Chapter - I
Introduction

Coconut, the versatile palm popularly known as the 'Tree of Life', Tree of Heaven', Tree of Abundance', Nature's Super Market', 'King of Palms', Kalpavriksha' as well as 'God's Gift to Mankind' and its fruit as LakshmiPhal, the Fruit of Wealth. It is grown in more than 93 countries (P. Rethinam, 2002). Its kernel, water, shell, husk, leaf, trunk, oil, flowers etc., have a wide variety of use. It provides food, drink, health, medicine, shelter, aesthetic materials and wealth for millions of people in the Asian and Pacific region by making use of its products and byproducts. Coconut is a crop of great antiquity in India. It is a traditional plantation crop grown in India for the last 3000 years and thus possesses the longest recorded history in the country. The crop has significant role on the national economy besides its influence on the economic, social and cultural lives of millions of small and marginal farmers who form the backbone of the coconut culture and industry of the country. It acts as an enormous source of raw material for various small, medium and large-scale industries, particularly in those states where this crop is largely grown.

The coconut palm, Cocos nucifera is found along the coast and in the interior of almost all tropical countries between the tropics of Cancer and Capricorn. Its wide distribution has been favoured by its usefulness as well as by its adaptability to different ecological conditions. In many tropical countries, coconut is an important part of the daily diet. The oil extracted from the kernel is the main coconut product. The residue is an important animal feed. The coconut water from the young nuts is healthy and nutritive beverage. The jelly-like kernel of the young coconut is considered a delicacy. The shredded and dried kernel known as desiccated coconut is used in food and confectionary. The husk of the nut provides an important fiber that can be used for ropes, carpets, brushes, geotextiles etc. The shell of the nut is used for household utensils, handicraft items and the charcoal made from it is an excellent basic
material for activated carbon. Instead of being used for nut production, the inflorescences can be tapped, yielding sap with high sugar content, from which sugar, alcoholic beverages and vinegar can be made. The leaves are used for roof thatching. The mid-ribs of the leaves are used for brooms. Coconut wood is being used for house building, furniture items and tool handles. It is no wonder that this tree is called 'Tree of life' and Kalpavriksha.

**Origin of Coconut**

The country of origin of the coconut is unknown and various regions have been indicated by various scientists, from South America to Melanesia, Asia and Madagascar (Ohler 1984). Although the original home of the coconut is still unknown, among the theories which have been developed so far, two have been disputed for a long time. One locates the origin of the coconut palm somewhere at the northern end of the Andes in South America; the other indicated Southeast Asia as its home country. The coconut (Menon and Pandalai, 1958) was introduced to India in the post-vedic period and in spite of the discovery of fossil Cocos species in Rajasthan, India cannot be considered the original home of coconut. According to geographical history, Rajasthan desert was once covered by the sea and it is possible that remnants of trees could have been brought down by oceanic currents. However, if tree remnants can be brought down by sea currents, so can coconuts. The theory of the later import in India is supported by the fact that among the names of the coconut in Malaysia, those of Sanskrit derivation were of a later origin the others already prevalent in the area. Menon and Pandalai came to the conclusion that coconuts originated somewhere in what is now called Melanesia.

In India the first recorded history of coconut dates back to Valmiki Ramayana period. In the Valmiki Ramayana there are references to coconut in Kishkindha Kanda and Aranya Kanda. Valmiki Ramayana dates back to probably the 3rd Century BC and hence it can be safely presumed that coconut was introduced to India during the post-vedic period (Nair 1996).
Statement of the Problem

Marketing is as important as production to any producer. Because it creates value to the product; it pays revenue to the producer; and more than these, it directs the producer as to whether continue or stop production. To a farmer, marketing is something more than production, due to certain inherent features that neither the production can be controlled/ regulated in tune to market changes due to predominance of natural forces affecting production functions nor can marketing be performed in tune to market requirements due to his own internal constraints. Hence farmers remain with chronic problem that they can neither derive the advantages of their production/ productivity increase nor the advantages of better marketing. It is apt to remember the findings of Dantwala Commission on Cooperative Marketing (1966) and FAO (1988) that agricultural production is abundant in our country while the problem is with distribution (Marketing). In all the years farmers were deprived of the benefits of increased production in terms of market price and vice versa. Equalization of demand and supply functions in agricultural marketing is far from any body guess. Coconut farmers are not exempted from the above phenomenon.

Marketing determines the productivity and profitability. Creating a sound marketing system is essential, as the problems of coconut growers mostly emerge due to the imperfections in the marketing system. Sincere attempts have been made to clear-off the marketing imperfections especially after independence during plan periods. Passing of Agricultural Produces Marketing Act, organization of Regulated Markets, and Cooperative Marketing Societies and establishment of Ware Housing Corporations are important landmarks in this regard. Nevertheless there are group projects of coconut farmers as effective institutions have been found in some of the regions of Tamil Nadu. Such group projects are also observed in some developing countries like Taiwan, Thailand and Philippines (Aurora Regaldo, 1994). These group projects enhance collective bargaining among coconut growers and enable for providing competitive price to coconut farmers. They seem to function as bargaining cooperatives of Canada. Thus, development of different forms of marketing institutions questions the relevance of the conventional formal marketing structures. Non-Institutional Agencies still dominate in coconut
marketing. If marketing is imbibed with imperfections, coconut farmers should have received low returns. This in turn could have resulted for reduction in coconut production. On the contrary, it is amazing to notice that both the area under coconut cultivation and production of coconut have been increasing year after year. The foregoing issue motivates the researcher to conduct a new research study in the sample area and to find out the answers to the following basic questions. Why do farmers adopt cultivation of coconut? What is the extent of adoption of coconut palms by them? Where and how do they dispose their coconut and coconut products? Do farmers undertake value addition for their coconuts? What are the channels of distribution for coconuts? Who are the buyers? What is the role of institutional marketing bodies like Cooperative Marketing Societies and Regulated Markets in coconut marketing? What is the role of Non-Institutional Agencies like Traders, Commission Agents, Brokers, Itinerant Traders and Industrial User and Wholesalers in coconut marketing? Do they serve for better marketing of coconuts and coconut products by coconut growers? What is the perception of farmers on the marketing services of Institutional and Non-institutional Agencies? How do the farmers overcome their marketing problems? What do farmers suggest for solving the marketing problems? To explore the answers to the above issues, an in-depth empirical analysis is a sine-quo-non.

Title of the Study

The title of the study is “COCONUT PRODUCTION AND MARKETING PRACTICES IN TAMIL NADU WITH SPECIAL REFERENCE TO COIMBATORE DISTRICT”

Objectives of the Study

The prime objectives of the study are:

i) To assess the coconut production at macro and micro level

ii) To analyze the existing marketing practices of coconut growers and examine the channels of distribution of coconuts in the study area
iii) To estimate the share of institutional and non-institutional agencies in coconut marketing

iv) To evaluate the perception of coconut growers about the present scenario of coconut marketing

Hypotheses

Based on the above objectives, the following hypotheses have been formulated for the study:

a) There is no significant relationship between educational qualification of the respondents and variety of coconut tree cultivated

b) There is no significant relationship between marketing channels and price offered by them

c) There is no significant difference between organic input and inorganic input in the average coconut sales per acre

d) There is no significant difference between single crop farming group and mixed crop farming group in the average quantity produced per acre.

e) There is no significant difference among the type of farmer groups in the average quantity produced per acre.

f) There is no significant difference among the type of farmer groups in the average of preference score towards traders.

Methodology

The study is an empirical analysis of the role of institutional and non-institutional agencies in coconut marketing in Tamil Nadu. The data both qualitative and quantitative were gathered through Field Survey Method and Personal Interview Technique. The secondary data were collected from the journals, reports, books, internet etc.

Data Analysis and Interpretation

Data obtained from the field were analyzed with the help of Statistical Package for Social Sciences (SPSS) version 9. The survey statements were
Chapter - 1 Design and Execution of the Study

Statistically tested by employing statistical tools such as Arithmetic Mean, Range, Standard Deviation, ANOVA, Chi square test, Paired Sample Test and T.test.

To understand perception of the farmers towards the present market functionaries Preference Score Analysis (PSA) was employed.

**Sampling Procedure**

A Multi-Stage sampling procedure was adopted for the present study

**Stage- I: Selection of District**

All the districts in Tamil Nadu were arranged in descending order on the basis of their area and production under coconut. Since the Coimbatore district is a leading coconut growing area in Tamil Nadu, it was purposively selected (See Appendix – I).

**Stage-II: Selection of Block**

At the second stage, all the blocks in the Coimbatore district were arranged in descending order on the basis of their area and production under coconut. The Anamalai Block had the largest area and production under coconut, So it was considered and purposively selected (See Appendix – II).

**Stage – III: Selection of Coconut Growing Villages**

At the third stage, all the villages in the Anamalai Block were arranged in descending order on the basis of area and production under coconut. The villages found under the first quartile, the second quartile and the third quartile were considered High, Moderate and Low category respectively in respect of coconut crop. Two villages from each category of villages were selected by adopting simple random sampling procedure. Thus the following six villages were selected for the study i) Vettaikaranpudur ii) Marchinaickenpalayam iii) Jallipatti iv) Anamalai v) Thensengampilayam and vi) Thensittur (See Appendix – III).
Stage-IV: Selection of Respondents

51 farmers each from six villages totaling 306 respondents were selected for the study by using Quota Sampling procedure.

Period Covered

The period covered in this study is 10 years i.e., from 1996 to 2006 for the collection of necessary data.

Tools and Techniques Used

Field Survey, Interview schedule, Focused Group Discussions and Informal discussions are planned for eliciting data and information's from the coconut growers and institutions.

The interview method is used to collect information from the sample farmers.

Focused Group Discussion and Informal Discussions are used to collect information with the prime informants such as Coconut farmers, Traders, Commission Agents, Brokers, wholesalers and Cooperative Marketing Society officials and leaders, officials of Regulated Markets, Government Officials etc.,

Field observations are made from the farmer's field, wholesale and retail market yards, rural and urban market centers, commission mandies, broker's officer, cooperative marketing societies, regulated markets, production and processing centers etc.,

By adopting the above tools and techniques the information regarding personal particulars, size of the farm, area under coconut and other crops, asset position, cropping pattern, particulars about coconut gardens, reasons for preferring coconut farming, establishment and maintenance cost of the garden, yield pattern of coconuts, income from the coconuts, problems in the coconut cultivation, marketing practices, opinion about existing system of marketing, role of institutional agencies, problems with the institutional agencies,
advantages in the institutional agencies, role of Non-institutional agencies and its merits and demerits, marketing practices followed by the non-institutional agencies, perception about the institutional and non-institutional agencies etc., are collected.

**Scope of the Study**

The present study aims at assessing the coconut production at macro and micro level, analyzing the existing marketing practices and problems of coconut growers and examine the channels of distribution of coconuts in the study area and estimating the share of Institutional and Non-Institutional agencies in coconut marketing and evaluating the perception of coconut growers about the present scenario of coconut marketing.

**Limitations of the Study**

The study was confined to Anamalai Block in Coimbatore District, which is unique in agro-climatic condition, and the findings of the study may be used with caution, one could understand the problems in collecting and analyzing the data relating to perennial crops. Since the farmers are not in the habit of recording the data regarding to the coconut yield, marketed price, income and expenses, cross checks were made in eliciting the information to reduce the recall bias. It is obvious that the findings of the study have their own limitations in their applicability to other parts.

**Delimitations of the Study**

The study is also delimited mainly to the marketing of coconuts and to a major assembling marketing area. It has not included marketing of coconut by-products within its purview. Despite the limitations, best effort was extended to make the study a qualitative one.
Chapter – 1

**Organisation of the Report**

The report is organised into seven chapters

- The first chapter outlines the Design and Execution of the Study
- The second chapter presents Review of Literature
- The third chapter gives a bird’s eye view on Historical Perspectives of Coconut Farming.
- The fourth chapter narrates Coconut Marketing: practices and problems in study area.
- The fifth chapter describes the role of institutional and non-institutional agencies in coconut marketing.
- The sixth chapter expresses coconut growers’ perception about the present marketing functionaries
- The final and seventh chapter presents findings, conclusions and suggestions.

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9