

STRENGTHENING COOPERATION AMONG COCONUT SMALL HOLDERS FOR GREATER BENEFITS

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In Sri Lanka, coconut is predominantly a small holder's crop. Lands less than 20 acres are considered as small holdings. Although coconut is not the major family income source in the small holder sector, its contribution to their livelihood is of much importance. In marketing coconut, small holders are directly dependent on the village coconut dealers who act as middlemen in the market chain. Unlike in the estate sector, small holders do not have bargaining power for higher prices. The price offered by the village dealer is far below the actual price of coconut. Small holders, often obtain cash advances and loans for their urgent requirements from village dealers. As a result, these coconut growers have firm commitments to supply their coconuts regularly to the village dealer even at a lesser price. This type of exploitation is very common in rural areas where coconut is grown as the main crop. Under these circumstances, small holders are deprived of reasonable prices and also cost limitations on savings for their future financial needs. However, in some areas, small holders have organized themselves and formed societies for their own financial benefits through co-operative effort. The main aim of this paper is to discuss the structure and the performance of these coconut grower's organizations, so as to create an awareness among other small holders.

The initial formation of these organizations is a result of dedication and enthusiasm of few progressive coconut growers. The

objectives of these organizations are to increase the income of small holders by ensuring higher prices for coconut and also to assist members in their financial needs.

Each organization has its own area of operation which includes few villages. Coconut growers in such areas are eligible for membership of the organization, which is managed by a working committee. This comprises a Chairman, Secretary, Treasurer and three or four committee members selected among the members on an honorary basis. A grower should be able to supply a reasonable number of coconuts every two months if he has to be a member. The number of coconuts to be supplied depends upon the level of production in the respective growers land.

The organization employs a person to collect and transport nuts from members, and they are expected to supply good quality nuts and obtain a receipt from the person who collect nuts. Every two months members are expected to attend these meetings, in order to get their entries updated in the record books. The total collection of nuts during the respective periods are presented at the auction. Due to competition among coconut dealers at the auction, coconuts fetch fairly attractive prices. The real value of coconut supplied by each member is deposited in their account for which an attractive interest is paid.

The validity period of such organization is generally five years. Members are not allowed to draw money from their accounts until the entire five-year period is over. However, they are entitled to obtain loans in distress or to develop their coconut lands on easy terms and conditions. Members are also privileged to repay the loan and interest by way of nuts, in addition to their normal supply. At the end of each year, whatever, extra income to the organization will be distributed among the membership depending on the number of nuts contributed by each member.

Each organization has its own constitution which is approved by the members at the Annual General Meeting. Each member is provided with a record book on which the constitution is printed. At each coconut auction, members are expected to update their accounts in the record book.

The success of these organizations depend on the mutual understanding, trust and dedication among the members. According to the terms and conditions of these organizations, the following features could be observed.

1. At the beginning, each member should indicate the number of coconut shares that they intend to possess. One share refers to 10 coconuts.

2. Minimum number of shares that one could possess is five and the maximum is hundred.

3. Each member is bound to supply the agreed number of coconuts every two months. If one fails to supply the agreed number of coconuts, he is expected to settle the balance at the next supply, along with extra nuts as a fine.

4. Coconuts should be sold to the highest bidder at the auction held in every two months.

5. The real value of coconut shares is added to the member's account at every two monthly period. The member is not allowed to draw money from the account until the full period (five years) is over.

6. During dire financial requirements members have the option to raise loans, at a reasonable interest.

These organizations are very active as members benefit financially and by various other means. Members being coconut growers could arrange to obtain their inputs (fertilizer, seedlings, machinery) at reasonable costs through the organization. Under these circumstances, the extension organizations too find it convenient to provide efficient services. Hence, these cooperation organizations which emerged through the existing social structure, deserve encouragement and upliftment, to establish similar societies in other coconut growing areas for the benefit of the coconut grower.