COCONUT INDUSTRY IN A NUTSHELL

Coconut is a popular plantation and is grown in more than 90 countries of the world. India, producing 13 billion nuts per annum, is one of the market leaders in coconut.

Coconut is a versatile product and has multiple uses. Almost all the parts of a freshly grown coconut, eatable or otherwise, are used in some or the other manner. India is one of the leading coconut producers in the world, producing 13 billion nuts per annum. Coconut is mostly cultivated in the coastal regions of the country. The states that have abundant coconut growth are Andhra Pradesh, Assam, Goa, Karnataka, Kerala, Maharashtra, Orissa, Tamil Nadu, Tripura, West Bengal, Andaman and Nicobar Islands, Lakshadweep and Pondicherry.

Coconut varieties

Coconut fruit is categorised into two basic varieties according to the type of palm tree bearing the fruit.

1. Tall variety—The tall variety of coconut is slow growing. The tree produces fruits six to 10 years after plantation, which is comparatively late as compared to the other variety. The tree remains productive even at the age of 80 to 120 years and produces good quality copra, oil and other products. The fruits of the palm mature in 12 months.

2. Dwarf variety—The fruits from the dwarf or short variety of palm tree are fast growing, i.e. the tree starts producing fruits in four to five years time. The dwarf variety of coconut palm has a relatively short productive age. The fruit may be of variable colours such as yellow, red, green and orange.

Major producers

Coconut is a popular plantation and is grown in more than 90 countries worldwide. Though it is quite difficult to establish a coconut plantation but once it is done, it proves to be quite beneficial as coconut is harvested throughout the year. The world production of coconut sums up to around 55 million tonnes annually. Indonesia and Philippines are the major producers of coconut fruits in the world. The leading producers of coconut in 2005 along with production figures are listed below:

1. Indonesia (1,63,000,00 metric tonnes)
2. Philippines (1,45,000,00 metric tonnes)
3. India (95,000,00 metric tonnes)
4. Brazil (30,338,30 metric tonnes)
5. Sri Lanka (19,500,00 metric tonnes)
6. Thailand (15,000,00 metric tonnes)
7. Mexico (9,59,00 metric tonnes)
8. Vietnam (9,400,00 metric tonnes)
9. Malaysia (7,10,00 metric tonnes)
10. Papua New Guinea (6,50,000 metric tonnes)

The top two countries in the list are serious competitors for the first position. But in the last few years, production in Philippines has been declining gradually. The area under
Coconut cultivation in the world is around 26 million acres. The overall production rate is looking up since the last decade with the rise being around 25 per cent. The production level in the context of coconut oil hovers around 3.5 million tonnes per year and in the context of coconut oil cake, it is around two million tonnes.

Indian scenario

Coconut has an important place in the Indian culture and has been produced here since time immemorial. Currently, India holds the third place in the list of major coconut producing countries of the world. Coconut production in India was 95,00,000 metric tonnes i.e. 12,832.9 million nuts in 2005. The area under the plantation cultivation is around 1.78 million hectares in the country. The states that are important producers of this fruit and their annual average production figures are as follows:

1. Kerala (5727 million nuts)
2. Tamil Nadu (3243.5 million nuts)
3. Karnataka (1209.6 million nuts)
4. Andhra Pradesh (1199.3 million nuts)
5. West Bengal (310.9 million nuts)
6. Orissa (274.8 million nuts)
7. Maharashtra (273.4 million nuts)
8. Assam (154.3 million nuts)

Kerala, the largest producer of coconuts in India, accounts for around 45 per cent of the country’s total production. Coconut oil is obtained from the copra of the fruit with 65 to 70 per cent recovery rate. Regarding the area covered under coconut production, Kerala again stands first among the other major coconut producing states. The following Table I gives a picture of coconut production in India from 1991 to 2006.

The estimated growth in coconut production, is projected at 13,718.93, 13,814.6, 13,934.17, 14,082.32 million of coconuts for the years 2007, 2008, 2009 and 2010 respectively.

Export of coconut products

A variety of coconut products are manufactured in the country which have both domestic and export market. Vinegar and soft drinks are manufactured from coconut water. Tender coconut water concentrate is another product which is manufactured and marketed successfully. The know-how for preservation and packaging of tender coconut water has been transferred to six firms in the country. Nata-de-coco is a gelatinous delicacy formed by the action of a micro-organism Acetobactor Xylinium in a culture medium of coconut water. The know-how for its manufacture is available with the Board. Some of the main coconut products are:

Coconut products

1. Tender coconut water
2. Copra
3. Coconut oil
4. Raw kernel
5. Coconut cake

Coconut export from India includes coconut (fresh and dried),
copra, palm kernel/babassu oil, W/N refined not chemically modified, coconut desiccated, crude oil and fractions, oil-cake and oil-cake meal expeller variety of coconut or copra, coconut coir (raw), hookah of coconut shell, flower carvings of coir, etc. Table II gives the figures for coconut product exports in India for the period 2001 to 2007.

From Table II, coconut products exports and trend value estimates from 2001 to 2010 are apparent. The trend value for the years, 2001, 2003, 2004 and 2007 are more than the actual value of growth of exports, while the trend value of coconut products’ exports in India is less than the trend value in the period 2005 to 2006. The table gives a not so satisfactory overall trend picture as far as coconut products exports are concerned.

Based on the preceding trends, coconut products export value is estimated at Rs 59,483.15 lakh, Rs 64,801.37 lakh and Rs 69,962.16 lakh in 2008, 2009 and 2010 respectively.

Coconut Development Board

The Coconut Development Board (CDB) is a statutory body established under the Ministry of Agriculture, government of India for the integrated development of coconut cultivation and industry in the country, with focus on increasing productivity and product diversification. The following schemes have been launched by the board for this purpose.

Schemes of Coconut Development Board

1. Production and distribution of planting material
2. Expansion of area under coconut
3. Integrated farming for productivity improvement
4. Technology demonstration
5. Market promotion & statistics
6. Information and information technology
7. Human resources development

Coconut market in India

Since time immemorial, coconut has been associated with the Indian culture. The southern part of the country literally thrives on coconut, it being a staple food there. It also forms part of the Indian religion and ethos and has primary importance in numerous rituals and customs. India has been a competent producer of coconut in the world and currently is the third largest. India produces 95 lakh metric tonnes of coconut annually. Kerala is the largest coconut producing state. In the context of coconut productivity, Maharashtra leaves all its competitors behind with a rate of 9,14,548 nuts per hectare.

The consumption of coconut is dominated by the food sector and a significant part is also utilised in obtaining coconut oil. The oil is further used in industrial applications like hair oils, soaps, shampoos, etc. Thus, the demand for coconut in the country is much higher than the current production. This turns one of the major coconut producing countries into a net coconut importer. India imports over 15,0000 tonnes of coconut oil annually. The country also exports small quantities of coconut but it depends upon the domestic yield.

Factors influencing market

1. Pests and diseases
2. International price fluctuations especially in the major producing countries
3. Supply and demand scenario of competitive oils
Major trading centres of coconut

Major markets of coconut in the world are:
1. Indonesia
2. Philippines
3. Sri Lanka

The futures contracts of the commodity are not traded anywhere outside India. The major trading centre of coconut in India is Kochi. Coconut complex is traded in the Indian commodity exchanges namely National Multi Commodity Exchange of India Limited and Multi Commodity Exchange of India Limited.

Strengths of Indian coconut industry

1. One of the leading producers of coconut in the world producing 13 billion nuts per annum.
2. Coconut area distributed in 18 states and three union territories under different agro-climatic conditions.
3. 3000 years tradition in coconut cultivation.
4. Premier coir producing country in the world.
5. Producer of best grade milling copra in the world yielding high grade coconut oil known for its aroma and flavour.
6. A large number of farmers' cooperative societies in primary processing and marketing.
7. Government agencies such as Kerafed, State Trading Corporation, Kerala State Marketing Federation and Karnataka State Marketing Federation in manufacturing and marketing of branded coconut oil in small packs.
8. Hundreds of reputed and established private firms in manufacturing and marketing of various coconut products including branded coconut oil in small packs.
9. Wide range of coconut products, both edible and non-edible, available for export.
10. Technical know-how and trained manpower for the manufacture of various coconut based products.
11. Availability of research support by reputed research organisations such as CSIR, ICAR and DRDO.

To conclude, the coconut economy of India is in a comfortable position. India accounts for 22.34 per cent of the world’s coconut production and is one of the major players in the world’s coconut trade. Currently, the crop is grown in 1.91 million ha with an annual production of nearly 13,000 million nuts. Copra processing, coconut oil extraction and coir manufacturing are the traditional coconut based industries in the country.

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<th>Year</th>
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<th>Trend value</th>
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