

Navigating the Challenges Faced by Coconut Producer Companies in Kerala for a Sustainable Production

Mrs.Maya.S.J

ABSTRACT

Kerala's coconut farming ecosystem represents a critical agricultural sector confronting multifaceted challenges across technical, economic, marketing, socio-personal, and administrative dimensions. With 90% of national coconut production concentrated in southern Indian states and Kerala accounting for 45% of production, the study reveals significant barriers faced by 29 registered coconut producer companies and 7,233 coconut producers societies. Key challenges include drastic price fluctuations, insufficient minimum support prices, fragmented landholdings, limited market access, inadequate government scheme awareness, high initial investment requirements, excessive market intermediaries, poor farmer risk-taking abilities, and administrative inefficiencies. The research, employing the Garrett ranking method, systematically analyzes these constraints, highlighting the urgent need for a comprehensive transformation strategy that integrates technological innovations, targeted financial support, transparent marketing mechanisms, capacity-building programs, and administrative reforms. By adopting an integrated, farmer-centric approach emphasizing digital platforms, localized solutions, and collaborative governance, the study aims to empower coconut producers, enhance agricultural resilience, and create sustainable pathways for economic development in Kerala's vulnerable agricultural landscape.

Key words: Coconut Producer Companies, Agriculture constraints, Government schemes, Farmer empowerment, Systematic transformation.

INTRODUCTION

The coconut farming ecosystem in Kerala represents a critical yet vulnerable agricultural sector, facing unprecedented challenges that threaten the livelihood of farming families. 90% of the country's production is concentrated in southern states of India. Kerala state is a leading producer of coconut which accounts for 45 percentage of the country's production. As per the reports there are 29 registered coconut producer companies in Kerala (CDB, 2024). Under these coconut producer companies there are 7233 coconut producer societies registered. Kerala's coconut farmers confront a complex landscape of economic uncertainties. The common issues faced by the coconut farmers are drastic price fluctuations in raw coconut markets and insufficient minimum support prices (MSP) that fail to cover high cultivation costs, which often exceed government-set compensation rates. Additionally, persistent challenges in market access and value addition further complicate their situation. The current support mechanism reveals profound systemic limitations; for instance, the MSP for ball copra, set at Rs. 11,750 per quintal, does not adequately cover actual cultivation expenses. Fragmented landholdings impede collective bargaining power, while limited procurement centers in rural villages restrict farmers' access to markets. Moreover, there is inadequate protection against market volatilities, leaving farmers vulnerable to external shocks. Critical challenges also include pest attacks and diseases that adversely affect crop yields, as well as extreme weather events that disrupt production cycles. This study is an attempt to identify the challenges faced by coconut producer companies in availing the government support and navigating the challenges.

| S. No | District | Coconut Producers Societies (CPS) registered with CDB | Non Federated CPSs | Federated CPSs | Coconut Producers Federations (CPF) registered with CDB | Coconut Producers Companies (CPC) registered |
|-------|----------------|---|--------------------|----------------|---|--|
| 1 | Kasaragod | 580 | 126 | 444 | 33 | 2 |
| 2 | Kannur | 496 | 69 | 415 | 29 | 2 |
| 3 | Kozhikode | 1807 | 90 | 1712 | 117 | 9 |
| 4 | Malappuram | 1306 | 100 | 1198 | 99 | 5 |
| 5 | Palakkad | 457 | 128 | 328 | 26 | 1 |
| 6 | Thrissur | 476 | 189 | 286 | 26 | 2 |
| 7 | Ernakulam | 220 | 73 | 146 | 14 | 1 |
| 8 | Alappuzha | 719 | 202 | 506 | 50 | 2 |
| 9 | Kollam | 255 | 97 | 158 | 11 | 1 |
| 10 | Trivandrum | 307 | 169 | 135 | 14 | 2 |
| 11 | Kottayam | 276 | 50 | 223 | 21 | 1 |
| 12 | Pathanamthitta | 26 | 10 | 16 | 2 | |
| 13 | Waynad | 114 | 3 | 107 | 9 | 1 |
| 14 | Idukki | 181 | 53 | 112 | 13 | |
| BS | Total | 7220 | 1360 | 5786 | 465 | 29 |

Source:CDB Website

Coconut producers societies(CPS) are established by grouping 40 to 100 coconut farmers from a contiguous area encompassing 4,000 to 6,000 yielding coconut palms. To become a member, farmers must own at least 10 coconut palms. Once formed, the society is registered under the Charitable Societies Act and with the Coconut Development Board (CDB). All societies operate under a shared set of bye-laws. Coconut Producers federation(CPF) are created by merging 8 to 10 CPS groups, bringing together approximately 100,000 yielding palms. Like CPS, CPF is also registered as a charitable society and with the CDB. Coconut Producers company(CPC) are formed by combining 8 to 10 CPFs, collectively managing around 1,000,000 yielding palms. The CPC is registered under Section 581B of the Indian Companies Act of 1956. It is entirely owned and operated by the farmers themselves.

STATEMENT OF THE PROBLEM

Kerala is different from other parts of the country because of its “Kerala Model Development”It’s the state with highest Human Development Index.Large area of kerala is dedicated to coconut production ,the state is ranked third in the list. Government of Kerala and Coconut Development board are actively supporting and promoting coconut producers organisations to empower coconut farmers in Kerala.Government of Kerala has been promoting entrepreneurs to develop value added products.Coconut development board has got ongoing projects to understand the problems and prospects of coconut producers.Despite of all these efforts ,it is found that many federations and cps are non functional ,many coconut producer societies engaged in the production ,processing and marketing of coconut products have not realized their full potential .Many CPS are in debt trap and need some strategy to bail out the issue.(Veerakumaran G &VinaiKumar E,2019).

OBJECTIVES

- To identify the constraints faced by Coconut producers companies in adoption of government schemes .
- To seek the suggestions from the Coconut producer companies for better adoption of government schemes.

MATERIALS AND METHODS

Kerala's agricultural sector is characterized by a complex transformation marked by significant structural changes and economic challenges. The state has experienced a notable shift from food crops to cash crops, with a declining contribution of agriculture to the state's GDP, dropping from 35% in 1980 to approximately 14% in recent years. The sector is defined by extremely small land holdings (average 0.12 hectares), with 92% of agricultural holdings being marginal, and consistently low crop productivity compared to national standards. High labor costs, limited cultivation area due to geographical constraints, and a trend towards non-food crops have further complicated agricultural dynamics. The share of agriculture and allied sectors in the state's Gross Value Added (GVA) has dramatically reduced from 12.37% in 2013-14 to 8.88% in 2021-22, reflecting the sector's diminishing economic significance. These challenges are compounded by erratic monsoon patterns, increasing non-agricultural land use, reduced agricultural investments, and a continuous decline in coconut cultivation from 778,619 hectares in 2009-2010 to 765,435 hectares in 2021-2022, with a production change from 5,667 to 5,535, showing a negative growth of -2.33%, symbolizing the profound transformation of Kerala's agricultural landscape.

The Coconut Development Board (CDB) and Kerala government have developed a comprehensive support ecosystem for coconut farmers in 2024-25, offering multifaceted schemes across central and state levels. Central government interventions include the Area Expansion Programme providing Rs. 6,500 to Rs. 15,000 per hectare for new plantations. With the objective of encouraging coconut cultivation, Coconut Development Board is providing financial assistance to the farmers from Kerala under the scheme Area Expansion Programme (AEP). Farmers having a maximum area of 4 ha and minimum area of 0.1 hectare (25 cent) with minimum 10 coconut palms can avail the subsidy in two annual installments ranging from Rs. 6,500 to Rs. 15,000 per hectare depending on variety of the seedling and location. Integrated Farming Support offering up to Rs. 35,000 per hectare for demonstration plots, and Organic Manure Unit Assistance with a maximum subsidy of Rs. 60,000. The Replanting and Rejuvenation (R&R) scheme focuses on enhancing productivity by supporting cutting and removal of disease-advanced, old, and senile palms, with subsidies up to Rs. 1,000 per palm and a maximum of Rs. 32,000 per hectares. Kerala government's specific initiatives include the Coconut Development Council Scheme, which distributes high-yielding seedlings, and a total budget allocation of Rs. 6,500 lakh for coconut development in 2024-25. Additional support mechanisms include seed garden establishment with 25% expenditure assistance, skill development training like Friends of Coconut Tree (FoCT) program, and an 'Innovation Fund' to introduce eco-friendly technologies and small-scale value addition units, collectively aiming to transform Kerala's coconut ecosystem through strategic financial assistance and technological interventions. These state, central and coconut development board interventions shows the paramount importance of confirming the resilience, sustainability and economic viability of agriculture in Kerala.

Identifying the constraints in the adoption of government schemes by coconut producers companies in Kerala is important for policy creation and its strategic and successful implementation. Understanding the specific challenges faced by farmers allow policy makers to intervene into the matter and address the unique issues. Pointing these challenges make possible the targeted strategies to improve farmers participation, improve the impact of schemes and ultimately contribute to the goal of sustainable development in the state.

RESEARCH METHODOLOGY

The purpose of the study was to cover the entire state and to ensure the representation of the state, it was mandatory to cover all the coconut producer companies. In order to analyse the state of coconut producer companies, the data and information were gathered from the 29 registered coconut producer companies in the state. Personal interview method was utilized to collect information from the respondents. The respondents are asked to rank various constraints systematically. The data will be analyzed with Garrett ranking method, respondents are asked to assign the rank for all constraints and the outcome of such ranking will be converted into score value with the help of the following formula.

$$\text{Per cent position} = 100 (R_{ij} - 0.5) / N_j$$

Where, R_{ji} = Rank given for the i th variable by the j th respondent ($i=1,2,3,\dots$) factor by the j^{th} ($j=1,2,3,\dots$)

N_j = number of variables ranked by the j th respondent

Once the per cent positions were found, the per cent position of each rank will be converted to scores by referring to table given in garret and woods worth (1969). Then the scores for each factor will be summed over the number of sample farmers who ranked that factor.

RESULT AND DISCUSSION

The study revealed multiple technical barriers faced by coconut producer companies in implementing government schemes, which can be classified into several categories: technical, economic, marketing, socio-personal, and administrative constraints.

Technical Constraint

| s.no | Constraints | Garrett Score | Rank |
|------|--|---------------|------|
| 1 | Lack of awareness about government schemes | 71.73 | 1 |
| 2 | Lack of proper knowledge about the scheme | 69.89 | 2 |
| 3 | Lack of proper communication between the CPC And extension workers | 67.38 | 3 |
| 4 | Lack of timely information | 48.56 | 5 |
| 5 | Lack of technical guidance/motivation | 55.23 | 4 |
| 6 | Lack of access to technology | 27.59 | 8 |
| 7 | Lack of sufficient time to get desired result | 33.80 | 7 |
| 8 | Lack/difficulty in finding the guarantor | 42.60 | 6 |

Key technical constraints primarily encompassed awareness deficiencies, characterized by limited comprehension of available government schemes, passive engagement of agricultural supervisors, and minimal proactive interactions from extension workers. These challenges were further compounded by communication gaps between farmer companies and extension workers, inadequate understanding of scheme specifics, insufficient technical comprehension of program requirements, motivational and informational gaps, lack of technical guidance and support, and ineffective, untimely information dissemination through government channels.

Economic Constraints

| s.no | Constraints | Garrett Score | Rank |
|------|--|---------------|------|
| 1 | High initial investment | 77.51 | 1 |
| 2 | Lack of sufficient disbursement of claim by govt under any scheme | 76.86 | 2 |
| 3 | Lack/Not getting timely claims | 75.88 | 3 |
| 4 | Lack of proper knowledge about the financial assistance under the scheme | 69.60 | 4 |
| 5 | Lack of proper insurance schemes | 33.32 | 6 |
| 6 | Low yield | 25.95 | 8 |
| 7 | Complexity of procedure | 38.30 | 5 |
| 8 | Official bias | 31.60 | 7 |

Farmers face a multifaceted economic landscape marked by significant challenges in agricultural support schemes. Government financial assistance remains limited and inequitably distributed, with small and marginal farmers systematically disadvantaged while large landowners receive more substantial benefits. The

bureaucratic process creates prolonged waiting periods between scheme application and fund disbursement, forcing farmers to invest personal resources and navigate financial uncertainties. Compounding these challenges, farmers often lack clear information about available financial assistance, leading to heightened anxiety and disrupted agricultural planning. The current system appears structurally biased, creating obstacles rather than providing meaningful support, particularly for farmers with minimal resources and land holdings. These economic constraints transcend mere statistical data, representing genuine struggles that threaten the sustainability of agricultural livelihoods and undermine the economic resilience of farming communities.

Marketing Constraints

| S.no | Constraints | Garrett Score | Rank |
|------|--|---------------|------|
| 1 | Existence of too many middlemen | 62.81 | 1 |
| 2 | Lack of required agriculture inputs | 36.48 | 5 |
| 3 | Lack of awareness about the govt schemes related to marketing of agri products | 62.60 | 3 |
| 4 | Lack of proper market for the produce | 64.02 | 2 |
| 5 | Lack of proper/standardized marketing mechanism | 61.20 | 4 |

The major marketing challenge encountered by farmers in adopting government schemes is the excessive presence of intermediaries in the process of claiming benefits. This lack of transparency within the schemes is compounded by the limited market availability for products. Furthermore, there is a general lack of awareness regarding government schemes designed to support the marketing of agricultural products. Additionally, farmers face difficulties due to the inadequate availability of necessary agricultural inputs in the market and also the absence of standardized marketing mechanism also creating issues to the farmers of CPC.

Socio-Personal and Psychological constraints.

| S.no | Constraints | Garrett Score | Rank |
|------|--|---------------|------|
| 1 | Lack of literacy among farmers | 63.56 | 3 |
| 2 | Lack/Poor risk taking ability of farmers | 73.80 | 1 |
| 3 | Lack of trust among farmers regarding govt schemes | 67.60 | 2 |
| 4 | Non adoption of schemes when others are not adopting | 61.02 | 4 |
| 5 | Over reliability on external sources | 50.20 | 5 |
| 6 | Negative attitude towards govt schemes | 37.63 | 7 |
| 7 | Selfish motives of supervisors | 32.88 | 8 |
| 8 | Lack of interest in govt schemes | 40.44 | 6 |
| 9 | Lack of support from family | 17.60 | 9 |

The most significant socio-personal and psychological constraint identified was the farmers' poor risk-taking ability, this was followed by a lack of trust among farmers in government schemes due to incomplete knowledge about these schemes. Low literacy levels among farmers ranked third, while their reluctance to adopt schemes because others were not adopting them ranked fourth.

Administrative constraint

| S.no | Constraints | Garrett Score | Rank |
|------|--|---------------|------|
| 1 | Unavailability of supervisors | 71.23 | 1 |
| 2 | Connive of departments | 58.58 | 4 |
| 3 | Lack of labs or incubation facilities in nearby area | 41.05 | 5 |
| 4 | Lack of support when it is needed | 29.70 | 6 |
| 5 | Failure in market research and forecast | 59.20 | 3 |
| 6 | Large difference in cost assessment under govt schemes | 65.05 | 2 |

The basic administrative constraint identified was the inadequate availability of agricultural supervisors to meet farmers' needs in disseminating information about new schemes, technologies, and inputs. Additional constraints included significant discrepancies in cost assessments of production under government schemes, lack of effective market research and forecasting, and collusion within the agricultural department.

SUGGESTIONS

To tackle the various challenges faced by coconut producer companies, we need a well-rounded approach that addresses technical, economic, marketing, socio-personal, and administrative issues together. It starts with creating more awareness by using digital platforms, offering resources in multiple languages, and equipping extension workers with the right training. We also need to make technology easier to access, through mobile apps and hands-on learning at demonstration farms.

On the financial side, support should be tailored to small and marginal farmers by offering flexible credit options, direct financial assistance, and a clear and transparent way to transfer funds. When it comes to marketing, we need to cut down the number of middlemen, build stronger farmer-to-market connections, and ensure pricing is fair and open.

Socio-personal challenges like low literacy levels, fear of risks, and psychological barriers can be addressed with programs that help farmers build confidence, learn from each other, and develop practical skills. This can be done through peer groups, motivational workshops, and training sessions.

Administrative improvements are equally important. Expanding agricultural support networks, introducing digital tools to track progress, and empowering local decision-making will go a long way in making the system more efficient.

At its heart, this approach is about transparency, practical solutions powered by technology, and listening to farmers to understand what works best for them. By working together across government departments and using innovative tools, coconut producer companies can turn these challenges into opportunities, creating a brighter future for farmers and building a stronger, more sustainable agricultural system.

CONCLUSION

The comprehensive study on coconut producer companies in Kerala reveals a multifaceted agricultural ecosystem characterized by complex challenges across technical, economic, marketing, socio-personal, and administrative dimensions. With 90% of national coconut production concentrated in southern Indian states and Kerala accounting for 45% of this production, the research highlights critical systemic barriers faced by 29 registered coconut producer companies. The investigation exposes significant constraints, including awareness deficiencies, financial accessibility limitations, market inefficiencies, and administrative bottlenecks. Key findings demonstrate that farmers struggle with limited government support, inadequate scheme understanding, high initial investments, excessive intermediary involvement, and poor risk-taking capabilities. The research underscores the urgent need for a holistic transformation strategy that integrates technological innovations, targeted financial support, transparent marketing mechanisms, capacity-building programs, and administrative reforms. By adopting an integrated approach emphasizing farmer empowerment, digital platforms, localized solutions, and collaborative governance, coconut producer companies can potentially convert existing challenges into sustainable opportunities, ultimately enhancing agricultural resilience and economic sustainability for farming communities in Kerala.

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