

First State Level Meeting of Coconut Producer Companies -Andhra Pradesh

The first State Level Meeting of Coconut Producer Companies in Andhra Pradesh was held at Mini Conference Hall, Office of Commissioner of Horticulture, Govt. of Andhra Pradesh on 2nd December 2015 at 11.00 am. Shri. Chirajiv Chaudhary IFS, Commissioner of Horticulture chaired the meeting. Meeting was attended by Shri. Lunghar Obed, Director, CDB, ROC, Shri. Suri Babu, Deputy General Manager, NABARD, Shri. Prakash, Director, Centre for Holistic Agri Food Processing & Green Enterprises- JICA Project (Japan International Cooperation Agency), Shri Jayanath R, Deputy Director i/c, CDB, Deputy Directors from Dept. of Horticulture, A.P, Chairman and Director Board members from the registered three CPC's and one representative from each of the 3 forthcoming companies. The list of participants is annexed separately.

Meeting was started with the self introduction by all the participants.



Shri. Lunghar Obed, Director, CDB, explained about the activities undertaken by CPC's in Tamil Nadu and the monthly monitoring system followed for reviewing the progress of each CPC's in his introductory address. Majority of the CPC's has come out with business plan and started value addition of coconut by manufacturing VCO, Branded oil, flavoured jaggery, coconut sugar etc. Two of the CPC's has already ventured into Organic manure production. Another CPC has established a soil testing lab. The existing export potential of value added products in coconut was also detailed. Export of Virgin Coconut Oil is increased by more than 500% when compared to the last financial year. The Govt of Tamil Nadu has already initiated the process related to amendments in Excise Act for facilitating Neera extraction. There is even a proposal to give sanction of Neera extraction to those CPC's which mobilize Rs 2.00 crore equity. He also stressed the need for preparing a definite time schedule for completing the targeted activities. The leadership/Management training was also started.

Shri. Jayanath R, Deputy Director i/c, CDB made a presentation on "Potential of FPO's in Andhra Pradesh and its future course of action". He detailed about the three tier system followed in the CPC's and

the opportunities available in the coconut sector. The importance of establishing integrated processing units which can manufacture VCO, DC, coconut milk/powder, vinegar etc. by the CPC's is the need of the hour so that the full potential of coconut can be tapped. The existing coir units in East Godavari district are facing shortage of raw material. M/s Noveeal CPC is having more than 15 coir defibering units in its jurisdiction. The existing marketing system for supply of coconuts as mature nuts, temple nuts/ ball copra manufacturing by a hand full of entrepreneurs/merchants needs to be changed and our farmer collectives should take up the aggregation and marketing of coconuts from Andhra Pradesh. Establishment of low cost infrastructure for Ball copra manufacturing by prospective FPO's in EG will help the farmers to utilize the smaller nuts during the harvest in Dec- January. This will also help the farmers to tide over the price crash during the peak harvesting season. The current system of monitoring of the CPC's adopted in other states has been briefed. All the CPCs should report their activities in the fact sheet provided. The digitalization of farmers data have already undertaken by two CPC's- M/s Chicacole CPC & M/s Noveeal CPC, and this will ensure better transparency in functioning. Establishment of coconut nurseries shall be expedited by the CPFs. Mother Palm register need to be maintained by each FPO's and nurseries shall be established by utilizing the good quality nuts during this procurement season. Shortage of seedling availability can be overcome to certain extent by this activity. The CPC's has already represented the Govt. of AP for necessary amendments in Excise Act. He requested Commissioner of Horticulture to allocate targets specifically to each CPC's so as to implement CPIS scheme during this financial year. The other points which mentioned are as follows.

1. Constitution of committees for share mobilization, training programme, scheme implementation, nursery etc. Each Director of the CPC shall be in charge of the committee with representation from affiliated CPF's.
2. Every CPF affiliated to company should have minimum work force to undertake harvesting, PPC activities, Hybridization, Neera extraction etc.
3. Time schedule for submission of projects
4. Implementation of CDB schemes through active federations in registered CPC's following the three tier system
5. Training for the Board of Directors & CEO's in leadership and Management in a management institute
6. Grading of existing companies based on certain parameters such as equity mobilization, (*Neera extraction after state amendments*), value addition, planting material production etc.

Shri. Chiranjiv Chaudhary IFS, Commissioner of Horticulture, appreciated CDB in its efforts for forming FPO's in coconut sector and also for organizing first State level meeting of CPC's. The success of every FPO's depends on the transparency in functioning & decentralization of powers. The minimum annual seedling requirement in AP is more than 5 lakhs and there is always shortage of good quality planting material. All the CPC's should commence the nursery activities by selecting mother palms and seed nut procurement. There exists scope for increasing productivity in EG and with the formation of FPO's and scheme implementation the productivity can be increased to 20,000 nuts/ha. Intercropping with Cocoa will help the farmers to get better returns. Tender nut business is another area where the AP farmers have not attempted properly. Tender nut varieties should get priority in potential areas under AEP. The tender nut of COD variety is costing around Rs.30 even during this winter month. The future of coconut farmers can be secured only through collective action and value addition. The officials of Coir Board need to be called for meetings from next month onwards. The aggregation of nuts is essential and value addition is to be promoted for giving synergy for all industries which is depending on coconut as raw material. Coir pith compost need to be promoted. He extended the support of horticulture department for granting licence for procurement and sale of fertilizers to CPC's and also for CPC's for training and farm visit programmes.

Shri. Suri Babu, Deputy General Manager, NABARD explained the importance of FPO's in Agriculture sector and support by NABARD. He detailed about the fund which is exclusively for FPO's for giving assistance to the Companies which are formed and registered under Indian Companies Act. He

assured that NABARD will explore options to assist the forth coming CPC's. During the time of discussion, Horticulture commissioner advised NABARD to come out with a formulation for assistance to FPO's in coconut sector in association with District Cooperative Central Bank and other Lead banks.

Shri. R. Prakash, Director, Centre for Holistic Agri Food Processing & Green Enterprises- JICA Project- Agriculture Value Chain in India, complemented the activities of the Board in organizing farmers for forming FPO's in coconut sector. He also expressed his keen interest to study the activities of FPO's.

The Chairman of respective CPC's reported their activities and future plan as follows.

Shri. Johar Khan, Chairman, M/s Chicacole CPC

- Digitalized the data of participating farmers
- Mobilized Rs. 80 lakhs as equity
- Already covered farmers under LODP scheme.
- Distributed 43750 seedlings during this year under AEP
- Assurance from NABARD for working capital
- Local issues has been sorted out
- Through the company website, CPC is getting queries regarding raw coconut and coir mats.

Business Plan/Activities to be undertaken

1. Establishment of Organic Manure Units before 15th January
2. Establishment of 3 coconut nurseries by procuring nuts from the existing mother palms- before 15th January
3. FoCT training
4. Coir defibering units & Exporting of coir based products
5. Exporting of raw coconut
6. Integrated processing unit
7. Mobilization of Equity- Target- Rs. 1.50 crore before 31st March and issue of shares
8. Formation of more FPO's in Srikakulam Dist.
9. Obtaining licence for procurement and sale of fertilizers

He expressed his gratitude to Commissioner of Horticulture for his assurance in supporting the activities of CPC's. Further he requested CDB and DOH to convene quarterly meetings with the participation of the Commissioner of Horticulture in order to review the activities.

Shri. Lakshmi pathi Raju, Chairman, M/s Dhanunjaya CPC

- Mobilized Rs. 5 lakhs equity
- Distributed 20,000 seedlings to farmers- AEP
- Covered 20 clusters under LODP
- In the process of establishing a seed garden.

Business Plan/Activities to be undertaken

1. Production of OMU in each CPF
2. Establishment of ball copra units
3. Establishment of Coconut nursery
4. Selection of mother palms
5. Reconstituting Board of Directors
6. Mobilization of Equity and issue of shares

Shri. Rama Chandra Raju Dantuluri, Chairman, M/s Noveeal CPC

- Digitalized the data of participating farmers
- Mobilized Rs. 75 lakhs equity
- Shortlisted candidates for Neera master technician training
- Started FoCT training centre and completed 2 Batches.

- Released bio agents- to control Black headed Caterpillar in Allavaram Mandal under LODP
- Projects submitted for reviving coir units under 'SFURTI' scheme of Coir Board
- Established 2 Organic Manure Units

Business Plan/Activities to be undertaken

1. Field level large scale production of Godavari ganga (TxD) in collaboration with HRS Ambajipeta
2. Neera Technician Training after the successful completion of Master Technicians Training
3. Neera- Extraction, Processing & Marketing
4. Share mobilization-Targeted to reach Rs 1.00 crore before next meeting & Rs.1.50 crores by February'2016 and issue of share certificates
5. Market yard in each CPF for aggregation of nuts.
6. Establishment of OMU and 3 Coconut Nurseries in selected federations- before 15th January.
7. Establishment of ball copra units
8. Seed Garden
9. Parasite breeding laboratory
10. Obtaining licence for procurement and sale of fertilizers

Representatives of the forthcoming companies informed that they have finalised the list of first Directors and share holders mandatory for registering Producer Companies. Two of the forth coming companies has already applied for DIN and will file the necessary documents for registration/ availability of name during this week. The registration of the CPC will be completed during this month.

The meeting decided to conduct the next review at M/s Chicof, Srikakulam during third week of January'2016. It was also resolved to take time bound action by the CPC's and to submit the filled in Fact sheet (proforma) during this month itself.

The meeting concluded at 2.30 pm with the vote of thanks by Ms. Marjana Beegum K C, Technical Officer, CDB, Hyderabad.

Annexure

List of Participants

1. Shri. Chiranjiv Chaudary IFS, Commissioner of Horticulture
2. Shri L. Obed, Director, CDB, RO, Chennai
3. Shri. B. Suri Babu, Deputy General Manager, NABARD, Hyderabad
4. Shri. Jayanath R, Deputy Director i/c, CDB, State Centre, Hyderabad
5. Shri. P. Hanumantha Rao, Deputy Director of Horticulture, DOH, Govt. of AP
6. Dr. Ch. Padmavathi, Deputy Director of Horticulture, DOH, Govt. of AP
7. Dr. M. Ashok Kumar, Deputy Director of Horticulture, DOH, Govt. of AP
8. Shri. R. Prakash, Director, Centre for Holistic Agri Food Processing & Green Enterprises- JICA Project (Japan International Cooperation Agency)
9. Ms. Ayako Mitsui, JICA Study team, Japan
10. Shri. Bilich Dan Bara, Assistant Director, DSP Farm, Vegiwada
11. Ms. Marjana Beegum KC, Technical Officer, CDB, Hyderabad
12. Shri. Kiran Kumar M, Field Officer, CDB, Hyderabad
13. Shri. Ravi Kishore B, Field Officer, CDB, Hyderabad
14. Shri. Jagadeesh P, UDC

M/s Chicacole CPC

1. Shri. Johar Khan, Chairman
2. Shri. L. Surendranadh, Director
3. Shri. B. Mohan Rao, Director
4. Shri. B. Venkatarama. Director

M/s Dhanunjaya CPC

1. Shri. P. Lakshmipathi Raju, Chairman
2. Shri. V. S. Varma, Director
3. Shri. K.V.S.R. Prasad, Director

M/s Noveeal CPC

1. Shri. D. R. Raju, Chairman
2. Shri. N.K.V. Raju, Director
3. Shri. M. Balarama Raju, Director
4. Shri. I.S. Gopalakrishna, Director
5. Shri. C. Balaji, Director

Participants from Forthcoming companies

1. Shri. Ch. A. R. K.R. Varma, President, Sri Sundara Rama Raju CPS, WG
2. Shri. O. Tandan Raju, President, Mori CPF, EG
3. Shri. G. Ch. V. Ragavulu, President, Gandham CPF, EG
