

Copra falls below support price level

C. J. Punnathara

Kochi, Jan. 31

With hardly any demand, coconut oil prices eased further to Rs 7,000 a quintal in the Kerala market and quoted at Rs 6,700 a quintal in Tamil Nadu. Despite reassuring statements from government agencies, copra prices fell below Rs 5,000, to Rs 4,700 a quintal, in Tamil Nadu. Copra quoted at Rs 5,000 a quintal in the Kerala market.

RUPEE IMPACT

While the recent firm trend in the rupee has lowered the prices of imported edible oil in the domestic markets, trade sources pointed out that if the trend persists, it could put further pressure on the price of edible oils such as coconut oil. While traders are not holding significant stocks and are not likely to enter the market in a big way, speculators could undertake short



sales and bring the markets further down, the sources said.

Palm oil was quoting at Rs 5,400 a quintal and palm kernel oil, at Rs 6,200. Coconut oil and copra were trading at Rs 7,600 and Rs 5,200 a quintal, respectively, at the beginning of the year, Mr N. Ananthan, former Secretary, Cochin Oil Merchants Association, said.

Copra prices are now ruling below the support price of Rs 5,100 a quintal and if sup-

port measures are not undertaken immediately, they could decline further, he warned.

To contain fluctuations in coconut oil prices, up-gradation of technology was essential to increase coconut oil use in value-added product derivatives such as glycerine, lauric acid, industrial alcohol, and so on. Unfortunately, technology remains obsolete in this segment, Mr Ananthan said.

AREA, PRODUCTION

The area under coconut and its production in Kerala have been coming down. While the area has declined from 8.97 lakh hectares in 2005-06 to 7.78 lakh hectares in 2009-10, the production has declined from 6,326 million to 5,667 million nuts during the same period.

The increase in productivity from 7,046 nuts to 7,278 nuts per hectare in Kerala has not been able to stem the fall in total coconut production.

In contrast, in Tamil Nadu, the area under coconut has grown from 3.7 lakh to 4 lakh hectares, while production grew from 4,867 million to 5,547 million nuts during the same period.

On the productivity front, Tamil Nadu has made gains, and is moving closer to double that of Kerala. Productivity in Tamil Nadu rose from 13,136 to 13,852 nuts per hectare during the same period.