

# Move to divert allocation for Neera flayed

## Coconut farmers' federations allege move to thwart new business

Special Correspondent

KOCHI: Entrepreneurs under coconut farmers' federations who have invested in infrastructure for Neera processing and sale have come out against a decision of the Agriculture Department to divert budget allocation of Rs.15 crore for Neera business to State-owned entities such as The Regional Agro Industrial Development Cooperative of Kerala Limited (Raidco).

The Neera entrepreneurs were given to understand that the budget allocation for 2013-14, carried over to 2014-15, would be distributed among the 12 coconut-farmer producer companies for capital formation.

• **Move to divert allocation of Rs.15 crore**

• **State-owned entities to benefit from the move**

However, the Department of Agriculture has now decided to allocate the money to the State-owned entities.

The State-owned entities have no basic facility to launch their own Neera business, said Nazar Ponnad, chairman of the Malappuram Coconut Producer Company.

### Businessmen's grouse

He said on Wednesday that companies like the one headed by him had mobilised funds for establishing Neera processing and packaging

plants, costing approximately Rs.5 crore each. However, the decision by the department had come as a big blow. In a petition to Chief Minister Oommen Chandy, chairmen of the 12 coconut-producer companies in 11 districts appealed for his intervention in the matter. The petition underlined their claim that if the government gave the budget allocation to the coconut-producer companies, the money would benefit the entire State.

However, the State-owned

entities did not have the infrastructure to tap, collect, and process Neera as efficiently as planned by these new enterprises, the petition said.

The petition also drew the Chief Minister's attention to what it alleged was a move to thwart Neera business even before it took off.

The coconut-producer companies outlined their business based on the successful Amul model. Nearly 42 lakh coconut farmers had been lined up in a three-tier system comprising coconut producer societies, coconut producers' federations, and coconut producer companies. A total of 12 producer companies had already been formed.