

MOST IMMEDIATE

**F.No.18-6/2013-CC-ES
Ministry of Agriculture
Directorate of Economics & Statistics
(C.C.Division)**

**Krishi Bhawan, New Delhi.
Dated 24th December, 2013.**

Subject: Price Policy for Copra for 2014 season.

The Price Policy for Copra for 2014 season is as under :

- i. The Minimum Support Prices (MSP) of Fair Average Quality (FAQ) of Milling Copra and Ball Copra have been retained at Rs. 5250 per quintal and Rs. 5500 per quintal respectively for 2014 season.
 - ii. Based on the MSP of FAQ Variety of Milling Copra, the Department of Agriculture & Cooperation will fix the MSP of mature de-husked coconut for 2014 season.
 - iii. National Agricultural Cooperative Marketing Federation of India Limited (NAFED) will continue to act as the Central Nodal Agency to undertake price support operations of copra for the 2014 season.
 - iv. In addition to NAFED, Central Warehousing Corporation (CWC), National Cooperative Consumer Federation of India Limited (NCCF) and Small Farmer's Agri-Business Consortium (SFAC) are also allowed to participate in procurement operations.
 - v. There will be no cap on reimbursement of losses, if any, incurred by the agencies in the procurement operations in Andaman & Nicobar Islands and Lakshadweep. A decision on the extent of capping on the reimbursement of losses incurred in procurement operations in other areas of the country will be taken separately.
 - vi. Appropriate action may be taken by the concerned Ministries / Departments, State Governments and other Agencies on non-price recommendations (Annexure) of the CACP in a time-bound manner.
2. I am directed to request you to take appropriate action on the above decisions under intimation to this office.

S. Chandrasekar
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Adviser
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1. Shri Ashish Kumar Bhutani,
Joint Secretary, Cooperation Division,
Department of Agri. & Coopn.,
Krishi Bhawan, New Delhi. (For information and necessary action w.r.t. point no. i,iii,iv and v of above mentioned decision and No. III of Annexure on Non-Price Recommendations made by CACP for Price Policy for Copra for 2014 Season).

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2. Shri Sanjeev Chopra,
Joint Secretary (National Horticulture Mission)
Department of Agri. & Coopn., Krishi Bhawan, New Delhi. (For information and necessary action w.r.t. point no. ii of above mentioned decision)

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3. Smt. I Rani Kumudini,
Joint Secretary (Trade),
Department of Agri. & Coopn., Krishi Bhawan, New Delhi (For information and necessary action w.r.t. No. I of Annexure on Non-Price Recommendations made by CACP).

4. Managing Director,
National Agricultural Cooperative Marketing Federation of India LTD.,
NAFED House, 1, Siddharth Enclave, Ashram Chowk New Delhi. (For information and necessary action w.r.t. point no. iii of above mentioned decision)

5. Chairman, Coconut Development Board,
Kochi, Kerala -682011.

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6. Dr. S. Ayyappan,
Secretary, Department of Agricultural Research & Education & ICAR
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7. Shri S.R.Rao,
Secretary, Department of Commerce,
Ministry of Commerce and Industry,
Room No. 143, Udyog Bhawan, New Delhi 110 107
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8. Shri Sudhir Kumar,
Secretary, Department of Food and Public Distribution,
Government of India, Krishi Bhawan, New Delhi.
Tel: 011-23382349, 23097018, Fax: 011-23386052 (For information and necessary action w.r.t. No. II of Annexure on Non-Price Recommendations made by CACP).

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9. Shri Pankaj Agarwala,
Secretary, Department of Consumer Affairs,
Ministry of Consumer Affairs,
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3. ✓ Smt. Sindhushree Khullar,
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1. ✓ Smt. Prasanna Kumar Mohanty,
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w.r.t. No. II of Annexure on Non-Price Recommendations made by CACP).
2. ✓ Ms. Sheela Balakrishnan,
Chief Secretary, Government of Tamil Nadu, Secretariat, Chennai – 600009, Tel: 044-
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of Annexure on Non-Price Recommendations made by CACP).
3. ✓ Sh. Kaushik Mukherjee,
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4. ✓ Shri E.K. Bharat Bhushan
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5. ✓ Shri Anand Prakash (IAS)
Chief Secretary, UT Administration of Andaman & Nicobar Islands,
P.O. Chatam, Port Blair – 744101
Tel: 03192-233110, 234087, Fax: 03192-232656.
6. ✓ Shri H. Rajesh Prasad (IAS)
Administrator, UT of Lakshadweep,
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3. ✓ PS to ESA, DES, Krishi Bhavan, New Delhi
4. ✓ Shri P.K. Srivastava, Addl. Economic Adviser (FE), DES, Krishi Bhavan, New Delhi.
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NON-PRICE RECOMMENDATIONS MADE BY THE CACP IN ITS REPORT ON PRICE POLICY FOR COPRA FOR 2014 SEASON.

- I. The import duty on edible oils needs to be raised urgently to at least 7.5 percent on crude and 15 percent on refined oils. Unless this is taken up on high priority, coconut growers will keep suffering from lower prices of their produce in the face of rising costs of production.

- II. The bigger damage to copra producers has been done by the government's policy of subsidizing imported palm oil and soya oil by Rs. 15 per kg for distributing them under Public Distribution System (PDS). Some states, most notably Tamil Nadu and Andhra Pradesh, have further subsidized palm oil for PDS to the tune of another Rs. 18.2 per kg and Rs. 11.5 per kg respectively (in 2012-13) on top of the Centre's subsidy. The consumer pack of palm oil is being sold at a fixed price of Rs. 25 per litre in PDS in Tamil Nadu and Rs. 39 per litre in PDS in Andhra Pradesh. This has shrunk the demand for traditional coconut oil, creating a glut leading to a fall in its prices. This subsidy policy for imported oils discriminates against domestic producers, especially copra growers. This policy must change towards oil neutral i.e, by inducting coconut oil (and other locally produced oils) into PDS subsidy scheme at least at the same rate at which palm oil is being subsidized. It would, in fact be more prudent a direct income support to the PDS beneficiaries and let them buy any oil of their preference from the open market. This should be taken up as a wake-up call; else, the Commission fears that this will turn out to be a death knell to copra growers and coconut oil industry.

- III. It has been observed that market prices for both milling and ball copra are prevailing below MSP. Therefore, it is incumbent upon the procurement agencies to scale up their operations. In 2013, the government has decided to restrict the Price Support Scheme (PSS) operations to ninety days in one calendar year. This period of ninety days was found to be insufficient in the Commissions interactions with the farmers and state procuring agencies. Given that coconut harvesting is stretched almost throughout the year, the Commission recommends that this ninety days' period needs to be revisited and suitably modified depending upon the market arrival patterns in different states.