

Technology Mission on Coconut for strengthening Indian Coconut Industry

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Hon'ble former Prime Minister of India, Shri. Adal Bihari Vajpayee during his visit to Kerala in December 2000 announced the schem, Technology Mission on Coconut (TMOC) to address the various issues faced by the coconut growers like frequent price fluctuations and severe incidence of pest and diseases. The central sector scheme Technology Mission on Coconut was formally launched during the National Seminar on coconut held at Bangalore in January 2002. Since then, Technology Mission on Coconut is being implemented as part of Coconut Development Board's ongoing programmes. The Mission aims at strengthening the processing sector by promoting economically desirable diversification and value addition of coconut to generate skilled employment, to make a shift in coconut oil centered market to other value added product centered market which would help to ensure remunerative price to coconut farmers. TMOC also target to increase production and productivity of coconut through management of pest and diseases. To achieve these objectives Board is implementing TMOC since, 2001-02 on time bound project basis under four sub

technical support- emergent requirements.

Unlike other ongoing programmes of the Board, TMOC is more flexible and is implemented based on the time bound projects submitted by the participating beneficiaries. This will result in the diversion of more nuts for processing of coconut products other than traditional products like copra and oil. This will help in improving the coconut economy by opening up more avenues to the farmer for disposal of his produces. The long term outcome will be the stabilisation of price with more value added products entering the market. The components for management of pest and disease and market promotion results in productivity improvement by better management and control of pest and diseases through sponsored research programmes and large scale demonstrations and adoption in farmer's fields.

TMOC extends financial assistance for starting new coconut based industries and modernization of existing units for production of value added coconut products. Credit linked back-ended capital subsidy limited to 25% of the cost of the project for setting up of the processing units limited to Rs. 50 lakhs per project is extended under the sub component 'adoption of technologies for processing and product diversification of coconut'. Out of the total eligible subsidy under this component programme, 50% will be released to the loan account of the beneficiary in advance, with the approval of the project by the project approval committee after executing the MoU. The subsidy released will be kept as Subsidy Reserve Fund Account by the financial institution. The entrepreneur will give interest benefit by deducting the subsidy Reserve Fund amount from the term loan while calculating interest.

So far the implementation of programme made an awakening effect in the coconut processing sector and strengthened product diversification



and value addition of coconut, besides creating market base and consumer demand. Three hundred and thirteen new coconut processing units with the capacity to process 2039 million nuts per year has been established under the programme for value addition and by product utilization and thereby extended opportunities for diversification of coconut products. Popularization of the use of packed tender nut water and other convenience foods are another area where the TMOC has given more thrust. 22 tender coconut preserving and packing units with the capacity to process 33 million tender nuts per year are established with financial assistance from TMOC. More over, 24 activated carbon units with capacity to produce 52,500 tones activated carbon per year earning foreign exchange of Rs.608 crores and 36 virgin coconut production unit with capacity to process 76 million coconuts per year have also been established.

Technology Mission also caters to the setting up of neera processing plants. Almost all the producer companies formed in Kerala have started activities for setting up neera processing units to make coconut farming more profitable. The projects of 12 CPCs have already been approved by the Board for funding



components, Viz; development and adoption of technologies for management of insect pest and disease affected coconut gardens, development and adoption of technologies for processing and product diversification, market research and promotion and

under TMOc and two Coconut Producer Companies have availed the assistance of Rs.31.8 lakh for setting up neera processing units. The first neera processing packaging unit in India set up by Kaipuzha Coconut Producer Company in Kerala state with the financial assistance from TMOc was inaugurated by Hon'ble Chief Minister of Kerala on 26th February 2015. Technology Mission on Coconut created awareness on the health aspects of coconut products and eco friendly and sustainable production system. TMOc could also extend opportunities for diversification of coconut products and enhance the market potential of coconut products both in domestic and international markets. Export of coconut and coconut products have increased considerably during the last five years. The total value of export during 2010-11 was Rs.495.92 crores

which has increased to Rs.1156 crores during 2013-14.

From the facts stated above it is evident that introduction of Technology Mission on coconut by Coconut Development Board (CDB) since 2001-02, has given adequate emphasis on product diversification and market promotional activities in coconut sector. Establishment of new processing units and modernization of existing units increased production of value added products like desiccated coconut, coconut milk powder, virgin coconut oil, packed tender coconut water etc. Consumption of tender coconut as a health drink, demand of fresh coconut and coconut kernel and various value added products have undoubtedly helped to improve the price of coconut to a certain extent by shifting the normal pattern of pricing depending on coconut oil. With the development taken place as a result



of implementation of TMOc scheme, multi-filtered packed and branded coconut oil production has increased many folds during the last five years. Currently it is the buying support from the branded coconut oil segment which is keeping the prices at reasonably higher level. Many consumers have moved from loose to branded oil for purity and safety. This could be another reason for rise in demand of copra and coconut. Short supply and a sharp rise in demand have led to increase in prices of coconut oil which to a large extent determines the price of coconut.

Neera and FPOs in the budgets of Kerala and Karnataka

Government of Kerala - Budget speech 2015- 16 (13 March 2015)

Government believes that Neera production can be the best vehicle for a comprehensive recovery of the coconut sector, providing significant income to the coconut farmer. I intend to collaborate and encourage the path breaking efforts of the Coconut Development Board, Kochi in this area. Packaged Neera will be served as one of the beverages of choice in all public functions and government accommodations to encourage the promotion of Neera products. I am happy to announce a subsidy for training Neera Technicians at the rate of Rs. 10000 per person. I am setting amount Rs. 10 crore for the providing support for plant and machinery to each Coconut Producer Company to a maximum extent of 25% of the cost or Rs., 50 lakh whichever is higher. As has been done by some of our neighbouring states, I intend to provide equity support to the Farmer Producer Companies to the tune of 25% of the amount raised by the farmers themselves. I am setting apart Rs. 10 crore for this. The financial support will be disbursed through the Kerala Financial Corporation. In all, I am allocating Rs. 30 crore for Neera production this year. Rs. 45 crore has been provided in the Annual plan to the Agriculture Department thus raising the allocation for coconut sector to an unprecedented Rs. 75 crore.

Government of Karnataka – Budget speech 2015 – 16 (28 Feb 2015)

Horticulture :

- Continuation of process of creation and strengthening of Farmer Producer Organizations (FPO's) :
- 90% subsidy to be given for procurement centres, cold storage, farm mechanization implements & processing units.
- Adoption of PPP – IAD frame work of GOI to link FPO's for forward and backward linkages.
- FPOs to be involved in selection and training of beneficiaries and to act as oversight mechanism.
- Strengthening of FPOs through selection of beneficiaries on cluster basis under National Horticulture Mission.
- Strengthening of custom hiring centres to provide high cost machinery to farmers on hire basis
- Excise Act to be amended to permit members of Coconut Growers Association to harvest "Neera" within specified limits to augment their income.