

# Coconut Situation - India\*

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## Marketing and Product Promotion

### **Major Market Destinations of Traditional Coconut Products**

The GCC countries are the major markets for fresh coconuts. Copra attracts very good demand from the countries like Nepal, Hong Kong, Vietnam and Pakistan. Coconut oil enjoys a good market in UAE, Saudi Arabia, Qatar and Vietnam. USA, UK, Japan, Germany and Russia are major buyers of activated carbon. Countries like Iran, UAE, Nepal, USA and Kuwait have good markets for products like desiccated coconut.

### **Major Market Destinations of Non-Traditional Coconut Products**

As far as the non-traditional coconut products are concerned, VCO has a good demand in USA, United Kingdom & Australia. The export demand for frozen grated coconut is also steadily increasing and India is currently exporting the product to USA, UK, Canada, Australia etc.

### **Government Policies Related to Coconut Trade and Market**

The Government of India implemented Goods and Services Tax (GST) from 1<sup>st</sup> July 2017 with the aim to improve ease of doing business in the country. GST was implemented by amalgamating large number of Central and State taxes into a single tax which would mitigate cascading or double taxation in a major way and paves way for a common national market. GST, being a simple tax regime, is expected to reduce the complications in doing business and improve trade. The GST applied on various coconut products ranges from 0 to 28 %.

### **Focusing on Make in India**

A significant participant in world trade and on enabling the country to assume a position of leadership in international trade, Government of India is formulating its foreign Trade Policy. Under



the Foreign Trade Policy (2015-20) of the Govt. of India, most of the coconut products are having export incentives under "Merchandise Export from India Scheme (MEIS)".

The Government of India's price policy for agricultural commodities seeks to ensure remunerative prices to the growers for their produce with a view to encourage higher investment and production and to safeguard the interest of consumers by making available supplies at



reasonable prices with low cost of intermediation. The price policy also seeks to evolve a balanced and integrated price structure in the perspective of the overall needs of the economy. Towards this end, the Government announces, Minimum Support Prices (MSP) for 25 major agricultural commodities each year in both the crop seasons after taking into account the recommendations of the Commission for Agricultural Costs and Prices (CACP). Copra is one among the 24 commodities. In addition, MSP for De-husked coconut is fixed by the Government on the basis of MSP of Copra. Besides, announcement of MSP, the Government also organizes procurement operations of copra through public and cooperative agencies such as National Agricultural Cooperative Marketing Federation of India (NAFED) and National Cooperative Consumer Federation of India (NCCF). Besides, State Governments also appoint State agencies to undertake Price Support Scheme (PSS) operations. While deciding the MSP for various agricultural commodities, the recommendations of CACP, the views of Central Ministries and State Governments and such other relevant factors which are important in the opinion of the Government are considered.

Coconut and coconut products have very good market potential within as well as outside the country. Towards expanding the market for coconut products, the Govt. of India is extending support to the industry through different programmes viz., extending support for setting up of sales outlets/ kiosks for value added coconut products, facilitating participation in exhibitions/ trade fairs and buyer seller meets, instituting award for export excellence, arranging exposure visits, organizing seminars, extending support for quality certification etc.

### Coconut Research and Development updates

India was lagging behind in technology development for product diversification till the last two decades. Introduction of Technology Mission on Coconut has given momentum to this area and now India possesses many technologies in value addition. Acceleration to the activities of CDB Institute of Technology has further quickened the product development. In the world, for the first time, technology for processing and packing of neera (sap from unopened inflorescence) and various downstream products like neera sugar, jaggery, honey etc have been developed. Food products like sweet/ spicy chips, sweet chunks, chocolate, cookies,

burfi, lemonade, flavoured juice, ice cream and milk spread are also the other very new additions of CIT's contribution in the product basket.

The following technologies have been developed and commercialized under sponsored research projects of the Board. These technologies have helped in increasing the product diversification.

Sl. No.	Name of Technology	Technology developed by the Board in association with
1	Processing and Packing of Flavored Coconut Milk and Culinary Coconut Milk	CDB Institute of Technology, Aluva, Kerala
2	Spray Dried Coconut Milk	Central Food Technological Research Institute, Mysore, Karnataka
3	Preservation and Packing of Tender Coconut Water	Defence Food Research Laboratory, Mysore, Karnataka
4	Coconut Vinegar Production from Matured Coconut Water	CDB Institute of Technology, Aluva, Kerala
5	Dietary Fibre from coconut residue	Central Food Technological Research Institute, Mysore, Karnataka
6	Production of Virgin Coconut Oil through cold process	Central Food Technological Research Institute, Mysore, Karnataka
7	Production of Nata-de-coco	CDB Institute of Technology, Aluva, Kerala
8	Production of Coconut chips	CDB Institute of Technology, Aluva, Kerala
9	Technology for Production of Cheaper and Healthier Blends of Coconut oil with other Vegetable oils	Central Food Technological Research Institute, Mysore, Karnataka
10	Preservation and Packaging of Coconut Neera and its value added products	CDB Institute of Technology, Aluva, Kerala

### The few projects (ongoing) with respect to new coconut products are as follows:-

1. Development of ready-to-eat extruded snacks from co-products of coconut processing by Central Plantation Crops Research Institution (CPCRI), Kasargod, Kerala
2. Processing of coconut milk, development of beverage from curcumin enriched nanoemulsified coconut milk (partially defatted) coconut by Central Food Technological Research Institute (CFTRI), Mysore, Karnataka
3. Standardization of protocol for the preparation of frozen coconut delicacy by CPCRI, Kasargod, Kerala  
New Products developed at CDB Institute of Technology:

### 1. Coconut Clusters

Coconut cluster is amazingly delicious & healthy snack prepared from coconut chips and healthy edible seeds like pumpkin seeds, sunflower seeds, chia and sesame seeds. Another variant can be also prepared out of healthy nuts like cashew, almonds, pistachio etc. This snack is fibre rich and highly nutritious.

### 2. Coconut spicy chips

Coconut spicy chips can be prepared in two variations i.e., salt with spice powders coated and salt with spice extracts. It is an excellent choice for diabetic patients.

### 3. Coconut Ginger candy

This is a delicious sweet with a beautiful blend of sweet and spicy taste. It has the health benefits of coconut gratings and soothing effect of ginger.

### 4. Coconut caramel toffee

The crunchy soft and sweet candy is a healthy combination of coconut kernel & coconut water blended with other ingredients.

### 5. Haustorium chunks

It is dried haustorium treated with less sugar.



## Three tier Farmer Producer Organizations (FPO) in coconut sector:

CDB started a novel extension approach to organize farmers by formation of three-tier Farmer Producers' Organizations (FPO) with Coconut Producers' Societies (CPS) at primary level and integrate them to form Coconut Producers' Federation (CPF) at intermediate level and Coconut Producers' Company (CPC) at apex level. Overcoming the constraints imposed by the small size of their

individual farm, FPO members are able to leverage collective strength and bargaining power to access financial and non-financial inputs and services and appropriate technologies, reduce transaction costs, tap high value markets and enter into partnerships with private entities on more equitable terms. With fragmentation of holdings a continuing phenomenon, FPOs offer a form of aggregation which leaves land titles with individual producers and uses the strength of collective planning for production, procurement and marketing to add value to member's produce. So far, 9741 CPSs, 742 CPFs and 67 CPCs are formed in the country.

## Skill Development Training Programmes (Friends of Coconut Tree - FoCT)

Acute shortage of palm climbers to harvest and adopt plant protection measures is one of the problems faced by coconut growers. With a view to tackle this problem, the Board is conducting a skill development programme from 2011-12 onwards, to train unemployed/underemployed youths in developing special skills and confidence in coconut climbing and plant protection activities for the benefit of coconut farming community. The skill fetches the youth handsome income for their decent living and helps to make available sufficient manpower to society in coconut harvesting and other plant protection activities.



## Other issues/problems/recommendations

Indian coconut sector has to improve in many areas in spite of the unprecedented progress achieved in selected sectors. There are many issues to be addressed and solutions to be arrived at. Inadequate availability of quality planting material in tune with the increasing demand, low pace of value addition, low level of productivity than the potential, low pace of expansion of the crop area and low level of replanting and rejuvenation of old plantations, non availability of disease tolerant and short stature high yielding varieties in sufficient quantities are issues that still need solution. Development and standardization of mass multiplication technologies

## Coconut Development Board approved 15 projects worth Rs. 2270.40 lakh



Coconut Development Board (CDB) in its 55<sup>th</sup> meeting of the Project Approval Committee (PAC) on Technology Mission on Coconut (TMOC) held at Kochi on 25<sup>th</sup> September 2019 under the Chairmanship of Smt. Usha Rani IAS Chairman, CDB approved 15 projects with an outlay of Rs 2270.40 lakhs. Out of the 15 projects approved by 55<sup>th</sup> PAC, 13 projects are from entrepreneurs for setting up of coconut based industries and 2 projects from various research institutes all over India.

for quality planting materials for commercial application is also to be addressed to meet the demands. Against the projected annual requirement of 10 million seedlings, the present supply is only 3.5 million seedlings. Considerable area suitable for coconut is available in traditional and non-traditional coconut growing areas in the country which need to be utilized for expanding the crop.

In the long term, the major challenge is to produce enough to meet the growing demand under changing climate conditions, the dwindling agricultural land/water and other natural resources and skilled labourers. Impending global warming and related climate change might lead to prolonged drought as well as emergence of new pests and diseases in majority of the coconut growing regions, necessitating development of strategies for drought mitigation and pest management. Establishment and strengthening of network of domestic quarantine stations with diagnostic labs to prevent the spread of non endemic areas are of prime importance. Development of environmentally safe integrated disease management strategies, diagnostic kits for early and accurate detection of diseases like root (wilt), basal stem rot and bud rot need to be developed. Development of an effective and easy way of delivery of biocontrol agents or chemicals with machineries for the management of the diseases like bud rot, leaf rot, leaf blight or basal stem rot, is to be given top most priority to achieve success in plant health management in the scenario of labour constraints in the agricultural sector.

Through convergence of various programmes and bridging the gap in existing schemes, India will try to make coconut a more remunerative crop by enlarging the scale and size of operations and reducing production costs giving more thrust on input management, irrigation, drought management and soil and moisture conservation considering the challenges like reduced resources like water and changing climate scenarios. Fabricating simple, reliable and affordable harvesting and spraying devices to undertake from ground itself is also one of the challenges in the field of mechanization.

An appreciable growth in total factor productivity and appropriate capital substitution are the possible alternatives and to achieve these, strengthening the traditional coconut based farming system through the use of modern research tools would be the starting point.

Restructuring of planting population, giving more stress on hybrids and dwarfs; stabilizing FPOs in coconut sector; more diversion of production to value addition; improvement in quality standards matching with international standards; adoption of new marketing strategy for tapping domestic and international markets; and widening the skill development in all essential areas of production and processing will be other areas of priority. Indian Coconut sector is striving hard to grow further for the benefit of millions of farming community. The country is aiming at sustaining the premier status enjoyed at global level in production and productivity and also in the process of gaining the prime position in export front too. ■

\* Country paper presented during 55<sup>th</sup> ICC Session/ Ministerial Meeting - 26-30 August 2019, Manila, Philippines