

Constraints experienced by the members of Coconut Producer Company Ltd, Palakkad, Kerala

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ABSTRACT

In a world of utmost competition agri-preneurship has a vital role to deal with employment generation, income and product diversification, livelihood security, poverty alleviation, creation of entrepreneurial opportunities and upskilling among farmers of rural areas. Producer organizations (POs) are evolving as strategic option to equip farmers to the modern world of competitive markets. The main objective of farmer producer companies is to ensure better income for the farmers through an organization of their own. The present investigations were conducted to analyse the constraints experienced by the members of Palakkad Coconut Producer Company Ltd in Palakkad district of Kerala state. A total of 60 respondents were selected and data were collected through well-structured interview schedule. Data were analysed through composite index method. Insufficient subsidy amount (financial constraint), low price for produce in the market (marketing constraint), high cost of inputs (production and labour constraint), lack of information about recommendations (information problem) and multiple duties (personal constraint) were the major problems perceived by the members of company.

Keywords: Constraints; producer organizations; coconut; CDB; composite index

INTRODUCTION

Entrepreneurs undertake an important role in the social and economic development of a country. Successful entrepreneurs innovate, create wealth by bringing new products and services to the market and generate employment. Putting entrepreneurship at the centre of agricultural development is the need of the hour. With the coming into force on February 6 of the Companies (Amendment) Act 2002 (1 of 2003), a fourth category, 'producer companies' found a place in the Act. For this a new Part IXA divided into 12 chapters has been included in the Act comprising 46 sections interestingly numbered as 581A to 581Z and 581ZA to 581ZT. However the section that defines the various types of companies that can be incorporated under the Act remains unaltered. The new concept of producer companies is based on the recommendations of an expert committee led by noted economist YK Alagh (Anon 2003).

A farmer producer company can enhance entrepreneurial activities among small farmers and develop greater command over domain knowledge and thus augment quality, productivity and returns to primary producers. The primary producer organizations or collectivities are said to be the only institutional mechanism which can shield small farmers from ill effects of the globalization and make them participate effectively in modern competitive markets (Trebbin and Hassler 2012).

Coconut is a traditional plantation crop cultivated in the country and has significant role in the national economy in addition to its impact on the economic, social and cultural lives of millions of small and marginal farmers of the country. The coconut industry is a sunrise industry with boundless possibilities for processing and value addition. Kerala has regained the top spot in coconut production surpassing the other major producers viz Tamil Nadu and Karnataka in 2016-17. With 7.70 lakh ha of cultivated area Kerala's

coconut production touched 7,464.25 million nuts while that of Tamil Nadu was 6,171.07 million nuts followed by Karnataka at 5,128.89 million. Earlier Kerala was at third position at 4,896.61 million (Kumar 2017).

Kerala is key state in area and production of coconut in the country. Nearly nine lakh farmers are cultivating coconut in the state. Coconut development board has launched a scheme for mobilizing coconut farmers into a three-tier system of primary coconut producer societies, federation of primary coconut producer societies and coconut producer companies. Coconut producer company is a registered entity of primary coconut producers mostly small and marginal farmers. At present there are 29 coconut producer companies in Kerala registered with the coconut development board (CDB). The study was mainly aimed to identify the various constraints faced by the members of the Company and to suggest measures to overcome these constraints.

METHODOLOGY

The Palakkad Coconut Producer Company Ltd was purposively selected as it belonged to the A plus category reported by CDB. A sample size of 60 respondents was selected randomly. A well-structured interview schedule was used for data collection. Respondents were directed to indicate their response about the constraints faced by them under a three point continuum ranging from 'least severe' to 'most severe' with scores of 1, 2 and 3 respectively.

The constraints experienced by the members of Coconut Producer Company Ltd were analysed by composite index method. The formula for calculating the index of each constraint and composite index for all the constraints is as follows:

$$\text{Composite index} = \frac{\sum X \times 100}{M \times N \times S}$$

where $\sum X$ = Sum of total scores of all statements (sum of frequencies multiplied by weight), M = Maximum score, N = Number of respondents, S = Number of statements

RESULTS and DISCUSSION

The constraints experienced by the members of Palakkad Coconut Producer Company Ltd are given

in Table 1 (Fig 1). The major constraints experienced by the members were generally classified into financial, marketing, production and labour, information and publicity and personal constraints. It is evident from the study that production and labour constraint ranked top with a composite index value of 86.53 followed by marketing (80.44), financial (76.11), information and publicity (62.96) and personal (54.33) constraints.

The major financial constraints experienced by the respondents were reduced subsidy amount and difficulties in securing working capital with index values of 85.00 and 84.44 respectively. Similar observations were reported by Arunkumar (2004). Low price for the produce (95.56), delay in payments (85.00) and lack of market information (80.00) were the major marketing constraints faced by the respondents. These results are on par with the findings of Das et al (2014). High cost of inputs (96.67), non-availability of skilled workers (86.67) and high labour cost (83.33) were perceived to be the major production and labour constraints. These findings indicate a need for better management of available resources among members and to formulate better plans to tap the skilled labour shortage problems.

The information and publicity problems like lack of knowledge or information about recommendations (63.89), insufficient information regarding horticultural schemes (62.78) and insufficient trainings and demonstrations (62.22) clearly indicate the need for periodic trainings and demonstrations among the member farmers and need to equip farmers with modern information communication tools to enrich them with necessary policy information. Multiple duties (62.78) carried out by the members was the major personal constraint faced by them. Majority of the respondents were engaged in multiple activities. Hence they had to satisfy different responsibilities under various conditions. Similar results were reported by Snehalatha and Reddy (1998).

Suggestions to overcome the constraints experienced by the members of Palakkad Coconut Producer Company Ltd

The suggestions to overcome the constraints derived in consultation with experts in the concerned field of study are presented in Table 2.

To address the issue of financial constraint there must be a sound support from the government for financial investment and working capital. The loan products need to be tailored not only at the level of

Table 1. Constraints experienced by the members of Palakkad Coconut Producer Company Ltd

Constraints	Total score	Index
Financial		
Securing working capital	152	84.44
Insufficient financial assistance from financial institutions	132	73.33
Problems of security	139	77.22
Tight repayment schedule	135	75.00
Inadequate loan	139	77.22
Delay in sanction of loan	127	70.56
Entire loan is not given at a time	119	66.11
Subsidy amount is less	153	85.00
Composite index		76.11
Marketing		
Long distance of the market	130	72.22
Lack of transportation facilities	125	69.44
Lack of market information	144	80.00
Low price for the produce	172	95.56
Delay in payments	153	85.00
Composite index		80.44
Production and labour		
Non-availability of input materials	143	79.44
High labour cost	150	83.33
Non-availability of skilled workers	156	86.67
High cost of inputs	174	96.67
Composite index		86.53
Information and publicity		
Lack of knowledge/information about the recommendations	115	63.89
Insufficient trainings and demonstrations	112	62.22
Insufficient information regarding horticultural schemes	113	62.78
Composite index		62.96
Personal		
Health problem	101	56.11
Lack of leisure time	103	57.22
Dual duties	113	62.78
Low education	90	50.00
Non-cooperation of family members	82	45.56
Composite index		54.33

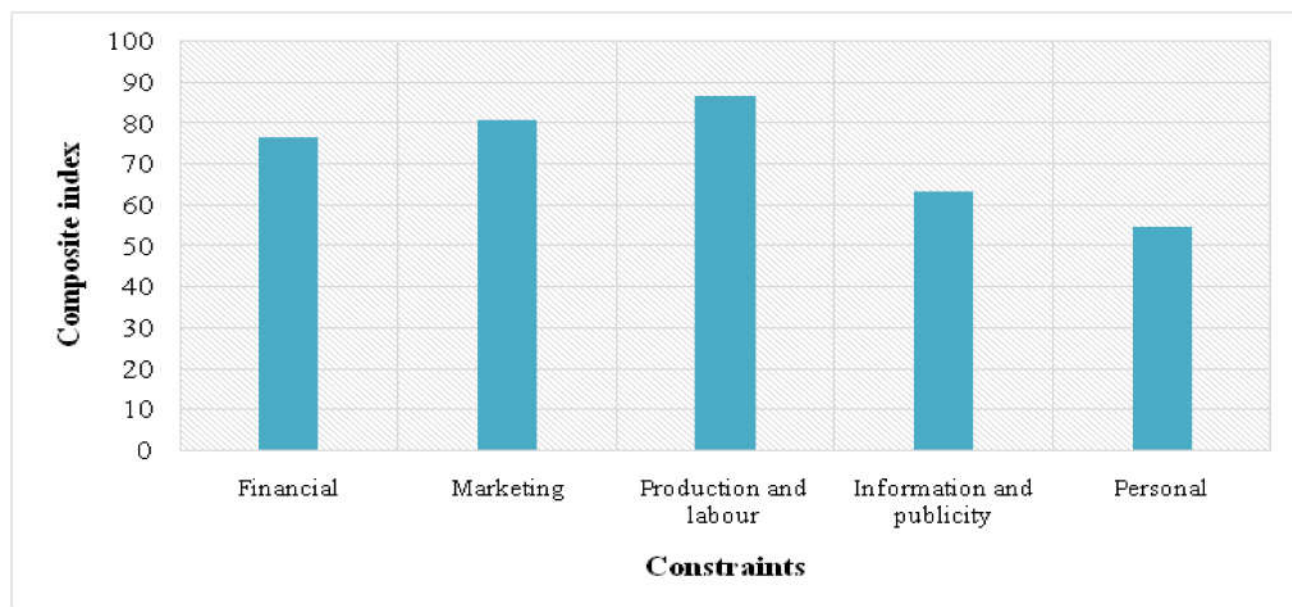


Fig 1. Constraints experienced by the members of Palakkad Coconut Producer Company Ltd

farmer producer organizations but also at the farmer member level. Enforcement of financial discipline in the functioning of coconut producer companies will also help to address the financial constraints.

Marketing constraints faced by the members could be addressed by establishing a well-structured

marketing network of coconut products, conducting market studies and developing marketing plan about what to produce, where to sell and how to sell. In addition to these, establishment of sales outlets for promoting direct sale of products, providing better storage facilities, providing proper guideline regarding packaging, grading, branding, processing and marketing

Table 2. Proposed suggestions to overcome the constraints experienced by the respondents

Constraints	Proposed suggestions
Financial	Support from the government for financial investment and working capital Enforce financial discipline in the functioning of coconut producer companies
Marketing	Establish marketing network of coconut products Conduct market studies and develop marketing plan about what to produce, where to sell and how to sell Promote direct sale of products by establishing sales outlets Proper guideline needed towards packaging, grading, branding, processing and marketing especially for value added products Provide better storage facilities like cold chain storage
Production and labour	Financial support for purchasing farm machinery Collective approach should be practiced to help one another with their available resources Quality inputs should be made available at a higher subsidised rate Skill development trainings should be provided to the member farmers
Information and publicity	Periodic management training for top functionaries as well as members Proper guidelines should be provided to the members regarding modern ICT tools and their applications
Personal	Special emphasis should be given towards capacity building

especially for value-added products could also be adopted to resolve marketing constraints.

To unravel the issue of production and labour constraints there must be collective approach among member farmers to help one another with available resources. Providing financial support for purchasing farm machineries, availing quality inputs at higher subsidized rate and providing skill development trainings to the member farmers could be adopted as effective measures to tap the production and labour constraints.

By conducting periodic management trainings for top functionaries as well as member farmers and providing proper guidelines to the members regarding modern information communication technology tools and how effectively these tools can be used for knowledge and technology dissemination among members can resolve the information and publicity constraints experienced by the members. Capacity building trainings can be arranged for the member farmers to equip them to address various personal constraints faced by them.

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