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COCONUT PROCESSING INDUSTRIES: AN OUT LOOK

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1. ABSTRACT

Consequent to the globalization of Indian economy, the domestic coconut market economy has also been pushed towards a situation of competition, where coconut oil had to compete with other low price vegetable oil and fats in the international market. Indian food processing has the potential to be a driving force in India's economic development and a catalyst of the inclusive growth. It can increase farmers' incomes by 20-40 per cent, create between 50-100 million jobs and dramatically improve nutrition levels. The coconut palm exerts a profound influence on the rural economy of the many states where it is grown extensively and it provides sustenance to more than 10 million people. The processing and related activities centered on the crop generate employment opportunities for over two million people in India. The contribution of the coconut oil to the national edible oil pool is 6%. In addition the crop contributes Rs.7000 crores annually to the Gross Domestic Product (GDP).

Key words: - Globalization, coconut processing industries, competition, catalyst, Gross Domestic Product.

2. INTRODUCTION

The Coconut palm (*Cocus nucifera Linn*) is one of the five legendary *Devavrikshas* and is eulogized as *Kalpavriksha* – the all giving tree – in Indian classics. The coconut is a benevolent tree, a nature's gift to mankind as it is a source of food, beverage, oilseed, fibers, timbers, health products and also associated with mystery and omen in the life of people. Coconut is grown in more than 86 countries worldwide in 12.5 million hectares of land which constitute about 0.7 per cent of the net crop of the world. The crop is grown in the coastal lands of continental south Asia and spread along the Indian and Pacific Ocean. The coconut oil ranks sixth among the eight major vegetable oils of the world. India contributes about 15.46 per cent in area and 21 per cent in terms of production of coconut in the world.

3. STATEMENT OF THE PROBLEM

Even though the process of liberalization and economic reforms, since 1991 create opportunities, the sustainability of the coconut copra processing industries in Tamilnadu State is facing a stiff competition in the global market. The coconut copra processing industries entrepreneurs in the study area find it difficult to produce quality products on par with the world class manufacturing. The coconut processing entrepreneurs suffer with various bottlenecks. They find it difficult to procure required raw materials directly from the coconut farm owners.On the other hand, the coconut copra processing entrepreneurs are suffering with high level of financial crisis for working capital management. In the recent period, the level of tolerance among the workers becomes very low. Since, these copra processing industries are almost located in the rural part of the villages and the entrepreneurs also hail from the agricultural background, they are unable to manage the labour force decently. Still they are practicing the old style of management practiced in the agricultural sector. These kinds of attitude of the copra entrepreneurs create disputes with the workers. A variety of circumstances have contributed to entrepreneurial hesitancy in the coconut processing sector.

4. MOTIVE OF THE STUDY

This study would be of practical utility to provide guide-lines to the coconut copra processing industries. The present research highlights the emerging trends in the growth of coconut copra processing industries in the global scenario. This study would help to identify the benefits and problems faced by the coconut copra processing industries in major clusters of Tamilnadu State. The study will also help the owners of coconut copra processing industries to introduce new technology and cost reduction during manufacturing of coconut copra related products. Further, it suggest to the government in formulating and enforcing regulatory measures and enhancing the economic development through successful operation of coconut copra processing industries.

5. HISTORY OF COCONUT

Historically, in the medieval period the coconut was known as Nux indica, the Indian nut, during the same period it was also referred as Nargil tree, ***"the tree of life"***. Western literature mentioned the Malayalam name ***"Tenga"*** for the coconut palm which related to Tamil ***'Tennai'*** and believed to have been introduced from Sri Lanka. Its geographical dispersion around the world was aided by waves of sea, travelers migrating and trading

between homeland countries and even to more distant islands, from Asia to American coasts. Botanically, the coconut palm is a *monocotyledon* and belongs to the order *Arecaceae*, family *Palmae* and the specie is known as ***Cocus nucifera Linn***.

5.1. WORLD COCONUT SCENARIO

The coconut, having originated in South East Asia appears to have dispersed eastwards towards the pacific and further in to America, towards the West, it moved to India and Madagascar over the calm tropical waters. Although, it was often considered as an ocean dispersed nut due to its sustenance viability in sea water for over 100 days, sea traveler were also responsible for worldwide introduction and propagation of Coconut plantation. This is significant from the fact that Spaniards introduced it into West Indies and Southern shores of the Caribbean sea, the Portuguese introduced it to Bahia and other parts of Brazil, Polynesians Sea-Farers further spread it to different Islands of pacific, the Arabs disseminated it on the African coasts and maritime Tamils together with the Mariners of the Bengal coast distributed it into the lands of the Indian Ocean. The most eminent countries exploring coconut palms for commercial production are located in Asia, Oceania, West Indies, Central and South America, East and West Africa. Among the Asian and Pacific Coconut Community (APCC), mainly six countries i.e. Philippines, Indonesia, India, Sri Lanka, Thailand and Malaysia together accounted for 80.65 per cent of the total area under coconut cultivation and about 82 per cent of world production.

5.2. COCONUT SCENARIO IN INDIAN PERSPECTIVE

The coconut is not only significant in socio cultural needs of our society, but also has gained considerable importance in the national economy as a potential source of rural employment and income generation among the plantation crops. The countrywide demand for coconuts both for edible and non-edible purpose, the adaptability of coconut palm to grow under varying soil and climatic conditions has generated keen interest among the people of even non-traditional zones in the country to plant a few saplings in their homestead gardens. The coconut palm requires a warm climate without greater diurnal variation of temperature. The major coconut growing states in India are Kerala, Tamilnadu, Karnataka, Andhra Pradesh, West Bengal, Maharashtra, Orissa, Assam, Goa, Daman and Diu, Lakshwadeep, Gujarat. Kerala tops in production accounting 39 per cent of total production in the country.

TABLE NO. 1:-ALL INDIA FINAL ESTIMATES OF AREA AND PRODUCTION OF COCONUT

States /Union Territories	2007-2008 (Revised)			2008-2009 (Final)		
	AREA ('000 Hectares)	**Production (Million nuts)**	**Productivity (Nuts/ha)**	**AREA ('000 Hectares)**	**Production (Million nuts)**	Productivity (Nuts/ha)
Andhra Pradesh	101.32	1119.26	11047	104.00	970.00	9327
Assam	19.00	136.00	7158	18.80	147.10	7824
Goa	25.50	127.60	5004	25.61	128.18	5005
Gujarat	16.40	138.30	8433	15.98	157.42	9851
Karnataka	405.00	1635.00	4037	419.00	2176.00	5193
Kerala	818.80	5641.00	6889	787.77	5802.00	7365
Maharashtra	21.00	175.10	8338	21.00	175.10	8338
Nagaland	0.90	0.20	222	0.92	0.55	598
Orissa	51.00	275.80	5408	51.00	275.80	5408
Tamil Nadu	383.37	4968.20	12959	389.60	5365.00	13771
Tripura	5.80	11.40	1966	5.80	11.40	1966
West Bengal	28.60	355.50	12430	28.60	355.50	12430
A & N Islands	21.60	80.60	3731	21.69	82.00	3781
Lakshadweep	2.70	53.00	19630	2.70	53.00	19630
Pondicherry	2.20	26.60	12091	2.10	30.70	14619
All India	**1903.19**	**14743.56**	**7747**	**1894.57**	**15729.75**	

Source: Directorate of Economics & Statistics, Ministry of Agriculture, Govt. of India.

5.3. COCONUT SCENARIO IN TAMILNADU PERSPECTIVE

Details on Trading of Coconuts in Tamilnadu

Based on the buying behaviour of the present and prospective consumer, the market structure varies from state to state and region to region. The different modes of coconut, copra and coconut oil trading can be delineated in terms of different layers of intermediary. Different structures of coconut trade in Indian coconut copra processing practices wherein multiple operations involving movement of coconut and copra has been depicted in the figure below. It is common for a big farmer to pool his produce along with those of his small neighbours, convert them into

copra and sell it to intermediary or to a miller directly. The miller in turn sells it to terminal market or to upcountry buyers. In certain occasions farmers sell their produce to converters cum traders who directly sell copra to upcountry buyers for manufacturing value added products. The number of intermediaries in the trading chain is the critical difference between Kerala and Tamil Nadu. The trading chain for copra in Kerala is characterized by multiple layers and intermediaries unlike in Tamil Nadu and Andhra Pradesh. In some other cases producers sell coconut to traders who in turn directly sell the coconut to composite mills which undertake conversion and drying of copra and its milling to coconut oil. In India, the major coconut oil trading centres include Kochi, Trissur and Thiruvananthapuram in Kerala, Kankeyam and Vellakovil in Tamil Nadu and North Kanara, Udupi and Mangalore in Karnataka. In general, zones of concentration of coconut oil mills form major centres of trading in coconut oil.

TABLE NO.2: DETAILS OF SUB-CLUSTERS IN NINE MAJOR CLUSTERS

S.No.	Cluster	Districts of Sub cluster	Sub - cluster
1	Coimbatore	Coimbatore	Coimbatore, Mettupalayam, Pollachi, Sulur, Valparai
2	Theni	Theni	Andipatti, Bodinayakanur, Periyakulam, Theni, Uthamapalayam
3	Dindigul	Dindigul	Attur, Dindigul, Kodaikanal, Natham, Nilakottai, Oddanchatram, Palani, Vedasandur
4	Thanjavur	Thanjavur	Kumbakonam, Orathanadu, Papanasam, Pattukottai, Paravurani, Thanjavur, Thiruvaiyaru, Thiruvidaimarudur
5	Erode	Erode	Bhavani, Erode, Perundurai Gobichettipalayam, Sathyamangalam,
6	Tirupur	Tirupur	Avinashi, Dharapuram, Kangayam, Madathukulam, Palladam, Tiruppur, Udumalpet
7	Dharmapuri	Dharmapuri	Dharmapuri, Harur, Palakode, Pappiredipatti, Pennagaram
8	Krishnagiri	Krishnagiri	Denkanikottai, Hosur, Krishnagiri, Pochampalli, Uthangarai
9	Salem	Salem	Attur, Edapady, Gangavalli, Mettur, Omalur, Salem, Sangagiri, Valapady, Yercaud

Source: tn.nic.in/district.

Even though all the 32 districts in Tamilnadu has a coconut cultivation, the coconut processing is undertaken in a major level only in the districts of Coimbatore, Theni, Dindigul, Thanjavur, Erode, Tirupur, Dharmapuri, Krishnagiri and Salem which accounts for majority of production of coconut copra and coconut oil in Tamilnadu state.

6. CONCLUSION

In the wake of mounting intense competition in global markets arising from the liberalized trade environment, the future prospects of the coconut industry lies solely on its overall competitive ability. Industry has to tap the full potential of coconut as a renewable resource, which could be used to generate a range of environment friendly natural products, with a wide array of end-uses and applications. Likewise, coconut producing countries need to exploit the fullest of their individual competitive advantages, in cultivation, processing and marketing of coconuts.

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