

Most Immediate
Time Bound

F.No.18-3/2020-CC-ES
Ministry of Agriculture and Farmers Welfare
Department of Agriculture, Cooperation and Farmers Welfare
Directorate of Economics & Statistics
(Commercial Crops Division)

449-A, Krishi Bhawan, New Delhi.

Date: 3rd February, 2021
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NOTIFICATION

Subject: Price Policy for Copra for 2021 season – Announcement of Minimum Support Price (MSP) for Copra.

The Government of India has approved the Price Policy for Copra for 2021 season and the following decisions have been taken:

- I. Minimum Support Price (MSP) of Fair Average Quality (FAQ) of milling copra and ball copra has been fixed at Rs.10335/- per quintal and Rs.10600/- per quintal respectively, for 2021 season.
 - II. Based on the MSP of FAQ Variety of milling copra, the Department of Agriculture, Cooperation and Farmers Welfare will fix the MSP for mature de-husked Coconut for 2021 season.
 - III. National Agricultural Cooperative Marketing Federation of India Limited (NAFED) and National Cooperative Consumers' Federation (NCCF) will continue to act as Central Nodal Agencies (CNAs) for procurement of copra and de-husked coconut under Price Support Scheme (PSS). State agencies will be suitably engaged for procurement operations.
 - IV. Appropriate action may be taken by the concerned Ministries/Departments, State Governments and other agencies on Non-Price Recommendations of the CACP. (**Annexure I**)
2. In this connection, concerned Ministries/Departments, State Governments and other agencies are requested to take appropriate action on the above decisions under intimation to this office.

Promodita
(Promodita Sathish)
Adviser
Tele: 23382540

For information and necessary action:

1. **Joint Secretary (Horticulture),
Department of Agriculture, Cooperation & Farmers Welfare
Krishi Bhawan, New Delhi.**
2. **Joint Secretary (Cooperation),
Department of Agriculture, Cooperation & Farmers Welfare
Krishi Bhawan, New Delhi.**
3. **Adviser (Trade),
Department of Agriculture, Cooperation & Farmers Welfare
Krishi Bhawan, New Delhi**
4. **Joint Secretary (Marketing),
Department of Agriculture, Cooperation & Farmers Welfare
Krishi Bhawan, New Delhi.**
5. **Joint Secretary (Crops),
Department of Agriculture, Cooperation & Farmers Welfare
Krishi Bhawan, New Delhi.**
6. **Joint Secretary (M &T),
Department of Agriculture, Cooperation & Farmers Welfare
Krishi Bhawan, New Delhi.**
7. **Joint Secretary (Credit),
Department of Agriculture, Cooperation & Farmers Welfare
Krishi Bhawan, New Delhi.**
8. **Joint Secretary (Plant Protection),
Department of Agriculture, Cooperation & Farmers Welfare
Krishi Bhawan, New Delhi.**
9. **Joint Secretary (Oilseeds),
Department of Agriculture, Cooperation & Farmers Welfare
Krishi Bhawan, New Delhi.**
10. **Director General, ICAR,
Krishi Bhawan, New Delhi.**


(Promodita Sathish)
Adviser
Tele: 23382540

Copy for information and necessary action:

1. **Secretary, Department of Expenditure,
Ministry of Finance,**
129-A, North Block, New Delhi-110001
2. **Secretary, Department of Economic Affairs,
Ministry of Finance,**
130, North Block, New Delhi-110001
3. **Secretary, Department of Food and Public Distribution,
Ministry of Consumer Affairs, Food and Public Distribution**
Krishi Bhawan, New Delhi-110001
4. **Secretary, Department of Consumer Affairs,
Ministry of Consumer Affairs, Food and Public Distribution**
Krishi Bhawan, New Delhi-110001
5. **Secretary, Ministry of Food Processing Industries,
Panchsheel Bhawan, August Kranti Marg**
Khelgaon, New Delhi-110049
6. **Secretary, Department of Commerce,
Ministry of Commerce and Industry**
143, Udyog Bhawan, New Delhi-110007
7. **CEO, NITI Aayog**
NITI Bhawan, New Delhi-110001
8. **Joint Secretary,
Prime Minister's Office**
South Block, New Delhi-110001
9. **Director, Cabinet Secretariat**
Rashtrapati Bhawan, New Delhi-110001

Promodita
(Promodita Sathish)
Adviser
Tele: 23382540

Copy for information and necessary action:

1. **Chief Secretary,
Government of Tamil Nadu,
Secretariat, Chennai 600 009**

2. **Chief Secretary,
Government of Kerala,
Thiruvananthapuram – 695015**
3. **Chief Secretary,
Government of Karnataka,
Room No. 321, IIIrd Floor, Vidhan Soudha,
Bangalore – 560001**
4. **Chief Secretary,
Government of Andhra Pradesh,
1st Block, 1st Floor, Interim Government Complex
AP Secretariat Office, Velagapudi,
Guntur – 522503**
5. **Chief Secretary,
UT Administration of Andaman & Nicobar Islands,
P.O. Chatam, Port Blair – 744101**
6. **Administrator,
UT of Lakshadweep,
Kawaratti-682555**


(Promodita Sathish)
Adviser
Tele: 23382540

Copy for Information to:

1. Sr. PPS to Secretary (Agri,C&FW), Krishi Bhavan, New Delhi
2. PPS to Principal Adviser, DAC&FW, Krishi Bhavan, New Delhi
3. PS to Sr. ESA, DES, Krishi Bhavan, New Delhi
4. Adviser (FE), DES, Krishi Bhavan, New Delhi.
5. Adviser (Coord.), DES, Krishi Bhavan, New Delhi
6. Technical Director, National Informatics Centre, 341, Krishi Bhavan, New Delhi -
with request to upload the notification on the site of DES and DAC&FW.


(Promodita Sathish)
Adviser
Tele: 23382540

Non-Price Recommendations Made by the CACP in Report on Price Policy for Copra for 2021 Season

S.No	Recommendations
1.	<p>Coconut is an important crop to millions of people in India but access to good quality planting material of improved cultivars is one of the major constraints faced by farmers. Development of improved high yielding varieties/hybrids with biotic/ abiotic resistance is the key factor to improve coconut productivity and production in the country. The ICAR institutes/ States Agricultural Universities have released a large number of improved varieties and hybrids of coconut but field level adoption of these varieties /hybrids is low due to various reasons. Public sector is able to meet only 25 percent of the total planting material requirement in the country. To facilitate large-scale production and distribution of quality planting material, coconut seed gardens should be established by involving private entrepreneurs, farmers, Coconut Producer Societies (CPS), women self-help groups, etc.</p>
2.	<p>One of the most effective ways to boost coconut production in the country is to promote planting of coconut in new areas and replanting/rejuvenation of the senile plantations with high-yielding quality planting material in an accelerated manner. The Commission recommends that allocation for expansion of area and replanting and rejuvenation programmes under the Mission for Integrated Development of Horticulture (MIDH) be increased substantially. Farmers should be made aware of the provision of all labour intensive works relating to coconut plantation during the initial two years under Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) so that they can take advantage of the scheme.</p>
3.	<p>Although India is the largest producer of coconut in the world and has the highest yield, it faces the twin challenges of large and persistent fluctuations in yield and stagnating productivity resulting in low profitability. Therefore, there is a need to improve coconut yield and reduce yield variability to improve profitability and competitiveness. Inter /mixed cropping of crop like tubers, medicinal and aromatic crops, fruits, vegetables, spices, etc. and integration with other enterprises like livestock offers considerable scope for improving farm profitability and reduces risks. Concerted efforts should be made to promote coconut-based cropping systems with active participation farmers</p>

Non-Price Recommendations Made by the CACP in Report on Price Policy for Copra for 2021 Season

S.No	Recommendations
	and coconut-based FPOs to increase profitability and productivity of coconut cultivation.
4.	<p>Coconut production faces serious challenges ranging from disease and pest infestation of the trees and nuts to unpredictable weather and natural disasters, which adversely affect crop production and productivity. Hence, breeding and selection of varieties/hybrids with resistance to pests and diseases and other biotic and abiotic stresses along with integrated disease and pest management strategies to control coconut disease and pest is vital for sustainable development of coconut sector. There is a need to have effective surveillance and diagnostic services for early detection of pests and disease incursions and promote awareness and preparedness for timely and rapid response to emerging pests and diseases having substantial impact on livelihoods. The Commission suggests that Crop Pest Surveillance System (CPSS), a Web and Mobile based ICT enabled pest surveillance information system initiated by Department of Agriculture; Government of Kerala should be replicated by other coconut producing States.</p>
5.	<p>Coconut cultivation especially harvesting is highly labour-intensive and crippled with labour scarcity and high wages over the years. Thus, there is a need to promote mechanization in harvesting and plant protection activities, which will reduce over dependence on manual labour. Although some devices have been developed for harvesting of nuts from coconut palm, nothing effective and user-friendly has yet been developed. Various R&D institutions such as ICAR/State Agricultural Universities / Indian Institutes of Technology should work in collaboration to develop appropriate device that is affordable, effective and user-friendly. Moreover, to mitigate the issue of high labour cost, certain coconut cultivation activities like removal of the aged coconut gardens, replanting/rejuvenation, harvesting etc., should be permitted under MGNREGA in convergence with other coconut development schemes.</p>
6.	<p>The Coconut Palm Insurance Scheme, which provides insurance coverage to coconut crop against natural and other perils leading to death/loss of palm or palm becoming</p>

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S.No	Recommendations
	unproductive, is not very popular among farmers as only 45.5 lakh palms and 76,334 farmers have been covered under the scheme since inception. The commission recommends that the Operational Guidelines of CPIS including the premium rate, sum insured and risks covered need to be reviewed to make the scheme more attractive and relevant to farmers. There is a need to launch a campaign to raise awareness among farmers about the scheme and increase their participation in the CPIS.
7.	Majority of small and marginal coconut farmers do not have coconut shelling /drying facilities and are forced to sell their produce as raw nuts. Therefore, these farmers do not benefit from government procurement operations under Price Support Scheme (PSS). In order to enable small and marginal farmers to benefit from procurement operations, it is necessary to organize farmers into groups and provide assistance to purchase drying units and other infrastructure to process coconut into copra. Since the market arrivals of coconut are evenly distributed throughout the year, the Commission recommends that the procurement agencies should be allowed to intervene in the market whenever market price falls below the MSP to improve effectiveness of pricing policy.
8.	Coconut products have multiple applications in food and beverage, cosmetic and health care products, oleo-chemicals, etc. Growing international market for coconut value-added products has opened up new opportunities for diversification and exports. Since coconut oil prices are higher relative to other vegetable oils, coconut oil will not be able to compete with cheaper oils. Therefore, a diversification strategy to promote value-addition and product diversification in coconut is required. Improved quality, diversification into higher value coconut products and higher productivity growth are essential to make Indian coconut industry globally competitive.
9.	Government of India is implementing a major community based programmes facilitating formation of Coconut Producer Societies (CPS), Coconut Producer Federations (CPF) and Coconut Producer Companies (CPC) through the coconut

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S.No	Recommendations
	development board to uplift the coconut industry. It has very ambitious objectives and plans are to expand area under coconut cultivation, promote coconut-based industries, collective marketing and product diversification. To make these organisations more effective and take advantage of emerging market opportunities, it is necessary to invest in infrastructure for creating market linkages and value-addition along with capacity building of the members of these organisations.
10.	Adulteration of coconut oil with lower-cost edible oils such as palm oil has become one of the main food safety issues and a threat to coconut oil industry in the country. In March 2020, the Food Safety and Standards Authority of India (FSSAI) asked Food Safety Commissioners of States/UTs to carry out enforcement activities and curb adulteration in vegetable oils. Since adulteration poses public health risk and food safety concerns, the issue needs to be addressed through effective coordination, monitoring and appropriate regulatory measures with the active support and cooperation of both industry and Government.
11.	Coconut oil was an important cooking medium in Southern parts of the country but its relative importance has been declining due to high degree of substitution among vegetable oils and availability of cheaper substitutes such as palm oil and soybean oil. To boost domestic production and safeguard the interest of coconut farmers in the country, the Commission recommends that Government of India should maintain the import duty structure on edible oils, specially palm oil and its fractions, at appropriate level and link to world prices. Concerted efforts should be made to promote exports of virgin coconut oil, which has great potential and demand in the European market, USA, Japan, Australia and Canada.
12.	Rising imports of certain coconut products such as desiccated coconut from neighbouring countries under FTAs/RTAs adversely affect coconut farmers and industry. Therefore, there is a need to adopt appropriate trade policy measures to protect interests of farmers and coconut industry.