



Research Article

FACTORS INFLUENCING THE PERFORMANCE AND SWOT ANALYSIS OF DESICCATED COCONUT INDUSTRIES IN KARNATAKA

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Abstract: The present study was conducted to know the factors influencing the performance and to identify strength, weakness, opportunities and threats (SWOT) to desiccated coconut industries in Tiptur taluk, Tumakuru district of Karnataka state by interviewing the 10 processing units personally. The data shows that, in all the desiccated coconut units, raw material availability and demand and supply are ranked I, and by electricity, competition, and consumer preference ranked II. Packaging, price factor, labor cost, processing plant and season ranked III, followed by, transportation and cultural factors. However, post harvest technology, machinery cost, and labor issues, are ranked V and VI. With respect to SWOT analysis the strength was the Desiccated coconut industry was a part of a rural industry which employs the rural youth, weakness was Preference to fresh coconut over desiccated coconut powder, opportunity was Stable and growing export and domestic markets and threat was poor global image in supply reliability.

Keywords: SWOT analysis, Coconut production

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Academic Editor / Reviewer: Packaging, Price factor, Labor cost, Processing plant

Introduction

Coconuts are produced in 92 countries worldwide on about 11.80 million hectares (29.50 million acres) of land. The world production has been estimated to be 61.72 million nuts tons with an average yield of 5.26 million tons / ha. In Karnataka coconut is cultivated in all the 30 districts of the state. It is grown in coastal belt as well as in interior parts. However, Tumkur, Hassan, and Chitradurga and Dakshina Kannada districts are the major districts cultivating coconut, together accounting for over 75 per cent of the state's area. In Karnataka, Tumkur district ranked first in both area (1,10,937 hectares) and production (5474.91 lakh nuts) of coconut and Hassan district ranked second in both area (61,098 hectares) and production (2536.83 lakh nuts) of coconut. In India, product diversification of coconut was accelerated in late nineties due to sustained efforts made by Coconut Development Board by employing technology development through various Research Institutions in the country. The value added products includes packed tender coconut water, coconut milk and milk based products, coconut chips, coconut based dairy products, desiccated coconut, coconut water based products, snowball-tender-coconut, vinegar, coconut shell, Coconut wood, coir based products, based products. Other products, which are being subjected to research and development, are organic food, oleo chemical, bio-diesel, bio-lubricant and cosmetics. The Government of India, through the Coconut Development Board made efforts and motivated entrepreneurs industrialist and artisans to exhibit their products in national and international trade fairs and exhibitions, to get better access to up country markets [1,2].

The present study was conceptualized with the following objectives.

- To analyze the factors influencing the performance of desiccated coconut powder industries in Tiptur taluk and
- To identify strength, weakness, opportunities and threats to desiccated coconut industries in Tiptur taluk

Methodology

A large number of desiccated coconut production units are located in Tumkur district of Karnataka. Hence the study was taken up in this district. All the 10 desiccated coconut production units in Tumkur district which are currently operating are selected for the study and hence the whole population has been covered under the study. The data collected was subjected to analysis to workout averages, and per centages. Investment analysis was carried out to evaluate the economic performance of coconut processing units. Break - even volume analysis was employed to know the minimum level of production required to recover the total fixed capital employed. The factors influencing the performance of desiccated coconut units were found out by per centage analysis method, subjecting to the opinions of the owners of the units and constraints faced by the processor were found out by subjecting to the opinions of the owners of the units regarding the constraints to Garrett ranking of the same according to their performance.

Results and Discussion

Factors influencing the performance of desiccated coconut production units

The factors which influence the performance of desiccated coconut units are presented in [Table-1]. The result shows that in all the desiccated coconut units raw material availability and demand and supply was ranked as No. I followed by electricity, competition, and consumer preference ranked as No. II. Packaging, price factor, labor cost, processing plant and season ranked III. Followed by, transportation and cultural factors. However, post harvest technology, machinery cost, and labor issue, are ranked V and VI. Cost of spare parts and import of desiccated coconut industry from other countries ranked VIII. And lastly, Economics of scale ranked IX. To overcome these problems the desiccated coconut firms need to adopt latest technology, the skills of laborers, upgrading through short term training programmes and motivating farmers to bring graded coconut by offering attractive prices.

Table-1 Factors influencing the performance of desiccated coconut production

SN	Particulars	Frequency	Percentage	Rank
1	Raw material availability	10	100	I
2	Processing plant	8	80	III
3	Packaging material cost	8	80	III
4	Post harvest technology	4	40	VI
5	Price factors	8	80	III
6	Low labor cost	8	80	III
7	Electricity	9	90	II
8	Transportation	7	70	IV
9	Competition	9	90	II
10	Demand and supply of DCP	10	100	I
11	Dealers/ agent margin	8	80	III
12	High machinery cost	5	50	V
13	Cost of spare parts	3	30	VII
14	Consumer preference	9	90	II
15	Cultural factors	7	70	IV
16	Economies of scale	2	20	VIII
17	Capital requirement	3	30	VII
18	Season	8	80	III
19	Availability of skilled labour	4	40	VI

Table-2 Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis of desiccated Coconut units

Strengths	Weaknesses	Opportunities	Threats
The Desiccated coconut industry is a part of a rural industry which employs the rural youth.	Preference to fresh coconut over desiccated coconut powder.	Stable and growing export and domestic markets	Poor global image in supply reliability
The desiccated coconut has huge requirement in the market. The technology backwardness's hindering the growth of the cluster.	Lack of awareness of availability of desiccated coconut powder.	Good prospects for value added products (VCO, Geotextiles, etc)	Perception of government inaction
Wide range of coconut products both edible and non-edible available for export	Entrepreneurs lack precise knowledge of desiccated coconut market.	Low domestic oil Consumption	Competition from other tropical oils (i.e. palm oil and palm kernel oil)
Technical know-how and trained manpower for the manufacture of various coconut based products	Lack of aggressiveness among entrepreneurs to promote the product	Alternative fuel (coconut methyl ester- biodiesel) demand	Development of rapeseed and cuphea with high lauric content
Government agencies such as Kerafed, State Trading Corporation, Kerala State Marketing Federation and Karnataka State Marketing Federation in manufacturing and marketing of branded coconut oil in small packs	Inadequate efforts to expand the market, to conduct market research, publicity and promotion have led to stagnation of industry.		More stringent sanitary & phyto-sanitary (SPS) standards
Hundreds of reputed and established private firms in manufacturing and marketing of various coconut products including branded coconut oil in small packs	Short supply of skilled labors.		
Capital recovery within a short period of time.	Use of obsolete machineries due to limited capital in case of small and medium sized units.		
Employment opportunities	Electricity problem.		
Better utilization of natural resources	Difficulty in getting finance from the banks		
	Fluctuation in price of raw nuts		
	Coconut Water causing pollution, many of By-products can be made out from waste. The technology used is old and traditional, ETP is not present to treat the water		

Problem in availability of coconuts are ranked first in case of small, medium and large sized units. Coconut is grown in coastal areas and in interior areas in our country. In Karnataka coconut season lasts from June to December. Though coconut is grown in all the twelve months yield decreases between January and June months. Electricity problem is ranked as second in case of small, medium and large sized units. Irregular supplies of electric power of their size are suffering from lack of continuous and quality of electric power. This is one of the reasons for the firms to modernize their units due to lack of power supply. In June- December season, desiccated coconut industries (especially in Tiptur) get coconut directly from farmers of the taluks of Tumkur districts, in small quantities as farmers prefer to convert into ball copra and sell it hence major source of coconut for these units are neighboring districts and coastal Karnataka. Entrepreneurs go directly to farmers and to shandies in search of coconuts. The important shandies are Channarayapatana, Kunigal, Kikkeri, and Pandavapura. Shravanabelegola and Arsikere. In addition to this, there are many agents who source coconuts from different parts of the country through APMC's and shandies and supply to the doorstep of entrepreneurs. Coconut season starts in Kerala from January and ends in May whereas in Tamil Nadu it starts from April and ends in August. Hence, in January-June season, coconut is sourced from Kerala and Tamil Nadu in addition to this coconut is also sourced from coastal Karnataka, but in less quantity. The related studies were also conducted and discussed various aspects

of DC industry in Karnataka. Prevailing sales tax structure, disparity in tax on DC in various states in south India, outdated manufacturing process, lack of awareness of plant hygiene, inferior packing and lack of promotional activity are highlighted as the major constraints in the paper. Author also suggests setting up of a quality lab to test the quality of the product, publishing a journal on DC and arranging tour through CDB to other coconut processing countries like Indonesia, Philippines, and Sri Lanka to improve efficiency of the DC industry [3]. Study found that the seasonal price behavior of coconut was being influenced by seasonality in copra and coconut oil prices. The seasonal peak in coconut production was coupled with seasonal through in coconut prices and vice versa, thereby indicating the prevalence of a distorted market in the state to the disadvantage of coconut growers.

Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis of desiccated Coconut units

The coconut industry is a resilient one, full of potential but has many weaknesses. While it hosts many opportunities, it also faces many threats. And the results are elaborated in [Table-2]. It reveals that, desiccated Coconut units having huge Strengths, Weaknesses, Opportunities and Threats viz., strengths were, The Desiccated coconut industry is a part of a rural industry which employs the rural youth, the desiccated coconut have huge requirement in the market.

The technology backwardness's hindering the growth of the cluster, Wide range of coconut products both edible and non-edible available for export *etc.*, weakness were, Preference to fresh coconut over desiccated coconut powder, Lack of awareness of availability of desiccated coconut powder, Entrepreneurs lack precise knowledge of desiccated coconut market *etc.*, opportunities were, Stable and growing export and domestic markets, Good prospects for value added products (VCO, Geotextiles, *etc.*), Alternative fuel (coconut methyl ester-biodiesel) demand *etc.*, and threats were, Poor global image in supply reliability, Competition from other tropical oils (*i.e.* palm oil and palm kernel oil) *etc.*,

Conclusion

The factors which influence the performance of desiccated coconut units were raw material availability, demand and supply, electricity, competition, and consumer preference Packaging, price factor, labor cost, processing plant and season, transportation and cultural factors plays a major role and coconut industries were also having many strengths, weakness, opportunities and treats. In order to sustain and improve the performance and creating more opportunities in coconut processing industries, the government and policy makers should focus on these aspects to cater their needs for better performance.

Application of research: The present study focused on performance of Coconut industries and also their strength, weakness, opportunities and threats faced by them. It helps entrepreneurs to perform in better way by managing the other problems faced and achieving the success in their venture.

Research Category: Desiccated coconut industries

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