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Allocation for Neera units lapses

State allocation for project has failed to reach beneficiaries

The government has gone back on its promise to fund Neera production units.

A sum of Rs.15 crore set apart in the 2014-15 State budget for coconut producer companies has failed to reach beneficiaries. The budget allocation got lapsed, according to sources in the industry.

Neera, heralded as an ideal health drink and expected to bring substantial gains to an ailing coconut sector, is sought to be promoted by the government. In fact, initiatives such as amending the age-old Abkari Act to facilitate tapping of Neera did bring in a new ray of hope among coconut farmers who have been disillusioned by the adverse market forces.

The government's plan was to provide Rs.1 crore each to 10 coconut producers' companies formed under the patronage of the Coconut Development Board. Board officials said the promised funds had not been given to the producer companies.

Neera production and marketing are undertaken by producer companies. Establishment of Neera plants and monitoring of the tapping activity need several crores of rupees. The capital requirement is met through loans from different sources. The government funding is intended to help the companies function smoothly.

The delay in transferring the approved fund had been brought to the notice of Chief Minister Oommen Chandy, who promised to release the amount. Mr. Chandy had announced the same at a public meeting held on the occasion of the launch of Neera in Kochi in February this year.

Encouraged by the acceptance of the product by the masses as well as the promised support from the government, more farmers' groups came forward to form companies.

At present, there are 19 companies, either producing or getting ready to produce Neera.

Agitated over the denial of funds, the coconut farmers are preparing for a struggle. They will organise dharnas at the district-level on May 11, followed by a hunger strike in front of the Secretariat on May 18. About seven-lakh farmers would join the agitation, Shahjahan, chairman of the consortium of coconut producer companies, told *The Hindu*.

Sources in the industry said the government's vacillation is connected with the interest shown by the State Agriculture Ministry to have a say in Neera production. The Ministry is understood to be keen on the revival of the coconut development body which it had set up earlier.

Rs.15 crore was set apart in the 2014-15 budget

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