

**CHALLENGES AND PROSPECTS OF COCONUT EXPORTERS IN INDIAN
PERSPECTIVES- AN INVESTIGATIVE STUDY**

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Abstract

India stands first in productivity and production and third in area under coconut. Coconut cultivation in the state is undertaken mainly in small and marginal scattered holdings. There are coconuts and its by products like copra, coconut oil, virgin, partially defatted powder, coconut oil cake, coconut cookies, vinegar, coconut water based juice and allied coconut products like coir, fibre and pith are very familiar agro based industries in Pollachi taluk, Coimbatore district. Especially in among the Pollachi districts countless number of farmers and industrialist are involving with coconut cultivation as well as exporting the coconuts and its allied products in all over the world. Available infrastructure, trained man-power and wide range of climatic conditions available in the country are indicative of best capabilities. At the same time, these resources have to be effectively utilised to harness the best making coconut industry more competitive and dynamic.

Keywords: Coconut, farmers, coconut by products, production capabilities and coconut exports, and coconut exporters.

Preamble of the Study

India stands first in productivity and production and third in area under coconut. Coconut cultivation in the state is undertaken mainly in small and marginal scattered holdings. This hampers the prospect of processing and value addition in coconut. Further, the mindset of the traditional coconut grower is attuned to processing for copra and coconut oil that their thoughts do not go out of this oil circle. But coconut is not just an oil seed crop to enable the production of value added products will help in protecting the farmers from the annually recurring price fall during the peak production months. There are many coconuts by products like copra, coconut oil, virgin, partially defatted powder, coconut oil cake, coconut cookies, vinegar, coconut water based juice and allied coconut products like coir, fiber and pith are very familiar agro based industries in Coimbatore district. Especially in among the Pollachi districts countless number of farmers and industrialist are involving with coconut cultivation as well as exporting the coconuts and its allied products in all over the world. In India, these are the major coconut producing states Kerala, Tamil Nadu, Karnataka, Pondicherry, Odessa, Andhra Pradesh, Gujarat, West Bengal and the islands of Lakshadweep and Andaman & Nicobar. Most of the World production is in tropical Asia, with Indonesia, the Philippines, and India collectively accounting for over 72% of the world total. Coconut water is consumed throughout the humid tropics, and has been introduced into the retail market as a processed sports drink. Coconut water can be fermented to produce coconut vinegar. Coconut oil is commonly used in cooking. It is a very useful product with many health benefits. It can be used in liquid form as would other vegetable oils, or in solid form as would butter or lard. Coir (the fiber from the husk of the coconut) is used in ropes, mats, doormats, brushes, and sacks, as caulking for boats, and as stuffing fiber for mattresses. It is used in horticulture in potting compost, especially in orchid mix. Copra is the dried meat of the seed and after processing produces coconut oil and coconut meal. Coconut oil, aside from being used in cooking as an ingredient, is used in soaps, cosmetics, hair oil, and massage oil. Coconut oil is also a main ingredient in Ayurvedic oils. The husk and shells can be used for fuel and are a source of charcoal. Activated carbon manufactured from coconut shells is considered extremely effective for the removal of impurities.

Coconut by Products

Coconut tree leaves are one of the main parts of any tree and there are many uses of leaves of any plants. Normally coconut leaves are called fronds, they are bright green when they first emerge and then they darken when they get aged. As the coconut tree grows the bottom fronds fall off and

gray color trunk behind. Unlike other trees, leaves of coconut trees are also used for creating so many different things which are valuable for humans to fulfill their needs. Like Cooking Skewers, Toys for children, Beautiful natural fruit trays, Temporary hats, Paper pulps, Bags, Roofing purposes, Temporary shields, Barbecue skewers, Umbrellas, Book cover, Sun shields, Brushes, Ropes, Fans, Brooms.

Statement of Problem

The cost of production and net return obtained per unit, would determine the profitability of the crop. The profitability of an enterprise depends upon the efficient use of the resources in production. Though production is the initiation of the development process, it could bring less gain to the producers unless there exists an efficient marketing system. The producers depend upon the market conditions to fulfil their hopes and expectations. But forced sales, multiplicity of market charges, malpractices in unregulated markets and charges and superfluous middlemen are the problems faced by the cultivators. The market imperfection and the consequential loss in marketing efficiency are more pronounced markets for perishable commodities which require quick transportation and better storage facilities. Though coconut has been pride not only for its diverse uses but also for its special preference to consumers, both rich and poor it is subjected to the above stated production and marketing problems. The present study is an attempt to analyse the production and marketing of the coconut in Pollachi.

Research Gap

As per the previous review of literature related to coconut export shows that there is a gap between the understanding about the starting coconut export in Pollachi taluk to problems and prospects of coconut exporters in the study area. Therefore, there is a need to study about the coconut exporter's challenges, prospects and GOI offered various incentives and schemes for penetrating the coconut export from India.

Objectives of the Study

The following are the objectives framed for the study

- To observe the problems and prospects of coconut exports and it's by products.
- To analysis exporters opinion towards various Government schemes and services offered for coconut exporters.
- To investigate about the export potential and international demand of coconut and it's by products in Pollachi taluk.
- To offer appropriate findings and recommendations to the coconuts exporters and APEDA.

Research Methodology of the Study

The study was based on a descriptive and analytical-research approach to study the above objectives in-depth with regard to the specific target respondents. The study was conducted on a basis of the sample of respondents involved in the chain including the exporters of the coir products and other opinion leaders who found adequate knowledge on the topic.

Area of Study

The area of study chosen was the Coimbatore district due to the location of the Pollachi taluk in the district which is the hub of coconut production in Tamil Nadu. Pollachi has about 6.30 crores of coconut trees, cultivated across 30,000 acres which yield 10 million coconuts per day.

Sampling Design

For the purpose of the study, the data have been collected from 133 coconuts exporters and it's by product's exporters whose units are located in Pollachi taluk, Coimbatore District. The simple stratified random sampling method was used to collect the primary data.

Nature and Source of the Data

The collection of data includes both the primary and the secondary data. The primary data has been collected from the individual coconut and it's by product exporters. The source of secondary data includes review of previous projects, journals, books and magazines which had exclusive information on coconut products, exporters and the coconut board and its extent of usage by the exporters of coconut products.

Data Analysis and Interpretation

Table No: 1 The Government schemes utilised by Coconut Exporters

S.No.	Schemes	Number	%
1.	Establishment of regional coconut nursery	18	13.6
2.	Coconut palm insurance scheme	32	24
3.	Production and distribution of planting materials	37	27.8
4.	Replanting and rejuvenation	20	15
5.	Expansion of area under coconut	26	19.5
Total		133	100

Source: Primary data

Table No :2 The benefits derived from Government Schemes by Coconut Exporters

S.No.	Schemes	Percent	%
1.	Marketing insurance	22	16.5
2.	Taxation benefits	32	24
3.	Production assistance	24	18.1
4.	Quality maintenance	28	21
5.	Technological assistance	17	12.8
6.	Skill development of employees	10	7.6
Total		133	100

Source: Primary data

Table No: 3 The difficulties faced by the Coconut Exporters

S.No.	Difficulties Faced	Number	%
1.	Procurement of IE code	32	24.1
2.	Documentation process	48	36.1
3.	Customs clearance	37	27.8
4.	Taxation process	16	12.0
Total		133	100.0

Source: Primary data

Table No 4: Demographic Profile and Personal Factors of Coconut Exporters.

S.No.	Statements	Factors						Total
		Before 1970	1971-80	1981-90	1991-2000	2001-2010	2011-2020	
1.	Year of Establishment	Before 1970	1971-80	1981-90	1991-2000	2001-2010	2011-2020	-
		21	11	20	33	19	29	133
		15.7%	8.2%	15.03%	24.8%	14.28%	21.8%	100%
2.	Types of organization	Sole Proprietor	Partnership	company	-	-	-	-
		55	58	20	-	-	-	133
		41.3%	43.6%	15.03%	-	-	-	100%
3.	Years of experience of the respondents	< 5	5-11	12-15	16-20	21-25	> 25	-
		25	54	13	17	18	06	133
		18.7%	40.6%	9.7%	12.7%	13.5%	4.5%	100%
4.	Yearly turnover of the organisation.	< 5 lakhs	5-10 lakhs	11-20 lakhs	21-50 lakhs	51 lakhs to 1 Crore	> 1 crore	-
		25	53	11	19	15	10	133

		18.7%	39.8%	8.2%	14.2%	11.2%	7.5%	100%
5.	Major Exporting countries	Asian	European	Australian	African	American	-	-
		67	28	14	15	09	-	133
		50.3%	21.05%	10.52%	11.2%	6.7%		100%
6.	Products profile	coconut	Tender coconut	Coconut oil	Coconut shell	Coir products	Coconut palm sugar& powder	-
		04	12	66	17	19	15	133
		03%5	09%	49.6%	12.8%	14.3%	11.3%	100%
7.	Mode of raw material	Own	Procurement from others	Both	-	-	-	-
		60	46	27	-	-	-	133
		45.1%	34.6%	20.3%	-	-	-	100%
8.	Mode of shipment	Sea ways	Airways	both	-	-	-	-
		65	14	54	-	-	-	133
		48.9%	10.5%	40.6%	-	-	-	100%
9.	Mode of payment used by importers	clean	open	advance	Letter of credit	-	-	-
		23	57	13	40	-	-	133
		17.3%	42.8%	9.8%	30.075	-	-	100%
10.	Period of delivery to importer	one week	Fifteen days	One months	Three months	-	-	
		36	57	29	11	-	-	133
		29.3	42.9	21.9	8.3	-	-	100%

Source: Primary data

Table No 5: The level of awareness of coconut exporters as a weighted average scales & arithmetic mean rank.

S.No	Aspects	4	3	2	1	Total	Arithmetic Mean	Rank
1.	Production & Distribution of planning material.	68	51	14	0	133	3.40	I
		272	153	28	0	453		
2.	Consultancy services	10	90	23	10	133	2.07	V
		40	180	46	10	276		
3.	Training programme	34	32	52	12	133	2.61	II
		136	96	104	12	348		
4.	Financial assistance given by procurement centre	29	34	26	41	133	2.34	III
		116	102	52	41	311		
5.	Trade events	21	29	45	38	133	2.24	IV
		84	87	90	38	299		

Source: Primary data, Highly Aware -4, Aware -3, Moderate-2, Not aware-1.

Table 06: Showing the level of awareness of coconut exporters towards production area as a weighted average scales & arithmetic mean rank.

S.No	Aspects	4	3	2	1	Total	Arithmetic Mean	Rank
1.	Techno-economic studies	31	31	35	36	133	2.42	IV
		124	93	70	36	323		
2.	Incentive price for coconuts and its by products	31	51	31	20	133	2.69	II
		124	153	62	20	359		
3.	Integrated management of pest and diseases	20	46	34	33	133	2.39	V
		80	138	68	33	319		
4.	Creating future production potential	34	51	27	21	133	2.73	I
		136	153	54	21	364		
5.	Present Government services towards coconut exporters	43	29	31	27	133	2.61	III
		172	87	62	27	348		

Source: Primary data, Highly Aware -4, Aware -3, Moderate-2, Not aware-1.

Major Observations of the Study

The 24.8% of respondent's organisation are established during the period 1991-2000 in the study area. The 43.6% of respondents business running based on the partnership firms. The majority of coconut exporters are gaining doing this business last ten years with turnover of 5 to 10 lakhs per annum. The fifty of coconut exporters have market in Asian countries. The majority of exporters are exporting coconut oil as a allied products towards the Asian market. The fifty percent of coconut exporters are using their own raw material for transforming as finished products.

The 79 % of respondents are stated that, they are highly aware of the role of coconut development board, production process, marketing techniques, training and development and various financial assistance, insurance and incentives given by government towards coconut exporters in the study area. Few coconut exporters are facing complicated in the EXIM documentation process, IE code, technological, delay in shipping documents, cargo clearance, letter of credit, shipment, stuffing and destuffing of cargo and communication. Most of the exporters prefer open payment method from their importer.

Major recommendations of the Study

- **Improve the Productivity:** The coconut product manufacturers can increase their productivity updating the technological factors and must change from the traditional machinery to modern equipment's which should customise according to their needs.
- **Acquire New Markets:** The coconut products manufacturers must try and acquire new markets since there is an increased demand in the market for the products and the only problem is the method of approaching, hence they must conduct number of exhibits, trade fairs, etc...
- **Proper use of benefits from Government:** The government offers many benefits for both manufacturing as well as merchant exporters and hence the exporters must make appropriate use of them to increase their productivity as well as their profitability.
- **Proper cultivation of Coconuts:** The manufacturing exporters who produce or acquire raw materials I.e., coconuts must be able to increase their yield at the same time decrease the water consumption by the irrigation methods such as drip, sprinkler irrigation. They must also check the soil quality with appropriate offices set up by the government and use fertilisers and insecticides in proper composition.

Conclusion of the study

India is signatory to W.T.O. agreement which shall call for liberalised E.X.I.M policy where the barriers of trade are to be removed. It is pertinent to mention that there is a bright future for coconut in India provided we prepare ourselves to meet the challenges. Available infrastructure, trained man-power and wide range of climatic conditions available in the country are indicative of best capabilities. At the same time, these resources have to be effectively utilised to harness the best making coconut industry more competitive and dynamic. There is ample scope for further research studies, particularly in areas like role of co-operatives in new coconut product development and marketing, extent and problems associated with women labourers engaged in the coconut industry, problems relating to technology up gradation and adoption level in the coconut sector and so on.

Short coming of the study

The researcher has reduced the limitations of the present study in maximum, since, the researchers has observed the following short comings of the study like this sample was restricted to Pollachi taluk alone. The sample size of present study only 133 respondents due to the coconut and it's by product exporters working schedule are very busy nature. Therefore, if there is any bias in the primary data, the validity and reliability of data and results may affect the present study, results of the present study will not applicable to rest of India except the study area.

Future Research

The current study is focused towards challenges and GOI schemes as well as incentives offered towards promoting the coconut exports to its exporters in the study area. In further any researcher may conduct the study related to working capital management of coconut export organisation, marketing strategies of coconut exporters and logistics of operation techniques followed by coconut exporters in the study area in future.

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