

## **Coconut oil may slip further**

Erode, January 14

The price of the coconut oil is seen decreasing at Erode markets. "The price of the coconut oil remains at ₹1,220-50 for 15 kg pack for the past six or seven days. There is no buyer for the oil and crushers those who are having adequate stock of coconut oil are ready to sell their stock at the prevailing price," said RM Palanisamy, an oil trader. The price of the copra is also declining every day and it was sold at ₹5,600-5,700 a quintal. There were very minimum buyers for the copra. Meanwhile, the price of the palm oil remains at ₹4,650 for the past one month and palm kernel was sold at ₹7,200 a quintal. OUR CORRESPONDENT



# नारियल विकास बोर्ड

## COCONUT DEVELOPMENT BOARD

(कृषि मंत्रालय, भारत सरकार), केरा भवन, कोची – 682 011, भारत

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To

Mr. Mukund Padmanabhan  
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Sir,

Sub: Misleading news on price fall appeared in 'Business Line Daily' dated 15/01/2016, titled 'Coconut Oil May Slip Further'.

This is to bring to your kind attention to publication of the news on coconut oil price fall forecast appeared in Business Line dated 15/01/2016, on page 17 'Coconut Oil May Slip Further', wherein a price fall in coconut oil is predicted unsupported by any scientific analysis. By quoting the personal opinion of one of the traders in Erode market in Tamil Nadu, the correspondent is trying to establish a fall in price of coconut oil in the coming days. Without analysing the price trend in the previous years and without considering many other factors, which influences the oil price, the correspondent quickly jumps into a conclusion and forecasts a fall in price which will only help to create panic situation among the coconut farmers in the country. Erode is not an important market in Tamil Nadu, as far as trading of coconut and its products are concerned. Kankeyam, Poallachi, Udumalpet, Tiruppur are the major coconut markets in Tamil Nadu. Projection of price of coconut oil based on information gathered from one of the traders in a minor coconut market from one state is quite absurd and against basic principles of extrapolation in price analysis. In case someone suspects that this report is prepared with some vested interest to bring down the price of coconut oil further, or the corresponding is acting as an agent for the lobby trying to pull down the price, they can not be blamed. Price of coconut oil is dependent on many factors viz. Production of coconut, Arrivals in Market, Cyclic/Seasonal/Trend components of historical price, Value addition in coconut, Export/Import of coconut products etc.

Coconut Development Board is closely watching the daily price fluctuations in the important markets all over India. Board is collecting daily data on price and arrivals from important markets in India. The present fall in the price of coconut oil is only a temporary phenomenon. Monsoon was not good in the main coconut growing states. Further more coconuts are being diverted for making value added products. Exports of coconut and its products is showing a steady increase over the years. Export of coconut products recorded an increase of 8.25% during the first three quarters of 2015-16, compared to the corresponding period of previous year. Coverage of Farmers Producers Organisation (FPO), collective of farmers, is already spread in 10 states and formation is picking up

momentum in non-traditional coconut growing states like Assam, Gujarat and Meghalaya. The primary processing and marketing activities initiated by these FPOs is going to assure a fair, steady and reasonable price for their produce in the near future.

The farmers need not sell their produce at lower price; instead they have to respond to the price fall in a different way. The demand for tender nut has gone up nearly by 25%. Coming are summer months, when the demand is going to further shoot up. Even though there is a decrease in price for coconut and coconut oil, price of tender coconut remains on the higher side. In Tamil Nadu, the peak season starts from June, so by harvesting more tender coconut the farmers can ensure higher income which in turn results in lower arrivals of mature coconut in the peak season to the market.

I request you to please abstain publishing such baseless observations as a news item through your esteemed daily, which ultimately will bring panic among coconut farmers, who in turn will rush to the market to sell their produce at throw away price. Kindly publish a rejoinder in your esteemed daily at the earliest.

Yours faithfully



V.C. Vasanthakumar  
Assistant Director (Foreign Trade)