

Let's Unite

& Confront the Falling Prices

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- Lobbying behind the price fall
- Present price fall temporary
- CPCs to intensify procurement

Coconut growers across the country are going through a very difficult situation due to the unexpected decline in crop prices. At a time when the production is low and the major harvesting season in Kerala has come to an end and with the arrival of the South Western monsoon, the price of crop and its value-added products should naturally rule high. Hence, it is very clear that the price fall is not natural and is evident that a powerful lobby that is not buying the crop at this time of the harvest season is behind this phenomenon. At this time, the small and marginal coconut growers try to sell off their produce at a very low price to the mill owners or middlemen.

Rumors have been taking rounds that it is because of the increase in productivity that the prices of coconut and its value-added products are facing a downward trend. However, reality is different. It is expected that there would be around 11.81 per cent decrease in production in the southern states of Kerala, Tamil Nadu, Karnataka and Andhra Pradesh which together accounts for about 90 per cent of the total production of coconut. According to a concurrent study conducted by Coconut Development Board to forecast coconut production, which

has been on full swing from 2012-13 onwards, it has been reported that the total production is expected to be 10 per cent low. The reports point out that from 2012-13 onwards, the production is decreasing year over year.

It has become a routine for the farmers to be silent when the prices are going up and wail at a time once the prices go down. Farmers usually try to sell their produces at the most possible rates when the price is going down, which needs to be changed at the earliest. Coconut farmers should be able to control and defend the price falls. Only then the produces will be able to stand on their own, thereby escaping the

external forces. It is only because the farmers have forgotten or failed to do their duties that private players and those with vested interests are interfering and doing damage to the farmers at large. It is the duty of each farmer to fight against this and try get a steady price for their produces. It may not be possible for a single farmer to come against such international players and private players. But, the timely intervention of farmer collectives such as Farmer Producer's Organizations (FPOs) and Coconut Producer Companies can play a vital role here.

The companies should look forward to enhance the productivity of the crops and also take appropriate



measures to educate the farmers for taking up better plantation methods and give proper care for the crops. The average productivity of the federations registered under Coconut Development Board is between 30 and 60. The aim is to raise it to 100.

The most important thing as far as planting new seedlings are concerned, is selecting best quality seedlings. The Producer companies should also create awareness among the farmers regarding the need to plant more dwarf variety seedlings. The dwarf varieties commence bearing earlier than the taller varieties and are also ideal for the production of Neera. Collective procurement is one way which will help the small and marginal farmers from heavy loses. At a time when it is needed to be kept for long, farmers should pay attention to primary processing also. Another thing which has to be kept in mind is that the price of value-added products is not in accordance with the price of the produce. When coconut is processed into value-added products such as coconut oil and copra, the value of the produce is increasing. Even if the price of coconut and copra affects the farmers adversely, the farmer decides the price of branded coconut



oil, which is an added advantage. There is an urgent need to install more copra dryers with the capacity to process at least 10,000 nuts in a batch. This will help the farmers at times of price fall. Each company should also establish a coconut oil processing plant, which will help the farmers get good revenue.

The next step towards achieving a better crop value is concentrating on virgin coconut oil, which has good export value in America, Japan, Britain etc. The value added product, which had only Rs. five crore worth export in 2013-14, has seen Rs. 24 crore worth export in 2014-15. Every month, quintals of virgin coconut oil are being exported to foreign countries from the Cochin Port, Kerala. The export value of virgin coconut oil saw a 500 per cent increase in the current fiscal as compared to the first quarter of 2014-15. In 2015-16, it is expected that the figures will go upto Rs. 60 crore. The companies should work towards setting up enough virgin coconut oil processing units in the country before the international players get into the market realizing the potential of this product. The producer companies should keep in mind that they can get financial assistance from Coconut Development Board for setting up plants on a large scale.

The companies should also target on bringing out Neera and its

value-added products, which is also gaining momentum in the domestic as well as international markets. There is also enough opportunity in starting processing units for developing value-added products. Opportunities are raining in the Gulf countries as NRIs are showing more interest in home-grown items, especially coconut and its value-added products. Keeping the interest of NRIs in mind, the companies can focus more on bringing out such products so that it will help you find stability to the produce. The producer companies are focusing on the domestic market only, which is also keeping them away from growing further. The companies should aim at the international markets and work accordingly. A proper marketing strategy needs to be planned and implemented for achieving the same. In many of the super markets in India, we can see coconut and its value-added products from countries like Thailand. It is time to think about the wider possibilities and act accordingly. The producer companies has to be more vigilant and open to new ideas and thereby try to find a place for their produces in the domestic, national and international markets. It is only then the farmers would be able to handle the pressure of unexpected price falls and fight against the interferences of lobbying of the private players. ■

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