



The best is yet to come to coconut sector

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Introduction

Agriculture sector in India is at a cross road with rising the population and the increasing demand for food items. The fact that coconut provides food and nutritional security reinforce the need to encourage coconut cultivation to feed the growing population. Despite the interest shown to plant and nourish coconut, uncertainty or fluctuation in prices for coconut and coconut products has been a major concern to farmers. Whenever the prices of coconut products, especially that of coconut oil moves in reverse direction, the price of coconut also slips down. This correlation of coconut oil price and coconut price has been in vogue from the very beginning of price fixation of coconut oil by the oil merchants associations. Major strategy suggested to overcome the close linkage of coconut oil price and coconut price is product diversification and value addition in coconut.

When product development under the auspices of Coconut Development Board gained momentum through the setting up of coconut based industries, prices picked up on several occasions; but signs of dropping down have

also been witnessed from time to time. From September 2013, prices of coconut oil picked up unprecedentedly and the trend continued till the middle of 2015. The reverse behaviour witnessed thereafter put farmers in panic. But to their surprise and satisfaction coconut oil price has improved from July 2016 and the tempo is continuing without any drastic crash. This improvement in prices was in tune with the prediction of Coconut Development Board which undertakes concurrent estimation of production and productivity and forecast production and price behavior concurrently. This attempt was initiated due to the delayed release of statistical data behind the schedule by the concerned Government Departments. With the present trend in price improvement we cannot be complacent as the prices may fluctuate in accordance with market demand, availability, or due to many other factors.

Strategic measures that have been suggested for preventing the price fall always do not come to the rescue of farmers as has been experienced. This article discusses the scope for sustaining the good price for coconut and reinforces the hope that there are

tremendous opportunities to foresee a better prospect for coconut sector and coconut farming community. There is definitely a better tomorrow than we have ever seen.

Farmer Producer Organizations in Coconut sector – a timely move guiding the Way Forward

The inherent limitation of coconut cultivation is the fragmented holding size and the unorganized nature of coconut farmers. This makes the small farmers difficult to pool their tiny marketable surplus of produce and make them unfit to bargain for better price. The scattered nature weakens their bargaining power and middlemen are active in the sale of produce leaving them voiceless in the bargaining. Moreover, they do not have any participation in the policy making or implementation of development programmes of any government agencies. It is estimated that there are six lakh holdings in the country and 98% of them are less than 2 ha size. It was therefore felt imperative to mobilize the farmers into active groups and to empower them.

In this background, Coconut Development Board, under the leadership of Smt. Minnie Mathew, the first IAS Chairperson of the Board initiated its maiden attempt in 2005 in implementing programmes in a farmer participatory mode. Implementation of a productivity improvement programme viz., 'Integrated farming in coconut holdings' was entrusted to farmer groups. The responsibility of success or failure of the programmes was vested on clusters of farmer groups, reminding their prime role in the project implementation. This new initiative inculcated confidence and pride to farming community. They themselves felt empowered for being a part and parcel of government programmes and the result was overwhelming. This attempt marked the beginning of formation of farmers collective group organizations in coconut sector and culminated in formation of three tier farmer collectives under the dynamic leadership of Shri. T.K. Jose, IAS who was instrumental for the Kudumbasree Mission in Kerala. The three tier structure was designed consisting of Coconut Producers Society (CPS), Coconut Producers Federation (CPF) and Coconut Producers Company (CPC). There are at present 9272 CPS, 716 CPF and 65 CPCs functioning in the country. This endeavor of aggregation of farmers enabled to bring the coconut farmers under one umbrella. More over value addition and product development started gaining momentum in the country.

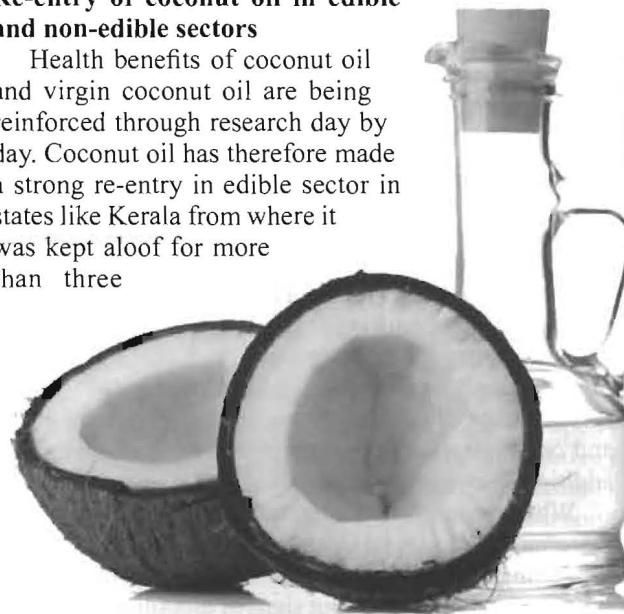
Formation of Farmer Producer Organizations (FPO) by collectivization of farmers was thus initiated with the main objective of socio economic development of farmers through productivity improvement, cost reduction, efficient aggregation of produce, processing for value addition, better by-product utilization and efficient marketing of the produce. It aims at providing a fair, steady and reasonable income to farmers. Farmer



Producer Organization provides a platform for the overall empowerment of farming community. Most of the FPOs express unparalleled feats of excellence and have made strong footing in value addition of coconut. Many Companies have started manufacturing products like neera, neera sugar, branded coconut oil, coconut cream and various convenience food items. These products are capturing the domestic and international markets. With the result, positive sign of delinking the coconut price from that of coconut oil price has also started experiencing in the market, as basically aimed. FPOs, however are in infant stage and they need technical, financial and more over moral support to overcome their infancy crisis. The team work will no doubt, remain as the pillar of their success.

Re-entry of coconut oil in edible and non-edible sectors

Health benefits of coconut oil and virgin coconut oil are being reinforced through research day by day. Coconut oil has therefore made a strong re-entry in edible sector in states like Kerala from where it was kept aloof for more than three





decades. The misconception that it causes Coronary Artery Disease (CAD) has almost been thrown out from the minds of public. Now coconut is proved to be beneficial against many life style diseases as well as bacterial/ viral diseases. Diabetes, alzheimers', autism, HIV, psoriasis, cancer - all these disorders and diseases are coming under this category.

The effort behind the coming back of coconut oil cannot be undervalued. Sustained multimedia campaign of the Board in association with doctors, sports persons, and all other stakeholders coupled with the study results of the sponsored research helped a lot to bring about this sea change. Mere statement that coconut oil is harmless or beneficial for consumption was not readily accepted by public as the allegation was strongly reinforced in their minds. It necessitated to disprove the allegation and hence Board took the responsibility of undertaking research studies to find out the truth. This paved way for a clinical research, for the first of its kind in India or elsewhere, through Amrita Institute of Medical Sciences(AIMS), Kochi, Kerala. The study was to prove the effect of coconut oil and sunflower oil in cardiac patients receiving medication. Sunflower oil was believed to be harmless for patients suffering from heart disease. Hence a study was undertaken by the Institute. The two year study was concluded with the findings that there was no difference of effect between two oils and sunflower is not in any way safer or better than coconut oil in heart patients. Moreover, it was also revealed that in certain parameters coconut oil was better than the other oil. This study result was published in the 68(2016) issue of Indian Heart Journal.

This study paved way for another clinical study on the effect of consumption of virgin coconut oil on serum lipid profile of cardiac patients. The study is progressing

in the Cardiology department of Amrita under the guidance of Dr. M.Vijayakumar, who guided the first study. When more beneficial effects of coconut oil are revealed through clinical research, demand for coconut oil will be sky rocketing.

The studies in India have drawn attention of medical fraternity at international level. Asian Pacific Coconut Community (APCC), the intergovernmental organization, located at Jakarta, Indonesia has started international collaboration to carry out research on coconut oil to find out more facts. An advisory body under the Chairmanship of Dr. Vijayakumar is understood to have constituted which will take the course forward. These studies will definitely bring out more health and nutritional benefits of coconut oil which will be instrumental in increasing the demand of coconut oil.

Neera, a raw material for multiple products

All coconut products possess medicinal properties of various nature. Nutritive value of tender coconut water has already been established and globally accepted. The latest wonderful product added to this list is neera, the coconut inflorescence sap which has since been received accolades as a refreshing health drink. In countries like Indonesia, Philippines, Sri Lanka and Thailand, neera products are manufactured from raw neera; but neera as a health drink is not common in these countries. May be non-availability of technology for packing and preservation of neera prevents to do so. In India eight Coconut Product Companies have established neera processing plants. Another three are nearing completion. The processing capacity of these plants is 4000 litre per day. Number of palms though presently utilized for neera production is only 3500, the actual requirement is one lakh to meet the full processing capacity of these plants. The present weekly production of neera is around 40,000 litre. worth Rs. 16.25 lakh. The benefit of neera tapping may go up to 1.5 lakh when technicians are trained in full swing. But there are around seven lakh farmers under the ambit of FPOs in Kerala alone. Since tapping license is given only to Federations, more Federations can come to the sector to reap the benefits of production and marketing of neera and its downstream products like neera sugar, honey, jaggery, syrup etc.

Growing domestic and export markets

Market demand for coconut products is growing in domestic and international markets for various products. Creating demand for products and adopting proper marketing strategy is a solution to improve and sustain coconut price. In the domestic front, there is growing demand in commensuration with the population increase. Urban India comes ahead of USA in the order of populous nations. The population of urban India is about 36 crores which is above the total population

of USA. Population of USA is only 31.5 crores. Our domestic market is bigger than that of USA if 75 % urban population is taken into account. More than 78% of India's urban population is concentrated in the 63 major cities. FPOs can aim at introducing, making available and marketing their products in these cities through new marketing strategies.

Till recently, India was lagging behind countries like Philippines, Indonesia, Thailand and Sri Lanka in export of coconut products, despite its number one position in production of coconut. Products of Sri Lanka and Thailand are now available in plenty in Indian markets. If their products could penetrate in the nook and corner of Indian markets, Indian products can be easily marketed in other countries. In 2013-14, when India earned only US \$ 175 M, from the export of coconut products, Philippines and Indonesia earned US \$ 1518M and 1030 M respectively. But apparently our export earnings are picking up with the establishment of coconut based industries like virgin coconut oil, activated carbon, shell charcoal etc. Advancement in technology development and the technical and financial support extended by Board through Technology Mission on Coconut for starting coconut based industries have been instrumental for this success. Added to these,

the Board has been designated as Export Promotion Council (EPC) for various products other than coir based products from 2009-10 which also has contributed to a perceptible improvement in export. No doubt, quality of products is very important to get entry into international markets. Export value of coconut products from India grew from Rs. 330 Cr. in 2008-09 to Rs. 1450 Cr. in 2015-16. Our products are moving to US, UK, Germany, France, Middle East, and African countries. Therefore we need not look back for opportunities in export. Niche markets for various pharmaceutical, nutraceutical, and cosmeceutical products are also emerging, giving further boost to our opportunities. No doubt, quality is very important and we need to produce best quality products with attractive packaging for eyeing the abroad markets. When Indian coconut products are gaining acceptance in other countries we have to work for sustaining these markets. FPOs, product manufacturers and entrepreneurs can take the advantage of this opportunity as a measure to avoid frequent price fall.

The state of affairs outlined are avid proof of the potential opportunities opened before India to make a rising coconut industry, FPOs have to work in competition mode to reap the opportunities. Yes, the best is yet to come in coconut sector. ■

Karnataka to allow neera tapping

The Karnataka Excise Act will be amended for the purpose

With a sharp fall in the prices of coconut, the Karnataka government has decided to allow the tapping of neera, the sweet sap tapped from coconut tree, by amending the Karnataka Excise Act. This has been a long-pending demand of coconut growers and farmers' groups.

A State Cabinet meeting presided over by Chief Minister Siddaramaiah decided to allow coconut growers to tap neera, which is considered a 'health drink' on account of its high nutrition and medicinal value. In his Budget for 2015-16, Mr. Siddaramaiah had said that the Excise Act would be amended to permit members of coconut growers' federation to tap neera in limited quantities.

Addressing presspersons after the Cabinet meeting, Law and Parliamentary Affairs Minister T.B. Jayachandra said that the decision would help increase the income of coconut growers. Various products such as chocolate, syrup, cookies, cakes etc would be manufactured using neera. Kerala came out with a policy to encourage the production of neera through coconut producers' societies.



The Minister said that thousands of coconut growers in the State, who have been severely affected by pest attacks and drought in recent years, have been demanding that the government allow tapping of neera. Freshly tapped neera, if not stored under controlled temperature or consumed within a couple of hours, turns into toddy with about four per cent alcohol on account of fermentation. As the sale of toddy was within the ambit of the excise laws, they would be amended to help growers. Though a draft neera policy was formulated way back in 2007, it remained largely on paper. The government would restrict the tapping of neera to some organisations and some per cent of the trees in the State.

Source: The Hindu, 22nd September 2016