

India's Coconut Sector

From the Tree of Life to Global Prominence

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*India's coconut sector supports rural livelihoods, agricultural growth, and cultural traditions. Nearly **30 million people**, including around **10 million farmers**, depend on the sector. **India ranks first** in global coconut production, with Kerala leading in area, Tamil Nadu in production, and Andhra Pradesh in productivity. India's export basket has expanded from traditional products to value-added products like virgin coconut oil, coconut milk, and activated carbon. The Government, primarily through the Coconut Development Board, implements a range of schemes to strengthen the coconut ecosystem. During 2025-26, about **2,175 hectares** were **added under cultivation**, while **1,672 hectares** were covered under **rejuvenation**. The Union Budget 2026-27 further introduced the **Coconut Promotion Scheme** to strengthen sustainability, exports, and farmer incomes. With continued policy support, India's coconut sector is steadily advancing across production, value addition, exports, and livelihoods.*

Coconut: A Livelihood and Cultural Asset

Revered as the “**Kalpavriksha**,” the tree providing all necessities of life, the **coconut** is rooted in India's heritage, culture, and agrarian economy. Celebrated across civilizations **as a tree of a thousand uses**, the coconut's enduring symbolism is rooted in its **remarkable versatility**. It provides food, drink, medicine, fibre, timber, fuel, and a diverse range of raw materials. These resources sustain households, traditional practices, and a growing ecosystem of value-added industries.

In India, coconut cultivation has a well-documented history spanning **nearly three millennia** and remains a critical driver of rural employment and economic resilience. About **30 million people, including 10 million farmers**, depend on the coconut sector, making it vital to rural livelihoods. Predominantly cultivated by small and marginal farmers, coconut aligns closely with inclusive growth and the strengthening of farm-based economies. One such example of its growing significance can be seen in Chhattisgarh, where farmers have begun adopting coconut cultivation as a viable livelihood option.

In the Bastar Plateau of Chhattisgarh, farmers traditionally depended on paddy, millets, maize, and minor floret produce. Through the efforts of the Coconut Development Board's DSP Farm, Kondagaon, coconut cultivation gradually emerged as a promising livelihood option. Farmers were trained to utilize the vacant spaces between young coconut palms with suitable intercrops. The practice provided income until coconut production commenced.

Coconut-Based Multi-Tier Farming in Chhattisgarh

Among them, **Shri Eshansh Singh Rathore**, a 36-year-old MBA graduate from Bakawand block, became a leading example. Coming from a farming family and having worked in the corporate sector, he adopted coconut cultivation systematically after receiving technical guidance from the Board. He established **2,500 coconut palms**, mostly dwarf varieties, of which about **500 had started yielding**.



Shri Rathore adopted a **multitier cropping system** that integrates high-value fruits and vegetables. Under his coconut plantation, he cultivated **4,000 pineapple plants, 800 dragon fruit plants, 1,000 mango trees, 600 citrus trees**, along with banana, guava, papaya, litchi, coffee, strawberry, and seasonal vegetables. This diversified model enhanced the productivity of his land and ensured continuous income. His farm generated **₹5-6 lakh annually from coconut** cultivation. Intercrops added around **₹10 lakh**, making coconut farming highly profitable. His success encouraged many farmers in Bastar to view his coconut-based system as a sustainable, replicable model.

India in the Global Coconut Economy

India holds a prominent place in the global coconut economy. The country **ranks first in production and third in cultivation area**, accounting for **31.24 percent** and **17.90 percent** of global totals, respectively. According to the DA&FW statistics, India produced about **20,301.22 million nuts of coconut** during 2024-25 from **2.19 million hectares**. Average productivity stood at **9,249 nuts per hectare**.



Within the country, Kerala has the largest area under coconut cultivation, covering nearly **7.54 lakh hectares** and producing about **5,149.87 million nuts**. Tamil Nadu leads coconut production, while Andhra Pradesh records the highest productivity, followed by West Bengal and Tamil Nadu.



Beyond primary production, the **coconut sector** has emerged as an **important contributor** to **agricultural exports**, supporting India's export ambitions. The Government aims to **achieve USD 2 trillion in exports by 2030 and USD 21 trillion by 2047**.

Supporting these export ambitions, India's coconut exports have recorded sustained growth in recent years. Coconut product exports reached **₹7,038.35 crore (USD 794.70 million)** in 2025-26. This marked a **62 percent increase over ₹4,349.03 crore** recorded in the previous year. This underscores the growing global demand for coconut products from India. The growth also highlights the significant

progress made since **2001-02**, when exports were only ₹**25.3 crore**. During that period, exports were largely restricted to traditional products such as coconut shell charcoal, coconut oil, coconut, desiccated coconut, etc.



Over time, India's coconut export basket has evolved from traditional commodities to a **diversified range** of value-added products. The sector now caters to global demand for virgin coconut oil, coconut milk, and coconut water. It also supplies other application-oriented products, strengthening India's competitiveness in international markets. Market outreach has expanded beyond the Middle East, once the primary destination. Exports now reach markets across Europe, the Americas, and Australia.

Over the past five years, the USA, UAE, Sri Lanka, Germany, Russia, Turkey, Belgium, UK, and Netherlands have emerged as major trading partners. Key export products include activated carbon, coconut oil, fresh/frozen/grated coconut, copra, and desiccated coconut. Among these, activated carbon has consistently dominated export volumes.

Institutional Backbone: Role of Coconut Development Board

The **Coconut Development Board (CDB)**, established on 12 January 1981, functions under the Ministry of Agriculture and Farmers Welfare. It oversees the integrated development of coconut cultivation and industry in India. Headquartered in Kochi, the board has been at the forefront of uplifting and transforming the sector across **22 States/UTs**. Its key thrust areas include:

- Increasing the production of quality planting material
- expanding the area under coconut
- improving productivity in existing coconut holdings
- managing major pests and diseases, and
- promoting product diversification and by-product utilization.

During 2025-26, ₹**147.21 crore** have been **released** for the implementation of activities under CDB.

Government Support Measures for the Coconut Sector

The Government has adopted a **multi-pronged policy approach** for the coconut sector. The approach **integrates minimum support price** for copra, **targeted development schemes**, and **focused initiatives** for skill development and enterprise creation across the value chain.

MSP for Copra 2025-26: Ensuring Remunerative Returns

Copra, the dried kernel of coconut, is among the **22 mandated agricultural crops** covered under the **Minimum Support Price regime**. India primarily produces two types of copra: **milling copra** and **ball copra**. Milling copra is primarily used for oil extraction and involves drying the coconut kernel after it is

removed from the shell. Ball (edible) copra is consumed as a dry fruit and for religious purposes. It is prepared by drying whole mature coconuts until the kernel hardens inside the shell.



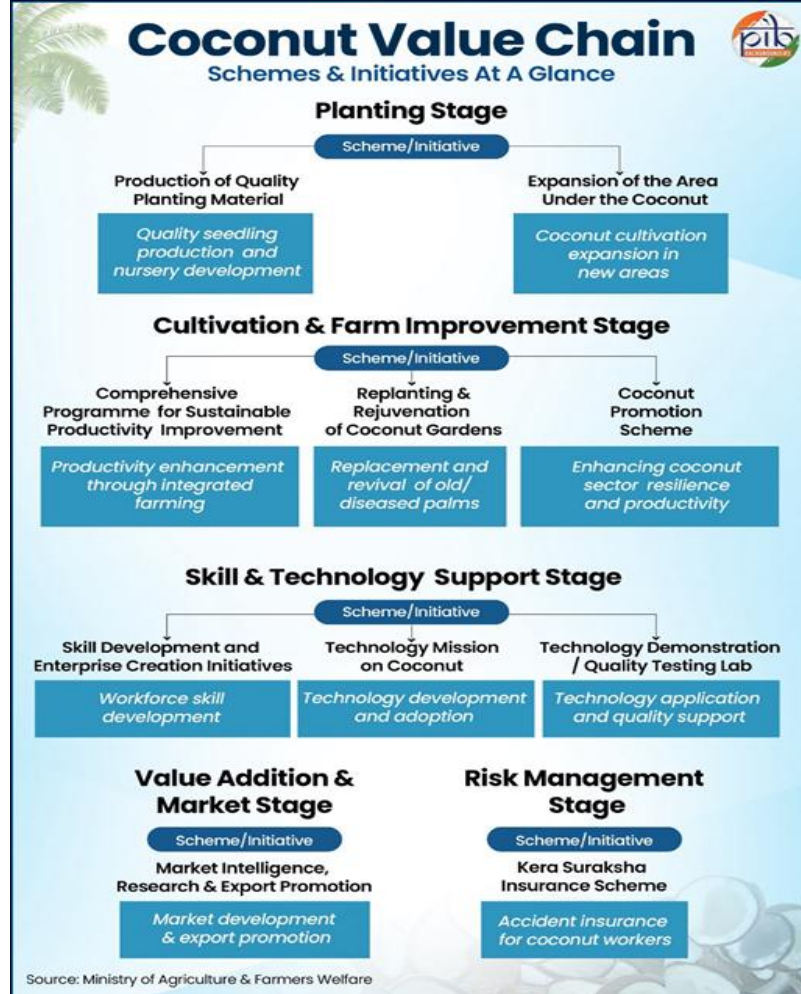
The **National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED)** and the **National Cooperative Consumers' Federation (NCCF)** are the **Central Nodal Agencies** for copra procurement. In addition, **State-level agencies** are suitably engaged to support procurement operations.

For the **2026 season**, the Union Cabinet has approved an **enhanced MSP for copra** to ensure remunerative prices for **coconut growers**. The **MSP for milling copra** is fixed at **₹12,027 per quintal**, while **ball copra** is fixed at **₹12,500 per quintal**. This marks a rise of **₹445 per quintal for milling copra** and **₹400 per quintal for ball copra** over 2025 MSP.

A higher MSP ensures more remunerative returns for coconut growers. It incentivizes farmers to increase copra production to meet the rising domestic and global demand for coconut products.

Key Initiatives for Coconut Cultivation and Productivity

The Government, primarily through the Coconut Development Board, **implements a range of schemes** to strengthen the coconut ecosystem. These improve access to quality planting material, expand cultivation, enhance productivity, promote technology adoption, and support market development.



Production of Quality Planting Material

The scheme strengthens the coconut value chain at the foundation stage by ensuring the **availability of quality planting material**. Key interventions under the scheme include establishing seed production farms, seed gardens, and nurseries, as well as quality certification systems.

Demonstration Cum Seed Production Farm (DSP)

Under the scheme, the **Coconut Development Board (CDB)** undertakes the establishment of new **Demonstration cum Seed Production Farms (DSPFs)** in various States. The DSPFs demonstrate scientific coconut cultivation practices and commercially produce quality coconut planting materials.

The financial assistance under the scheme is structured as follows:

- **Establishment of new DSPFs:** For newly established farms, ₹30 lakh is allocated from the budget for the first two years.
- **Maintenance of existing DSPFs:** From the third year onwards, financial assistance of up to ₹1.00 lakh per hectare per year is provided for farm maintenance. This support continues until yield stabilization (15–20 years).

During 2025-26, the Board produced **2.41 lakh quality coconut seedlings** in **11 DSPFs** established across the country.

Other schemes supporting the production of quality planting material include:

- **Establishment of Nucleus Coconut Seed Garden:** Supports the establishment of coconut seed gardens to produce high-quality coconut seedlings and improved varieties. During 2025-26, ₹24 lakh was allocated under the scheme, of which ₹20.29 lakh was utilized.

- **Establishment of Small Coconut Nursery:** Promotes production of quality coconut seedlings through the establishment of public and private nurseries. During 2025-26, assistance was provided to establish **12 new nurseries** with a **combined annual production capacity of 1.06 lakh seedlings**. Assistance was also provided to maintain **6 existing nurseries**.
- **Accreditation and Rating of Coconut Nurseries:** Ensures the availability of genuine, high-quality planting material through nursery accreditation and quality assessment.
- **Assistance for Quality Planting Material Production in Public Sector Nurseries:** Supports coconut seedling production through financial assistance to eligible public sector nurseries. During 2025-26, **₹239.35 lakh** was provided to strengthen nurseries. Beneficiaries included **State Departments, State Agricultural Universities (SAUs), Public Sector Undertakings (PSUs), Krishi Vigyan Kendras (KVKs), and Demonstration Seed Production (DSP) Farms** of the Coconut Development Board. The assistance supported the production of **11.97 lakh** quality planting materials, sufficient for new coconut planting over an estimated **6,850-7,500 hectares**.

Expansion of the Area Under the Coconut

The programme focuses on providing **financial and incentive-based subsidies**, along with **technical support**, for scientific coconut cultivation in suitable new areas. It also stabilizes existing coconut-growing areas, enhancing overall coconut production.

Under the scheme, **financial assistance of ₹56,000 per hectare** is provided for **planting coconut seedlings in new areas**. The financial assistance is released in **two equal annual instalments**. The subsidy is available for a **maximum area of 2 hectares** and a **minimum area of 0.08 hectares (20 cents)** per beneficiary.

*During 2024-25, ₹209.24 lakh was utilized for bringing an **additional area of 2,979 hectares** under **new coconut cultivation**. The initiative **benefited 13,068 farmers** across various states in the country.*

*During 2025-26, major emphasis was placed on expanding the area under coconut cultivation. About **2,175 hectares of new area** were **brought under cultivation** across several states. These included Kerala, Tamil Nadu, Karnataka, Andhra Pradesh, Odisha, West Bengal, Gujarat, Assam, and Arunachal Pradesh. **Financial assistance of ₹632.77 lakh** was provided for the establishment and maintenance of plantations, contributing to the enhancement of long-term production potential.*



Expansion of Area Under Coconut





Objectives

- Support scientific coconut cultivation in suitable new areas
- Stabilize existing coconut-growing areas

Progress in 2024–25

- ₹209.24 lakh utilised
- 2,979 hectares added under cultivation
- 13,068 farmers benefited

Progress in 2025–26

- 2,175 hectares brought under cultivation
- Assistance of ₹632.77 lakh provided for plantation establishment & maintenance

Source: Ministry of Agriculture & Farmers Welfare

Comprehensive Programme for Sustainable Productivity Improvement in Existing Coconut Holdings

The scheme seeks to **improve the production and productivity of coconut holdings** through **integrated farming practices**, including **coconut-based cropping systems**.

Productivity Improvement Through Coconut-Based Cropping System (**PICCS**) is a major component under this comprehensive programme. It is implemented on a **cluster basis** through the Departments of Agriculture/Horticulture of the concerned State Governments, as well as directly by the Coconut Development Board. Subsidy is provided at **100 percent of the cost**, amounting to **₹42,000 per hectare**, limited to **2 hectares per beneficiary**. It is released in **two equal annual instalments**.

During 2025-26, the scheme covered 18,800 hectares across multiple States. It benefited 48,696 farmers organized into 266 clusters, with a financial outlay of ₹3,943 lakh. In addition, State Government convergence covered another 5,935 hectares in four States/Union Territories with financial assistance of ₹1,246 lakh. These included Tamil Nadu, Andhra Pradesh, Keralam, Assam, Goa, and Puducherry.

Keralam accounted for a significant share under PICCS, with over 8,089 hectares covered, benefiting 33,250 farmers during 2025-26.

During the current year, the scheme is being implemented across the country over an area of 22,430 hectares, covering major coconut-growing states.

Other than PICCS, the scheme includes the following other components as well:

- **Water Resource Creation:** Supports the development of community tanks, farm ponds, and reservoirs to provide irrigation facilities in coconut gardens.
- **Organic Farming Promotion:** Helps farmers adopt organic practices through support for production, certification, processing, and marketing.
- **Farm Mechanisation:** Promotes the use of agricultural machinery through training, demonstrations. Provides financial assistance for equipment purchase, post-harvest and processing technologies.

Replanting and Rejuvenation of Coconut Gardens

The scheme aims to enhance coconut production and productivity by **replacing disease-affected, unproductive, old, and senile palms** with quality seedlings. It also focuses on **rejuvenating the remaining palms** through an integrated package of practices. The scheme is implemented on a project-by-project basis, addressing state-specific problems. Assistance up to **₹54,000 per hectare is provided over two years**.



*Over the last five years, the scheme has covered an area of **25,517 hectares** at a cost of **₹130.46 crore**. During 2025-26, **1,672 hectares** were covered under the scheme for rejuvenation. Activities included the removal of diseased palms, the replanting of new seedlings, and the rejuvenation of existing plantations.*

Complementary Initiatives Strengthening the Coconut Ecosystem

Apart from major interventions, the Coconut Development Board (CDB) implements several complementary schemes to strengthen the coconut value chain:

- **Technology Demonstration/ Quality Testing Lab:** Provides technology demonstration, quality testing, training, incubation, and consultancy services for coconut-based enterprises and value-added products.
- **Market Intelligence, Research, and Export Promotion:** Facilitates market development, product promotion, quality improvement, and expansion of domestic and international markets for coconut products.
- Coconut Development Board is the Export Promotion Council for all coconut products other than those from husk and fibre. The Board extends registration to coconut product exporters and has extended registration to **8,299 exporters** up to 2025-26 and **8,700** up to 31st July 2026. **Export turn over** from coconut-based products has **enhanced** from **₹3,236.83 to 7,038.35 crores** during last 5 years (2021-22 to 2025-26).
- The Board facilitates participation of entrepreneurs in domestic and international Trade Fairs. In last 5 years **Board has facilitated 72 entrepreneurs in 20 Domestic Trade Fairs** and also **224 exporters** in International Trade Fairs.
- The Board collaborates with major industry players in facilitating participation in Buyer Seller Meets (BSM) by entrepreneurs. Board **facilitated 392 Domestic BSMs for 215 entrepreneurs** during last 5 years. This includes Virtual Trade Fair (VTF) organized during 26th-28th April 2022 in which 53 coconut product manufactures and 347 buyers participated. During the VTF, 4 B2B sessions with leading players like Amazon, Flipkart, Lulu India, Lulu Dubai and Nesto group and 371 individual B2B meetings were organized. Board has also **facilitated 3 International BSMs for 6 entrepreneurs** during last 5 years.
- With an objective to provide orientation to global trade, an International Conference on Trade and Marketing of Coconut Products was organised during 27th and 28th February 2023 at Hyderabad on the Theme: Global Coconut Industry- Cruising to the pinnacle with the participation of stakeholders across the globe. With an objective to conclusively establish the medical and health attributes of coconut

products, an International Coco Health Conference was organised in collaboration with International Coconut Community (ICC) at Coimbatore from August 19-22, 2025. Also represented in the World Coconut Congress 2025 (WCC) from September 24-26, 2025 at Manila, Philippines.

- The Board organizes **seminars and workshops** for exporters and entrepreneurs regarding processing technology, packaging, export procedures, foreign trade policies, market development etc in collaboration with various institutions.
- Board is implementing schemes for Assistance for quality certification with an objective to ensure quality of product, sustainability, worker health and welfare, environmental protection etc.
- Board also provides Assistance for brand promotion to support entrepreneurs in brand building of their quality coconut products. **9 units have been supported** in last 5 years.
- Board implements **Skill Development Training** as **on-the-job in-house training** to unemployed youth attached to coconut processing units with an objective of developing skilled labour and facilitating production of quality processed products from coconut. During last 5 years (2021-22 to 2025-26) **skill training has been assisted for 24 batches and thereby 240 participants**.
- **Establishment of coconut kiosks or retail outlets** to promote processed products from coconut and create market awareness and market demand for the products (**15 kiosks assisted during last 5 years**).
- Board has also initiated schemes for:
 - i. **Establishment of procurement centres** to encourage aggregation of produce and marketing of the same by the farmer collectives in a collective manner resulting in increased bargaining power, reduction of intermediaries and thereby realizing enhanced returns. **2 FPOs have been assisted**.
 - ii. **Establishment of primary processing centres** for milling copra/ball copra/ minimally processed tender nut with an objective to encourage and empower coconut farmers/entrepreneurs/FPOs/Cooperatives for making good quality produce and ultimately leading.
- Board also provides **recommendations on declaration of Minimum Support Price** for milling and ball copra for procurement under the Price Support Scheme (PSS), and other policy recommendations on import /export of coconut products etc.
- CDB has been on boarded on the **Integrated Regulatory Assessment framework** with an objective to ensure product quality in the global market.
- **Technology Mission on Coconut (TMOC):** Supports development and adoption of technologies for pest and disease management, processing, product diversification, and other technology-driven interventions.
- **Kera Suraksha Insurance Scheme:** Provides accident insurance coverage to coconut tree climbers, Neera Technicians, Hybridization Workers, and coconut labourers engaged in the coconut sector.

Coconut Promotion Scheme: A New Push for the Sector

In order to address pest outbreaks, root wilt disease, and aging plantations, the **Coconut Promotion Scheme** was announced in the **Union Budget 2026-27**. The scheme seeks to enhance coconut production and productivity through targeted interventions, which include:

- large-scale production of quality coconut seedlings,
- expansion of coconut cultivation in potential areas,
- phased replanting, and rejuvenation of old and unproductive coconut gardens,
- adoption of holistic crop health management practices, and
- establishment of integrated coconut processing units to strengthen value addition and exports.

The initiative forms part of a broader **₹350 crore allocation for high-value agriculture**, including cashew and cocoa sectors. Through these measures, the scheme aims to strengthen sustainability and resilience in the coconut sector. It also **envision**s positioning **India as a global leader in coconut and**

coir exports by the 2030s, while improving incomes for coconut farmers.



Skill Development and Enterprise Creation Initiatives

The Coconut Development Board (CDB) implements **flagship skill development programmes for the coconut sector**. These programmes create a trained, self-reliant, and enterprise-ready workforce across harvesting, processing, and value addition.

For over a decade, the Board has been implementing the **Friends of Coconut Tree (FoCT) programme**. The programme trains unemployed youth in coconut palm climbing using mechanical climbing devices, plant protection, entrepreneurship, and communication skills. During 2024-2025, **378 palm climbers were trained** under programmes conducted across various states of the country.

Additionally, the **Coconut Handicraft Training programme** equips unemployed youth with aesthetic skills to produce handicraft items using various parts of the coconut plant.

In 2025, CDB transitioned from stand-alone training programmes to organized enterprise development through new initiatives:

Cocomitra (Coconut Climbers Task Force): Organizes trained climbers into registered units of **6-10 members**. These groups are equipped with modern climbing devices, plant protection tools, and mobility support to deliver timely services to farmers.

Kera Kaushal Kendra: Seeks to nurture a **network of Coconut Handicraft Centres** across India specializing in products made from coconut shell, wood, and fibre. The initiative establishes **15-member handicraft production groups** registered as legal entities.

Each approved Kera Kaushal Kendra is eligible for **financial assistance of ₹2.67 lakh from 2026-27**. The assistance is provided for creating common facilities such as tools and equipment, furniture and fixtures, storage shelves and racks, utilities, and contingencies. The initiative also supports marketing activities for

handicraft products. The programme promotes coconut-based micro-enterprises, rural entrepreneurship, and sustainable livelihoods.

Neera Tapping and Processing Technician Training Programme: Neera, a nutritious zero-percent-alcohol health drink, is the unfermented juice tapped from coconut palm inflorescences. The programme provides structured **7-day field-based training** to develop skilled technicians for **safe and scientific Neera tapping and processing**. The training is conducted through FPOs holding Neera licenses.

During 2025-26, the Board conducted **414 awareness training programmes**. The programmes covered CDB schemes, scientific cultivation technology, and coconut value addition.

Coconut Sector at the Crossroads of Tradition and Global Growth

Revered for generations as the “**Tree of Life**,” the coconut remains deeply woven into India’s cultural and rural landscape. Over time, the sector has expanded far beyond traditional cultivation practices. **Strong policy support, farmer collectivization, and skill development initiatives** have strengthened the coconut value chain.

Efforts to **improve planting material, expand cultivation, and rejuvenate aging plantations** are creating new opportunities for farmers. At the same time, rising demand for value-added coconut products is expanding India’s presence in global markets. With sustained institutional support, India’s coconut sector **has evolved from a traditional cultural symbol to a globally prominent sector**.

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