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Title: Regarding falling price of Pepper, Cardamom and Coffee due to increased imports.

SHRI M.P. VEERENDRA KUMAR (CALICUT): Sir, I would like to bring to the notice of the House that the harvest season for cardamom (August-January) and pepper (December-March) is on. Increased global production and clandestine imports from Guatemala caused average domestic price of cardamom to fall from

* Not recorded

Rs. 623 per kilogram in 2001-02 to Rs. 224 per kilogram in 2005-06. Estimated cardamom production in 2006-07 would be around 10,000 metric tones which is 35 per cent decline compared to last year. Retail selling price is invariably about four times the value realized by farmers.

Pepper production has declined in the districts of Wayanad, Idukki and elsewhere due to disease and drought. Yield this year is expected to be around 50,000 metric tones compared to 70,000 metric tones last year. Both are now traded in the futures market subject to manipulation by speculators, stockists and processors. Pepper futures fell below international prices during October, 2006 even though market fundamentals were strong and there was tight supply position. As prices will fall during harvest season, such trading will further depress prices. To remedy this, alternate model of market intervention is necessary to secure remunerative prices for farmers.

The Government must announce a benchmark price prior to harvest which may be at least Rs. 150 per kilogram for pepper and Rs. 500, Rs. 400 and Rs. 350 per kilogram of cardamom for highest, second and average grades respectively.

Similar intervention is necessary in the interest of coffee and areca nut farmers also.