

Festival demand in Kerala may lift coconut oil prices

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The ensuing festival demand in Kerala may push coconut oil prices to newer heights.

This was revealed in a survey report carried out by the Coconut Development Board for 2012-13 season. The report states that the prices are likely to go up Rs 7,000 and above per quintal during the Onam and subsequent months.

According to the report, there was lower production of raw nuts in Karnataka and Tamil Nadu which would in turn benefit coconut farmers in Kerala.

Arrival of coconut oil from neighbouring states was affected due to lower production. It is reported that there was 16 per cent production drop in Tamil Nadu, whereas the dip was 12 per cent in Karnataka.

The Coconut Development Board and leading educational institutions in Kerala, Karnataka and Tamil Nadu jointly conducted the survey on coconut production for 2012-13 season.

However, the study revealed that there would not be any price crash for coconut products in Kerala due to lower production in neighbouring states.

Meanwhile, the coconut oil market in Kerala and Tamil Nadu is in a slight declining mood with the prices quoting Rs 1 lower at Rs 69 per kg in Kerala (Rs 70) and Rs 64 per kg in Tamil Nadu (Rs 65).

However, copra prices reported an increase of Rs 4,850 per quintal (Rs 4,800) in Kerala, whereas the prices touched Rs 4,750 per quintal in Tamil Nadu (Rs 4,700).

Prakash B. Rao, Vice-President, Cochin Oil Merchants Association (COMA), attributed low corporate buying for the declining mood in the market.

He said that upcountry buyers have reduced their stocks from the continuous buying carried out in the last two weeks and will re-enter the market once the prices look attractive to them.

Palm oil prices were also slightly down this week at Rs 53 per kg, while palm kernel oil increased by Rs 1 to Rs 56 per kg compared to last week.

Thalath Mahamood, former President, COMA, said that the market is in a sluggish mood and lack of outside demand resulted in a price drop. Traders are pinning their hopes on local demand in the festival season of Ramadan and Onam for a price revival, he said.

Bharat N. Khona, former Board Member, COMA, said that the market is witnessing a downward trend and may stabilise once the upcountry demand improve. This was evident from the decline in prices of loose coconut oil that have come down to Rs 970 for 15 kg this week from Rs 1,005.