

2012-13 - An year of accomplishments and triumphs

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“The vision set for coconut development is to take India to the number one position in coconut sector; in production, productivity, processing for value addition and export. Our prime focus is the financial and social upliftment of the coconut farmers”, Chairman of the Board, outlined in his page to the readers of Indian Coconut Journal in April, 2012. The year 2012-13, the starting year of 12th Five Year Plan, made kick start to many beginnings with optimistic notes to fulfill this vision during the Plan period. The year witnessed many milestones, remarkable events, promising announcements and declarations by central and state governments, largest export earnings, highest fund utilization, many policy decisions in favor of farming community, introduction of modern marketing strategy, hosting of international events..... the triumphs of the year goes on. These triumphs were the fruiting of the efforts of Board which were dovetailed through innovative ideas, novel development strategies, linkage and diverse integration and handholding of millions of coconut farmers and stakeholders.

This article throws light on the salient achievements recorded in 2012-13. Other articles carried in this issue depict scheme wise achievements of the year.

Handholding of Small and Marginal Coconut Farmers

By attaining the annual

production at 16943 million nuts, India positioned herself as the premier producer of coconut in the world. She has already been holding the monopoly of highest per ha productivity among the major producers. Thus India has got in hand the first two targeted goals when 2012-13 passed by. Another major task set in by the Board was the mobilization of small and marginal coconut farmers who are otherwise scattered and unable to bargain or come forward to strengthening their economy. Board had made a beginning to push through this task in 2011-12 itself by mobilizing small and marginal farmers under the banner of Coconut Producers Societies (CPS) and their federated forms of Coconut Producers Federation (CPF). The year 2012-13 witnessed cropping up of CPSs and CPFs and their active involvement in activities like establishment of modern copra dryers, tender coconut parlours, laying out of demonstration plots,

procurement of seednuts, export of coconut products and so on. So far 2295 CPS and 121 Federations have been registered with Board. Nearly 80 lakh palms and 1.5 lakh farmers have been brought under the umbrella of these CPSs and Federations. In Kerala farmers have started procuring dwarf nuts for raising seedlings suitable for tender nut varieties. This is from the realization that tender coconut water is going to be the world's finest drink and that Kerala is lacking sufficient dwarf palms either for tender nut harvesting or for future hybrid seedlings production. Some of them have started establishing big copra dryers and many have started functioning as procurement centers of quality copra at the Minimum Support Price fixed by government.

Coconut Producers Company is the apex body envisaged in its series. Formation of two Companies in Kannur and Palghat districts of Kerala is progressing while Tamil



Empowering the group

Nadu will take the next turn to register such Companies.

Government orders and declarations

Policy interventions both at the central and state government level are vital for protecting the coconut sector of our country. The year 2012-13 witnessed many declarations and announcements at Central and State level which would be instrumental for devising future course of action for the benefit of coconut industry. Government of India had declared MSP for milling copra at Rs. 5100 and for ball copra at Rs.5350/- in 2012 season. Dehusked green coconut was permitted to procure at Rs. 14/- per kg. Government of Karnataka had announced additional Rs.700/- per quintal for ball copra to facilitate the procurement. Subsequently Government of Kerala too announced Rs. 500 per quintal for milling copra for the procurement through societies. Coconut Producers Societies were encouraged to produce quality copra and to take the advantage of the MSP. In 2013 season a hike of Rs. 150/- was made in MSP for both milling and ball copra, making the MSP to Rs. 5250/- and Rs. 5500/- respectively. Procurement price of Rs. 14.25/- was fixed for dehusked green coconut.

Neera and its downstream products have received much attention as non-alcoholic, delicious and nutritious products, which could ensure remunerative price to farming community. This is in the context that countries like Indonesia, Thailand, the Philippines and Sri Lanka are eyeing this

product as the number one export earner. The neera industry has made strong footings in Indonesia. India can also follow the suit. In a state like Kerala alone, 180 million coconut trees are available and a small percentage of these trees can be put to use for neera tapping. The industry will grow as a big export earner to the country; as a sustainable income source to the farmers and above all an employment generating industry. The Board's efforts to make a move in the Government of Kerala had yielded result. The Budget speech 2013 contained a declaration of Rs. 15 crores for starting 10 neera processing units in 10 districts of Kerala apart from other provisions. Central finance minister too did not leave coconut sector in dark. A provision of Rs.50 crores was set apart towards the grant in aid to Farmers Producers Organizations (FPO) @ Rs. 10 lakh to each unit. Another important announcement was earmarking Rs. 75 crores for continuing the Replanting and Rejuvenation scheme implemented on pilot basis in three districts of Kerala. These announcements and declarations were vivid evidence of coconut getting adequate importance at national level as a potential crop of the future.

The dip in coconut oil price and consequent policy decisions also helped the industry a lot. The enhancement of import duty on crude palm oil from 0% to 2.5% and removal of port restriction and quantity restriction in export of coconut oil were great relief to farmers and exporters. Many demand in this sector still remained

unsettled. Coconut oil is still included in the export restricted list and this misplacement does not allow the exporters to avail the 5% export incentives eligible under the Vishesh Krishi Gramodyog Yojana.

The year also witnessed materializing some of the declarations of the governments. Initiation of 'Coconut Park' at Kuttaiyadi, Kozhikode by Kerala State Industrial Development Corporation (KSIDC) is one among them for promoting value addition in coconut. Entrepreneurs who find it difficult to get adequate space or those who are constrained to raise the capital for the purpose could avail the benefit of starting industries in the Park. Likewise other State Governments have been requested to identify suitable land for 'coconut bio parks'. If state governments extend support to potential entrepreneurs the pace of value addition could be accelerated in coconut. A subsidy of 25% from state government, over and above that offered by CDB has been agreed to by Government of Kerala which need be replicated by other state governments. Technologies and financial support are already available with the Board under Technology Mission on Coconut (TMOC). Effective teamwork is advocated by the Board in all these areas and India can reap success in all areas so that her position in coconut sector wouldn't be second to none.

The decision to conduct investor's meet in all major coconut growing states for initiating processing units for value addition was put into action by organizing two investors meet during the year.

The first in the series was conducted at Kochi on 2nd November 2012 and the second on 11th January, 2013 at Kozhikode, Kerala. Similar meets are planned in all other states for sensitizing entrepreneurs. In the context that tender coconut water has gained acceptance as the healthiest drink of the era, more entrepreneurs have to be attracted to the tender coconut processing sector. Board is targeting to have minimum 100 tender coconut processing units during next 2-3 years. Celebration of World Coconut Day in a befitting manner at Thane in Maharashtra was also very well appreciated.

Innovative marketing strategies

The demand for coconut products is countrywide. In the north and north-eastern parts of the country coconut consumers of various value added products are on the increase. Non availability of the emerging products put hurdles to their popularization. Efforts of the Board on awareness creation on pan India basis yielded fruitful results. In order to make available the products at least in 63 JnNURM cities a new and innovative marketing strategy had been initiated by the Board during the year through the well distributed marketing team placed in the potential cities and also through the state centres and regional offices which can undertake market promotion activities in the adjacent cities. The idea that 10 nascent products were presented in a product basket was also the unique idea of the year. Products like tender coconut water, coconut cream, coconut milk, coconut milk



Value added coconut products

powder, desiccated coconut, coconut ice cream, ball copra, coconut chips and virgin coconut oil found place in the product basket.

Growing Export Volume

International trade plays a vital role in economic development of the country. The global competitiveness of coconut sector truly depends on the volume and value of trade made. The export and import value of coconut products of India presents the bleak ranking of the country. The country's share in the world trade of copra and coconut oil is very insignificant when comparing the volume of trade of Philippines, Indonesia and Sri Lanka in the world market. The country has been lagging behind in export of coconut products till recently. Only coir and coir products figured significantly. The year passed by placed India in a far better position by earning significant export value through activated carbon. The value touched Rs. 834.75 crores in 2011-12, registering an increase of 56% over the previous year. This will

touch Rs.1000 crores in 2012-13 when the final value is available. Revenue from activated carbon may overtake the export figure of even coir products in the short run. Export value of coir and coir products in 2012-13 is estimated at Rs.1100 crores. **Thus 2012-13 recorded the maximum export earnings the coconut sector has ever recorded.** Coconut Development Board, being the Export Promotion Council (EPC) for coconut and coconut products, is actively promoting export of coconut products and extending necessary support to exporters. More than 894 exporters have now registered with the Board. This achievement is in the midst of competition posed by the other big players. No doubt India can emerge as a big competitor in export sector since coconut and coconut products of the country command consistent and growing demand worldwide

Training programmes

Imparting skills on product development to prospective

entrepreneurs and women groups, coconut climbing to unemployed youths, leadership training to office bearers of Coconut Producers Societies etc were the pivotal activities of the Board for the year 2012-13. Board at its Technology Development Centre at Alwaye, Kerala has imparted training to women's group, NGOs and other voluntary agencies for upgrading entrepreneurship development skills for optimum utilization of resources in coconut. During the year the Board imparted training to 880 trainees from all over India. The objectives of the program include imparting leadership qualities, provide marketing tips, familiarize quality control, quality management systems etc., in food processing sector.

The year also saw the spreading of Friends of Coconut Tree Training to neighboring states. There has been consistent increase in trained youths. Besides Kerala, number of Friends was increased in Andhra Pradesh, Tamil Nadu, Karnataka, Maharashtra and Goa. The year had produced 6917 FoCTs which includes 572 women trainees. The daily income of the trained FOCTs ranges from Rs. 500 to 1000/- and monthly income from Rs. 10000 to 15000/-. Easy availability of climbers for harvesting and other operations and providing employment opportunities to unemployed youths are the advantages accrued out of the training programme. Elevating social and economic status of the economically deprived are the lateral advantages.

Educational institutions could play a major role in the vision



Women empowerment through FoCT training

building of CPS. The leaders of these farmer groups were given training in reputed management institutions like School of Communication and Management Studies and Rajagiri Centre for Business Studies, Kochi, Amrita Institute of Management Studies, Kollam, Holy Grace Institute of Management Studies, Thrissur, Local Economic Development Center Kochi etc. The training was a mentoring process for equipping the CPS office bearers to stay united for working together for their rights and also for maximizing farm revenue. Now the transition of CPS to Federations and Federations to Producer Companies has to be made speedy and faster.

Farmers are totally unaware that coconut is an incessant source of raw material for a variety of industries. When the Coconut Producers Societies and Federations are formed, they have to work for the formation of Companies which would be capable enough to take high task of venturing into bigger coconut

processing units. With this intention in mind leaders of the groups were given specific direction to go for suitable value addition and also to start tender coconut parlors and other mode of selling tender coconuts at the IT parks or tourism spots or National Highways. Producer Societies and Federations in Kerala, Tamil Nadu, Karnataka and Andhra Pradesh started big thinking of coconut based industries of their choices. This sensitization was made possible through the CPS mentoring training programme.

Price crash and market intervention

Interest in coconut farming directly relates to the profitability of the crop. Likewise only when farmers get remunerative price to their produce they bestow proper attention to the crop. Negligence to the crop, in turn, further reduces the profitability of the crop. The year 2012-13 was not an encouraging year as far the profitability of crop was concerned. The price of copra and coconut oil plummeted to rock bottom during the year. This steep

fall was from an ever highest price recorded in 2011 for coconut oil and copra. Coconut oil price shot up to 10,148 in May, 2011. Average price of the year was Rs. 9069/-. The year 2012, on the other hand, experienced a drastic dip and the price of coconut oil touched a bottom level of Rs.6343/-. Even the festive season witnessed the severely crashed price level of Rs.6014/-. This precarious situation created panic and embarrassment among the farming community. There has been a slow revival from December 2012 to February 2013 which is a positive sign and farmers look ahead the coming season with great expectation.

Government intervene in the market and protects the farmers from price fall by declaring MSP for coconut products. The intervention of the Central and State governments in the market in 2012 and 2013 seasons is discussed under government orders and declarations. CPSs and CPFs should take advantage of this protective mechanism from time to time.

International Events

It was a prestigious event in 2012-13 that India hosted an international event during 2-6 July, 2012 where 21 countries took part and exchanged the views and status of coconut growing in respective countries. The occasion was 45th Cocotech meeting of the intergovernmental organization for the Asia and Pacific countries called APCC (Asian and Pacific Coconut Community) headquartered in Jakarta, Indonesia. The meeting which is held once in two years in



Coconut festival - showcasing products

the member countries was deliberating the topic of 'Inclusive Growth and Sustainable Development of coconut industry'. The deliberations were completed

Strategies in Coconut Farming and a farmers interface. A coconut Festival showcasing the technologies and products of various countries and institutions



Experiencing India - delegates from abroad

in five technical sessions on the topics Policies and Programmes for Inclusive growth, Market Development and Health attributes of coconut, Technological Development on coconut crop improvement/ Agronomy, Nutrition and Coconut Based Farming Systems, Sustainable Integrated Pest and Disease Management

was another attraction of the event. The event was organized by the Board on behalf of Government of India.

Board had become the platform for yet another historical event in 2012-13. Republic of Trinidad and Tobago and Government of India signed an MoU through St. Patricks

Coconut Growers Co-operative Society and Coconut Development Board in the month of May, 2012. MoU was mainly soliciting expertise from India for revamping the ailing coconut industry of Trinidad and to develop a road map for future.

The visit of Mozambique Agriculture Minister, Mr. Jose Pachico and his team to the Board's HQ and their evincing interest in availing our technologies in coconut sector left another memorable mark of India's progress in international relation.

Other Ongoing Programmes

Government of India had approved programmes with a total outlay of Rs.890 million during 2012-13. ie. for ongoing programmes Rs. 550 million, Replanting and Rejuvenation programme Rs. 320 million and Coconut Palm Insurance for Rs. 10 million.

Board could got in hand many remarkable milestones, records and accolades by properly managing and utilizing the fund. Some of the remarkable achievements which left footprint in the year were implementation of rejuvenation scheme in the entire targeted area in Kerala and Andaman & Nicobar Islands and utilization of Rs.495.5 million against the originally envisaged budget provision of Rs. 320 million, coverage of 10,525 ha under laying out of Demonstration plots and utilization of 19 crores for the purpose of new planting in 2250 ha, production of 11 lakh seedlings in the Demonstration cum Seed Production Farms of the Board, starting of 29 new coconut based



Production of quality seedlings - a thrust area

industries under Technology Mission on Coconut, and alienation of 40 ha area in Palghar, Maharashtra for establishing a new Demonstration cum Seed Production Farm for coconut. Value addition was accelerated and the Technology Mission paved way for the achievements by spending Rs. 764 million. There were 68 new projects funded under the Mission.

In order to cater to the increasing demand for hybrid seedlings, Board has taken up collaborative research projects with reputed academic institutions and NGOs to produce hybrid seedlings. Five academic institutions and an NGO came forward to associate with the Board. Identification of mother palms have been already initiated by the colleges and Mythri an NGO based at Palakkad has already started hybridization and production of hybrid seedlings. Implementation of development programmes through convergence with other institutions has taken a new direction in the year. National

Rural Livelihood Mission (NRLM) was approached for joining hands with CDB for the conduct of FOCT training. NRLM, Karnataka's nod to come forward to take up training programme in the state is a welcome step. Training programme conducted by DSP farm Mandya to women groups in the district on coconut based convenience foods was a step in decentralization of our activities at the field level. The initiatives of the Board in development activities have received very good response from various institutions. The Panchayat raj institutions in many districts have evinced interest to handhold with Board. All these accomplishments give us greater expectations for maintaining tie ups and collaboration with other state and central organizations for the future activities.

Coconut was always in the forefront in all media during the year, either the news is on price fall, or FoCT or CPS or neera; coconut was in the lime light through out the

year. Thanks to the vibrant information dissemination mechanism of the Publicity wing of Board. Coconut in lime light attracted the Parliamentarians too. MPs from south India raised several questions on coconut, its price fall, productivity improvement, rejuvenation programme, CPS and copra procurement and so on.

A coconut palm insurance project was under implementation on pilot scale for providing insurance coverage for palms of all age groups. An amount of Rs 8.2 million was utilized for the purpose towards 50 per cent share of Board in the states of Kerala, Karnataka, Tamil Nadu, Andhra Pradesh, Maharashtra and Odisha.

Evaluation Studies

It had become mandatory for the Expenditure Finance Committee of the Five Year Plan that the XI Plan programmes of the Board have to be got evaluated through external agency for considering the 12th Plan programmes. Board had entrusted the evaluation study of XI Plan programmes to Chandra Gupta Institute of Management, Patna and a mid-term evaluation of Replanting and Rejuvenation scheme with Institute of Small Enterprises Development, Kochi. Strong recommendations to continue the productivity improvement programmes, formation of farmers' collectives and training to Friends of Coconut have been emanated from the studies which will form the guideline for framing programmes for the 12th Plan period.

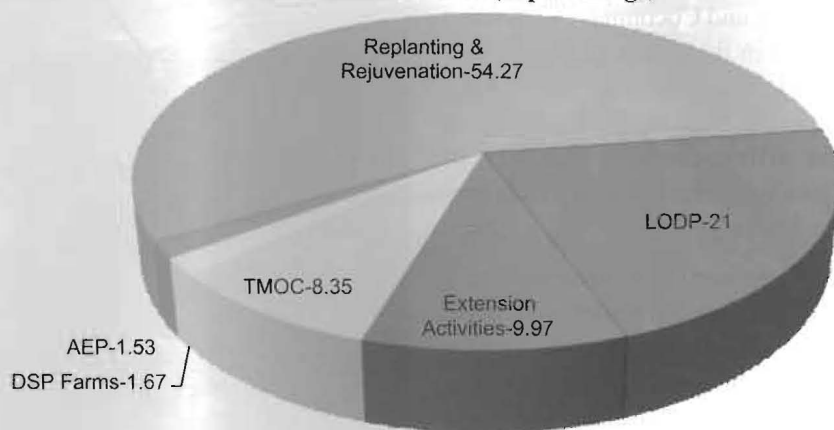
Reliable and up to date yield and area estimate is a prerequisite for

devising policy initiatives in coconut sector. This is also essential for farmers to plan for processing and marketing activities and also to get maximum profit from farming. Area and production estimate is now available from Directorate of Economics and Statistics, Government of India, New Delhi and the data pertains to two years behind the current year. Therefore, Board for the first time in the country thought of a survey of concurrent estimation of coconut yield. The states covered are Kerala, Andhra Pradesh, Tamil Nadu, and Karnataka. The survey was carried out in association with educational and research institutions of respective areas. The outcome of the survey gives good indication to continue similar surveys in future to have concurrent values in production and productivity.

Record Fund Utilization

The Year 2012-12 marked the highest utilization of fund in the history of Board by spending Rs. 10567 million. This is against the original budget allocation of Rs. 890 million. Out of the amount spent for

Utilization of fund 2012-13 (in percentage)



various development programmes, maximum allocation (47 %) was utilized under the rejuvenation programme. Second highest (21%) was under the other productivity improvement programme of Laying out of Demonstration Plots and the third one for Information and Information Technology with 9.97%. Technology Mission on Coconut consumed 8.31.% and stood in the forth rank. There are two more schemes which spent more than Rs. 10 million which are new planting subsidy scheme (1.53%) and DSP farms (1.63%). The Board has the record of utilizing 100 % allocation of fund placed at the disposal of the Board.

Thus the year passed by has left behind many remarkable and noteworthy records which will bring about many salutary implications in the coming years. The challenging role being played by Board in pushing India in the forefront of all major players will not be impossible if the efforts initiated in the year are continued with determination and unity. Let us welcome a new fiscal year which ignites more expectations and enthusiasm.