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NewsTamil NaduCut in duty 'kills' copraCut in import tax for edible oils like soya bean oil, refined
sunflower oil, and palmolein oil and low demand for coconut oil has been attributed for the drastic
price dropByV Ashok Kumar|17 July 2023 1:30 AM GMT (Updated:2023-07-17 02:22:23.0
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drastic drop in prices of copra COIMBATORE: A sharp cut in the import duty of edible oils has
resulted in a drastic drop in prices of copra in Pollachi, the coconut capital of Tamil Nadu.Its prices
crashed due to lowering demand for coconut oil as other edible oils like soya bean oil, refined
sunflower oil, and palmolein oil cost less after their import tax was cut from 17.5 per cent to 15 per
cent in June.Eventually, an increase in the import of these oils led to a drop in the prices of coconut oil
and in turn dealt a hard blow to copra farmers. Nevertheless, the consumer's taste preferences have also
begun to change for imported oils rather than native oils. The copra prices have crashed to an all-time
low of Rs 73 per kg as against the government fixed minimum support price (MSP) of Rs 108.60. Last
month, it was sold in the open market for Rs 80. A few years ago, copra was sold at a much better price
of Rs 140 per kg. "With procurement by the government drawing to an end this month, the prices of
copra are likely to go down further as its production also continues to be at its peak since March. Copra
has been selling at a price, for which it was sold 20 years ago. This despite a heavy increase in labour
wages, transportation cost, fertilizer cost, electricity charges, and others in all these years," said N
Thangavel, member of Tamil Nadu Coconut Producers Association.Even during the COVID-19
pandemic, when there was no import of edible oil, the prices of copra remained steady. So is there a
way for farmers to come out of the crisis?"The government should speed up its proposal to sell coconut
oil in PDS shops instead of palmolein oil to overcome the present crisis. Similarly, value-added
products like coconut powder and other eatables made of coconut could be sold in tetra packs through
Aavin," he added. There are more than 3,000 copra drying units in Tirupur and Coimbatore districts
and thousands of people are employed directly and indirectly in these units. Farmers also demanded
that the GST for copra should be brought down from five per cent to one per cent."Unless the
government pitches in with supportive mechanisms to save the livelihood of farmers," say farmers.No
gain for coconut exports despite low freight chargesEven though the issue of container shortage has
eased and freight charges have come down significantly to normalcy, coconut exports from Pollachi
remain utterly sluggish. With exports crashing by over 50 per cent, the huge volume of coconuts has
stagnated in the sprawling farms. "Shipment of a 40 feet container to Dubai, which cost Rs 3.25 lakh
until a few months ago since COVID-19 outbreak, has reduced considerably to Rs 1.30 lakh now.
Similarly, a 20 feet container has slashed from Rs 1.5 lakh to less than Rs 70,000. Even though
container shortage has eased completely, the export of coconuts mainly to Gulf nations remains
sluggish for reasons unknown," said M Anandaraj, a coconut exporter in Pollachi.For exporters, thus
far the container shortage remained a serious issue. "I used to export coconuts to around ten countries
including London, Germany, Iran, Canada, Malaysia and gulf nations by atleast six containers a week
from Pollachi. Now, sending even four containers a month has become a challenging task. The
situation is unlikely to improve for the next two months. Currently, only 40 per cent of coconuts are
being sent to Dubai and Saudi Arabia, while regular load is sent only to London and Malaysia. The
exact reason for low demands in gulf nations is not known," he added. Globally, the Pollachi coconuts
are preferred over other importing nations for their long shelf life and better quality. Even though
coconuts are exported widely from other countries like Sri Lanka, Bangladesh, Philippines, and
Indonesia, they apparently don't pose a challenge to coconuts from Pollachi, which are unique in
taste.Farmers claimed that coconuts in large quantities have stagnated due to a couple of factors. For
the second consecutive year, there is a bumper yield of coconuts, and as well as a drop in exports has
resulted in a heavy price drop in the domestic market too. "The farm gate price of a coconut hovers
around Rs 8 per piece, which doesn't help a farmer to recover even its input cost," said S Raguram, a
farmer.Tamil Naduimport dutyprices of copraMinimum Support Price (MSP)heavy increaselabour
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