

50
years



INTERNATIONAL
COFFEE
ORGANIZATION

ICC 111-26

26 September 2013
Original: English

E

International Coffee Council
111th Session
9 – 12 September 2013
Belo Horizonte, Brazil

National coffee policy of India

**Statement by the Delegate of India to
the 111th Session of the International Coffee
Council on 12 September 2013**

Distinguished Chairman,
Executive Director,
Delegates of Member countries,

I will use this opportunity to touch on a few areas where the development of the national coffee policy of India has evolved in the recent past. The Government is working for the expansion of coffee cultivation in suitable areas. Presently, nearly 98% of India's coffee production comes from three major States in South India. In these areas, almost the entire land which is suitable for coffee has already been planted. We are therefore encouraging expansion of coffee, wherever feasible to provide sustainable livelihood and conservation of the ecosystem especially in the non-traditional areas where shifting cultivation is practised by tribal people in the Eastern Ghats and the northeastern part of the country.

In addition, we have initiated efforts to promote coffee growing in the foothills of the Himalayas in the north, where trial planting has shown some promise. The improvement of productivity remains a challenge in India, though we have achieved a productivity of about 950 kg per hectare in 2000/01. The productivity levels have not improved significantly thereafter. The great price crisis, droughts, flare-up of pest and diseases, erratic rainfall due to climate change, all have impacted on coffee productivity negatively. Thus, we are attaching upmost priority to improving the productivity of coffee by a series of measures like encouraging replantation with high yielding, disease-tolerant Arabicas and high yielding, drought-resistant Robustas, building of water sources for irrigation, providing interest subvention, etc. We are also strengthening the transfer of technology activities to bridge the knowledge gap between the lab and land.

The aim to alleviate the effects of labour shortage is one of the cornerstones of our coffee policy. Migration of labour from coffee areas to new urban centres is a problem. Although adequate social infrastructure is provided, the majority of coffee estates are now facing an acute shortage of plantation workers, especially skilled labourers, to carry out critical operations like pruning, etc. The shortage of labour especially the skilled workers and the near doubling of the labour wages have affected the viability of coffee plantations. Thus, mechanisation of farm operations is being encouraged in the coffee plantations. Since coffee in India is cultivated in the hills under the canopy of shade trees there is not much possibility of introduction of large scale mechanisation. Hence the focus is on the use of small portable machinery as well as multipurpose machines by providing suitable encouragement and incentives to coffee growers. Apart from this we are also facilitating capacity-building of farm workers on the use and maintenance of farm machinery.

Strengthening the domestic coffee market is a new element being emphasised as part of our coffee policy. The coffee consumption in the country is growing at an impressive rate of 5% per annum over the last few years and it is also expected to continue in the long-term. However, the per capita consumption is only 90 grams which is quite low amongst coffee-producing countries. Therefore, there is an opportunity for doubling the per capita consumption over the next decade due to the increase of income, the exposure of the coffee culture amongst a large segment of the youth and spread of coffee consumption in the non-traditional coffee consuming areas of northern India. Promoting value addition in the coffee sector is an overriding priority. With the increase in wages and the cost of inputs the best way to prevent a shift away from coffee cultivation is to ensure good prices for coffee and this is being facilitated by expanding the production of roasted, packaged, branded and organic coffees. The coffee sector financing and risk mitigation through the price stabilization fund scheme, which is a partnership between the growers and the government to cover the risks against price fluctuation, is another initiative which has been taken by the Government of India.

Finally, our Central Coffee Research Institute is actively pursuing research into the areas of developing new varieties with desirable characteristics like high yield, quality and tolerance to major pests and diseases as well as to drought conditions. A pest management package for the endemic white stem borer is being developed and being propagated amongst the growers. These are some of the important aspects of the coffee policy of India.

Thank you so much for your time.