

Copper rally burdens Indian plantation sector

As prices of key fungicide copper sulphate rise 25%, growers feel the heat

VISHWANATH KULKARNI
VS AJEEV KUMAR

Bengaluru/Kochi/April 15

The global rally in copper prices is adding to the costs of the Indian plantation sector as copper sulphate, a widely used fungicide manufactured using the metal, has turned expensive this year.

Prices of copper sulphate have increased to over ₹240-260 a kg this year, depending on the quality as against ₹160-190 last year, an increase of over 25 per cent mainly driven by the rally in copper prices.

Copper sulphate is widely used by growers of plantation crops such as arabica coffee, arecanut and pepper among others to control various fungal diseases. Bordeaux solution, using a mixture of copper sulphate and quicklime, is applied on these crops and others such as ginger, cardamom and grapes to control fungal and bacterial disease. The consumption

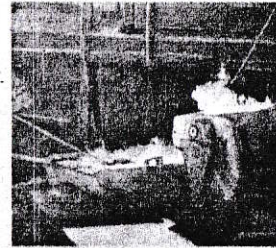
period of the mixture in the plantation sector is between pre-monsoon (April-July) and post monsoon (September-October).

Bordeaux solution

In coffee, mainly the arabica variety, Bordeaux solution is used to control leaf rust disease. Bordeaux is sprayed before the onset of rains and after the monsoon ends to prevent the leaf rust disease in arabicas, said Bose Mandanna, a large grower. Consumption in arabica estates with pepper inter-crop is estimated at 40 kg per acre.

"Factoring in the increase labour wages, fuel and other input costs, we are estimating the cost of cultivation for Arabica to increase to 85,000-90,000 per acre this year, as against ₹75,000 last year," Mandanna said.

UM Thirthamallesh, President, Karnataka Growers Federation, said the average price for



copper sulphate last year was ₹195 per kg. This year, it has increased to ₹240. This increase will add to the costs of growers, who are already facing dip in realisations, he said. In pepper, the application of copper sulphate is more to control fungal diseases.

Manufacturers of copper sulphate are keeping their fingers crossed over the rising price of copper sulphate which is hovering in the range of at ₹240 per kg from the last year level of ₹140-160.

Xavier Thomas Kondody, Managing Partner, Sanson Chemical Industries, Kottayam, told *BusinessLine* that the spiralling price of copper in international markets that has touched around \$9,000 per

tonne in London Metal Exchange vis-a-vis \$4,500-5,000 last year was the main factor for the increase in copper sulphate prices. The surge in copper price was reflected in MCX Metal Exchange as well which stood at ₹650-750 per kg. This has pushed up the production cost of copper sulphate by 20 per cent, he said.

Kondody, who is also former president of Kerala State Small

Industries Association, attributed the reason for the whopping copper prices to Chinese procurement in bulk for the usage in the manufacture of electric cars and other products.

To produce one tonne of copper sulphate, Kondody said the requirement of copper is around 300 kg. The rising price of copper has reported to have prompted companies to depend on the unorganised seg-

ment to procure copper from the scrap materials. This would pave the way for GST evasion on copper, which is currently at 18 per cent. Since the organised manufacturers are producing copper sulphate to be used as an agriculture product out of copper scrap, Kondody requested the government to bring down the GST to 5 per cent for providing a level playing field to the industry.