

# Moving together towards self reliance

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The genesis of Palakkad Coconut Producer Company was a natural evolution. True that CDB had conceptualized the idea of a three tier system of farmer collectivization with Coconut Producer Societies at the grass root level, Federations at the intermediate level and Producer Companies at the helm to take up the processing and marketing activities in the district. And the formation of CPS was facilitated in the district with the active professional involvement of Maithri, an NGO working in the area. But the crisis due to price fall during the year 2012 brought the scattered CPS in the district to federate on their own, hire copra dryers on lease and undertake production of FAQ grade copra for getting the benefits of Minimum Support Price. The efforts taken were tremendous, the results convincing and confidence building leading to the evolution of the Producer Company in an organic manner.

Palakkad Coconut Producer Company is an initiative by the coconut farmers of Palakkad District in Kerala. As conceptualized by CDB, 40 to 100 coconut farmers with about 4000 to 10000 coconut trees in a geographically well-defined area were integrated to form Coconut Producer Society (CPS). Federations were formed starting with a minimum of 8 CPSs in a Grama Panchayat or in a Block Panchayat and later other new CPSs formed in the area were added on. are forming a Federation of Coconut Producer



*Poly bag seedlings reared by CPF*

Societies (CPF). Both the entities of CPS and Federations were then registered under Charitable Societies Act relevant to the area in District Registrar Office and then with Coconut Development Board. The Company was initiated with 9 Federations and now many more have joined.

The mission foreseen by the Producer Company is to ensure just prices and returns for an average coconut farmer. The prices of all the common commodities like rice or table salt have increased with time while paradoxically (and quite threateningly) the price of coconut has staunchly refused to make the climb. We believe that this is not because the world forgot the coconut, but rather because its production, sale and value addition have not undergone organization and modernization to match the current scenario. At that rate a single coconut should fetch about

Rs 50 against the current price of Rs 5. We are attempting to organize farmers, initiate value addition of coconut palm produces and achieve a sustainable scale of economy along with the organizing of skilled labourers to support the initiative by ensuring them a secure and dignified life.

The equity of the company is being mobilized from farmers. Each farmer has to take shares equal to the number of coconut trees owned by him/her. The value of each share is Rs. 100/-. Subscription could be made by paying a minimum of Rs. 20/- per palm initially and the rest may be paid as produce or cash within the next 24 months. The Company is procuring coconuts, tender coconuts and other produce from the shareholders and resells the raw or value added produce to various governmental and business agencies and through its own outlets. The produce collected from each farmer is

proportionate to his/her number of shares.

### Promoters - Directors

Representatives from the different Federations are acting as directors and promoters of the company. These are the farmers who organized their CPSs and helped them to procure coconut palm produce during 2012-13. In addition they had helped to form other CPSs, facilitated the formation of respective federations, meaningfully participated in various trainings, meetings and programmes related to coconut farming. Moreover they are in a position to pursue this work with focus since they are not holding other elected posts in local bodies or cooperatives. They also do not have conflict of interests like links to other commercial coconut related ventures.

The following Federations of Coconut Producer Societies are the stakeholders of the company and leading the initiatives of coconut procurement, copra dryer and tender coconut stalls. Substantial part of these efforts are being financed through contributions from farmers.

#### Membership of Palakkad Coconut Producer Company

No	Federation	Number of CPSs	Farmers	Farmer's share	Palms
1	Muthalamada	16	980	5,04,040	1,55,000
2	Erimayur	11	860	1,01,840	48,000
3	Kanjirapuzha	12	720	1,92,360	55,000
4	Perumatty	21	1100	2,80,520	1,70,000
5	Edathanattukara	9	630	78,640	41,000
6	Vadakarapathy	14	840	0	1,35,000
7	Kizhakkumchery	12	720	45,000	50,000
8	Kozhinjamapara	10	550	1,26,000	1,10,000
9	Vandazhi	10	480	30,000	42,000
10	Nallepully	10	510	12,000	56,000
11	Sreekrishnapuram	8	720	50,000	42,000
	Total	133	8110	14,20,400	9,04,000

### Activities undertaken

#### i. Coconut procurement

The Company is providing climbers to harvest the coconut. Then it procures the nuts from the farmer's premises and transports it to processing facilities. The entire harvesting operation is made hassle free for the farmer. The farmers are being paid as per the prevailing market rate and as per the grade of coconuts. In addition they are entitled to production bonus and share in the profit. The entire transaction is through banks.

The company processes the raw coconuts at its facilities in Muthalamada and Kanjirapuzha. The processing is done in modern dryers and devoid of the application of sulphur and smoke. The processed copra is sold through various means and through Governmental agencies during the procurement period. Processing of coconut husk for production of fibre and copra for the production of good quality oil is also planned for the immediate future. During 2012-13 the constituents of the Company procured about 15 lakh nuts from farmers.

#### ii. Muthalamada dryer

A modern copra dryer constructed with the support of Coconut Development Board had started production in Muthalamada. Each CPS of Muthalamada contributed forty thousand rupees as farmer's contribution. CDB had sanctioned a subsidy of 9 lakh rupees. CDB also facilitated a term loan from Dhanalakshmi Bank. The dryer can handle about 15000 nuts per day using coconut shell as the fuel. A 50 square meter heat exchanger fabricated using special grade stainless steel ensures that the drying is without sulfur and smoke.

To add the capacity and make it more environment friendly solar chambers were constructed in the roof to collect Sun's heat. This hot air is pumped to reduce the burning of shells. Similarly the coconut water is fed in to a bio gas tank and the resultant biogas is now used to burn through burners to supplement the hot air. Thus the fuel efficiency of the dryer is maximized by utilizing all available alternate means of renewable energy sources.

#### iii. Tender coconuts

The company regularly procures about 3000 tender coconuts in every week at a price of Rs 9.50 per harvested nut. These nuts are sold through the outlets in Mobility Hub in Vyttila and Infopark in Kakkanad. These outlets are also selling packaged tender coconut water, coconut chips and other products manufactured by small entrepreneurs.

#### iv. Export of mature coconuts:

The Producer Company had undertaken a trial supply of mature coconuts of average 600g capacity for export to the Middle East through registered

exporters. The lot was graded thoroughly as per norms so that rejection was to the bare minimum. This has instilled confidence in the farmers to undertake regular supply mature coconuts for export. Moreover, this provides them a steady income and will pave way for the Company to take up export on its own as a registered exporter once they gain experience. The coconuts that do not conform to the export standards can be utilized for copra making.

**v. Seedling production and hybridization :**

The biggest challenge faced by an average coconut farmer is the unavailability of good seedlings. The lack of care regarding the selection of good seedlings has the worst impact on productivity of the farm and the income for the farmer. In Kerala the availability of hybrid seedlings is limited. There are few agencies in Tamil Nadu selling hybrid seedlings at the range of Rs 500 per seedling, even for which farmers have to wait for 1 to 2 years.

CDB is trying to alleviate this situation by joining hands with various academic institutions and NGOs in the Southern States. Maithri, the NGO behind the Producer Company, is one such institutions and has initiated hybridization from August 2012.



*Coconut nursery of Maithri*

Using selected dwarf mother palms from the gardens of progressive farmers and pollen from tall varieties a sustained effort is being undertaken to produce DXT seedlings.

The hybrids from COD, CGD, MOD, MGD and MYD Dwarf varieties with the Tall varieties like Tiptur tall and West Coast tall will be ready for sale from next season. Currently the nursery is selling pure dwarf seedlings and naturally hybridized seedlings. The hybrids thus created start flowering from 24 months and start good production within 4 years. Each coconut is weighing about 600 gram and a tender coconut is containing about 700ml

water. The price of these tender coconuts at the top of the tree was above Rs 15 throughout the last 18 months.

**vi. Human resource development :**

Training and production planning programmes are conducted in coordination with CDB to empower the officials of CPS and federations to undertake production, processing and marketing activities in an efficient manner.

**vii. Database creation and maintenance :**

The Producer Company has a well structured and managed

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*Solar copra dryer*



*Tender coconut parlour*

database on coconut cultivation by the member farmers. The geographical area under each CPS is mapped through GPS to avoid overlapping of area and duplication of members.

## **Future plans :**

### **i. Production of branded coconut oil :**

The copra produced at the copra dryer installed at Muthalamada is of very good quality . This has made the Producer Company think of going one step further for the leasing out an expeller for the production of good quality coconut oil. The Company is planning to establish an expeller unit of its own and market the oil produced under its own brand name.

### **ii. Production of Neera and its value added products:**

With the Government of Kerala taking a positive decision regarding production of Neera under the auspices of Federations

of CPS and Palakkad being a district with good palms ideal for tapping, Palakkad Coconut Producer Company is actively into activities for equipping itself for undertaking production of Neera once the Government gives the green signal. Representatives of the Company have visited the pilot plant established by Department of Horticulture, Karnataka at Thumbe so as to familiarize themselves with the production process, the layout of a plant etc. The Company has also identified existing toddy tappers interested in Neera tapping and is in the process of doing a trial production based at Thumbe.

### **iii. Solar copra dryers, godowns and defibring units at Federation level:**

In order to facilitate better procurement of coconut and processing of copra, the Producer Company has asked the federations to take measures for installing Federation level

collections centres and solar dryers of 5000 nuts/batch capacity. Establishment of defibring units is also planned attached to the collection centres. This will enable proper utilization of the bye products too thereby realising additional income to the farmers.

### **iv. Tender coconut processing and packing units :**

Palakkad is an area where coconuts have very good water content. Establishment of a tender coconut packing unit under the auspices of the Company is also on the agenda of the developmental activities of the Company.

“Agriculture not only gives riches to a nation, but the only riches she can call her own”. This was told by Samuel Johnson. Yes, there is no going away from agriculture if any country wants to sustain. ■