovarasu and few other drought-resistant and shade giving trees were planted in schools and waysides in areas like Kumar Nagar, S.D. Khader Layout, Srividhya Nagar, Pandian Nagar, Iduvampalayam, R.K.Cotton street and Kumaran Street in the city.

Official sources said the trees would be maintained and watered by the Corporation administration with the assistance of people from the respective localities.

Minister for Hindu Religious and Charitable Endowment M.S.M.Anandan inaugurated the sapling planting campaign at a function held at Kumar Nagar Corporation Higher Secondary School in the presence of Mayor Visalakshi Appukutty and Collector G. Govindaraj.

Chennai

Chennai - INDIA

Today's Weather



Sunny

Monday, Feb 25

Max Min

29° | 20°

Rain: 0

Humidity: 89

Wind: normal

Sunrise: 06:27

Sunset: 06:17

Barometer: 1015

Tomorrow's Forecast



Partly Cloudy

Tuesday, Feb 26

Max Min

31° | 21°

Extended Forecast for a week

Wednesday Feb 27	Thursday Feb 28	Friday Mar 1	Saturday Mar 2	Sunday Mar 3
31° 21° Partly Cloudy	33° 20° Sunny	33° 20° Sunny	33° 21° Sunny	33° 20° Sunny

Airport Weather

Delhi

Delhi

Rain: 0

Sunrise: 06:51

Humidity: 88

Sunset: 06:18

Wind: normal

Barometer: 1019



Rubber growers worried over falling prices

KOTTAYAM, FEB. 24:

A fall in rubber prices to below Rs 160 a kg from the highs of Rs 230 seen early last year has left growers worried.

“Growers are facing a crisis as there is no one to rescue us from the sort of crisis that is seen in rubber,” said Joshua Daniel, a small grower at Konni in Kerala’s Pathanamthitta district. “Political parties which had supported us earlier are nowhere in the picture now,” he said.

But his fears of political parties not supporting growers may be misplaced.

On Friday, a delegation of Members of Parliament of Kerala’s United Democratic Front met the Prime Minister seeking a higher Customs duty on natural rubber. The MPs wanted the current duty structure, which pegs the duty at 20 per cent or Rs 20 a kg whichever is lower, changed. They sought a 20 per cent Customs duty on natural rubber to discourage imports and, thereby, lift prices in the domestic market.

According to the Rubber Board statistics, natural rubber imports were 1.31 lakh tonnes (lt) during the first half of the current fiscal. Unverified data peg the imports at two lt till now. Last fiscal, a record 2.13 lt natural rubber were imported, though shipments into the country during the first half of 2011-12 fiscal were 99,000 tonnes.

“The manufacturers are deliberately trying to bring down the prices,” said Jose Chemperry, State General Secretary, Farmers Organisation United Forum. Though the prices of rubber have plunged, tyre prices remain unchanged as they are unaffected by any price fluctuation in rubber, he told Business Line.

The user industry, led by tyre manufacturers, denies these allegations. “Agreed, rubber prices have come down. But prices of other inputs have increased for us,” said a tyre industry official who did not wish to be identified. “We have nothing to do with the fall in prices. It is a global trend,” said the official. “At the same time, when rubber prices increased, we absorbed a part of it,” he said.

On Saturday, RSS (ribbed smoked sheet) 4 grade rubber, the benchmark for the industry, ruled at Rs 157 a kg at Kottayam, the primary market for the commodity. In comparison, prices at Bangkok for RSS-3, which is comparable to India’s RSS4, quoted at Rs 167 a kg.

Natural rubber accounts for about 60 per cent of raw material costs for the tyre industry.

According to an analyst, tyre manufacturers plan to import at least 30 per cent of their current consumption of over 9.5 lt

Against the estimated consumption of close to 10 lakh tonnes this year, production is expected to be around 9.75 lakh tonnes. In the first half of the fiscal, production was 5.84 lakh tonnes against 5.51 lakh tonnes during the same period a year ago.

Though heavy rain in Malaysia and dry winter in Indonesia have affected production, irregular purchases by China have led to drop in global prices.

According to Jom Jacob, former economist of the Association of Natural Rubber Producing Countries and the current Deputy Director, Rubber Board, demand prospects depend on the emerging global economic scenario.

IMF forecasts do not point to any revival of the demand and no marked recovery is expected either.

Forecasts for crude oil are bearish till the end of the year and this in turn could affect natural rubber. This is because its alternative synthetic rubber derived from crude oil will rule lower.

As a result, the natural rubber market is unlikely to gain momentum in the short-term.

Experts predict better fortune for rubber growers from 2014. Meanwhile, the UDF MPs will hold another round of meeting with the officials of the Commerce Ministry on Tuesday.

Poor infrastructure hits rice exports from Kakinada



In poor shape: A file photo of rice bags being loaded to a ship at the anchorage port in Kakinada

KAKINADA, FEB. 24: As much as four million tonnes rice have been exported till date from the old (anchorage) port here after the lifting of ban on non-basmati rice exports, in spite of the poor condition of roads and other infrastructure, and it could have been much more, with better facilities, according to local rice exporters and traders.

They expressed the opinion at a one-day seminar on strategic export management, organised by the Cocanada Chamber of Commerce in association with the Federation of Indian Export Organisations (FIEO) here.

D. Surya Rao, President of the chamber, said the approach roads to the old port were in a very poor shape and there was also acute paucity of jetties at the wharf to expedite rice exports. As a result, the trade was paying huge demurrages.

He said the issue should be addressed immediately, as it would worsen in the monsoon season. Road works at least should be completed before that.

S.B.S. Reddy, Joint Director-General of Foreign Trade, said the economic recession in the West had adversely affected our exports and the current year's target of \$345 billion may not be achieved and in fact the country may not even touch last year's export level of \$303 billion.

"Therefore, the export performance of Kakinada is very laudable in these recessionary times. The State Government, in charge of the port, would have to address the infrastructural problems.

But we will do everything possible to make it easy for the exporters procedurally," he promised.

When asked about the service tax on rice exports, he said the exporters could claim refund from the department.

East Godavari Collector Neetu Prasad said earlier a proposal had been sent to the State Government seeking Rs 5 crore for improvement of approach roads to the port, but it had not been sanctioned.

She asked the port officials to prepare a fresh proposal for Rs 30 crore for the purpose and she would try to secure the funds from the State or Union Government under various schemes.

K.R Nath of Indus Business Academy (Bangalore), K. Unnikrishnan, Director FIEO, and several exporters addressed the open house organised on the occasion.

Pak continues to keep away from buying tea at Coonoor sale

COONOOR, FEB. 24: For the second consecutive week, Pakistan has refrained from purchasing at the auctions of Coonoor Tea Trade Association. Normalcy in trade is yet to return after the disturbances in the Indo-Pak border.

“Tea is not being transported easily through the Wagah border. “The hard talks of political leaders create uncertainty.

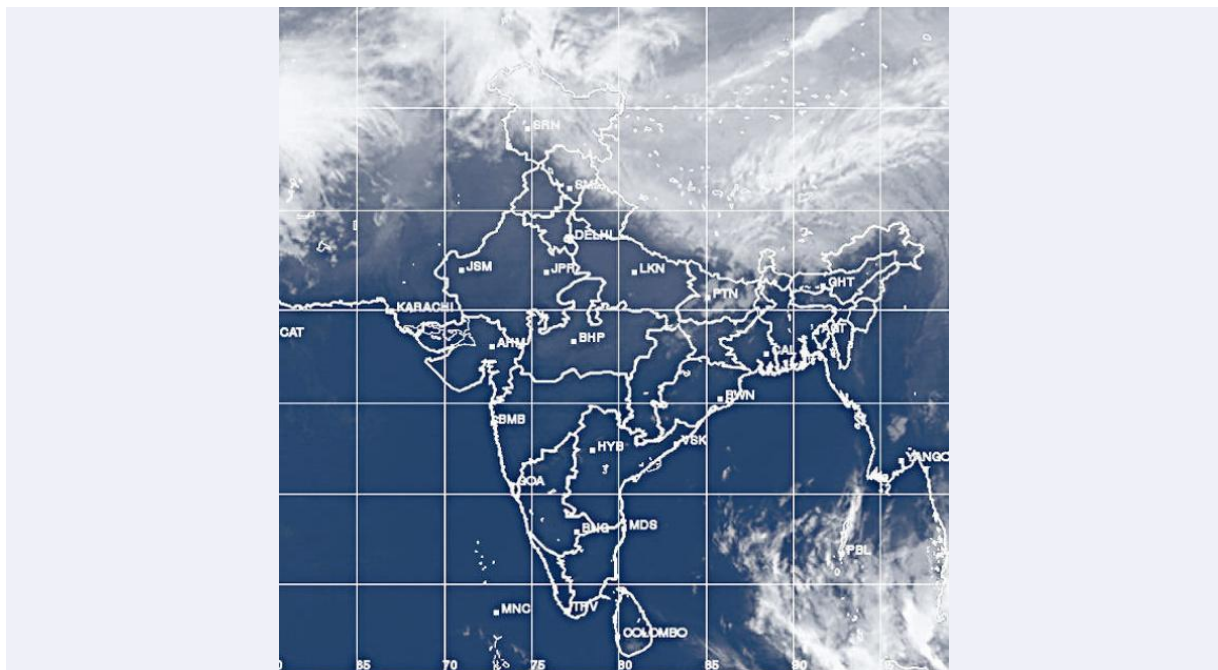
The doubt over the link of Thursday’s Hyderabad bomb blasts with Pakistani terrorist movements also hit purchases for Pakistan at this week’s auctions which ended on Friday”, an auctioneer told *Business Line*.

Some exporters, however, contended that Pakistan has already picked up required volumes in the previous weeks.

But the international market reports show that this week, Pakistan had stepped its purchases at Mombasa auction for Kenya and Malawi teas and Jakarta auction for Indonesian teas. This is regarded as to cover up the short supplies from India.

Some producers, however, contended that Pakistan was sidelined in the price rally. “All the delegations between India and Pakistan exchanged so far proved that Pakistan wants only low-priced teas from us. This week, it paid price equivalent to Rs 165 a kg for Kenyan teas while it scouted for teas worth Rs 80 here”, a producer disclosed. The CIS bought for Rs 90-115 a kg. There was some purchase for European ports at Rs 89-98. Quotations held by brokers indicated bids ranging Rs 83-87 a kg for plain leaf grades and Rs 110-150 for brighter liquoring sorts. The ranges were Rs 84-89 for plain dusts and Rs 110-150 for brighter liquoring dusts.

Fresh rains to break out over North-West



THIRUVANANTHAPURAM, FEB 24: The train of western disturbances are being signalled to a stop as last in the recent series readies to call in over North-West India. They helped turn around a rain-deficit situation to surplus over most parts of the country, according to the latest available updates.

SURPLUS RAIN

Of the 35 meteorological sub-divisions, 23 have returned surplus and six normal until last week. India Meteorological Department (IMD) said deficient or scanty situation is confined just to three eastern States and the North-East.

The strength and depth of the western disturbances were also able to touch off weather favourably even in the South.

Meanwhile on Sunday, the IMD said the latest western disturbance would start affecting western Himalayas from Monday.

Adjoining plains of North-West India are also expected to get impacted, judging from its bearing and credentials.

MORE FORECAST

The IMD outlook said that rain or snow would lash Jammu and Kashmir Monday, Himachal Pradesh on Tuesday and scale up.

Rain or thundershowers would break out over Punjab and North Haryana and at a few places, thereafter.

The occasional wet regime is expected to move east in tandem with the parent western disturbance.

Thundershowers may be unleashed over East Uttar Pradesh, Bihar, north Chhattisgarh, Jharkhand, sub-Himalayan West Bengal and Sikkim, an IMD outlook said.

An easterly wave is in the making across the South Bay of Bengal, but is taking time to evolve.

DELAYED RAIN

US agency forecasts estimated that the first rains for South India would not materialise before the weekend.

Thundershowers may be confined to over Andaman and Nicobar Islands where a trough has developed.

Meanwhile, the 24 hours ending Sunday morning saw rain or snowfall being recorded over hills of North-West India.

Rain fell also at many places over Uttar Pradesh and a few places over Punjab, Haryana, Delhi, east Madhya Pradesh, Vidarbha, East Rajasthan and west Madhya Pradesh, the IMD said.
