

KONASEEMA AGRO PRODUCTS, EAST GODAVARI DISTRICT - COCONUT FARMER'S WELL WISHER THROUGH "VELVISH", A VIRGIN COCONUT OIL BRAND

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Abstract

Although virgin coconut oil has many advantages, it is relatively very less consumed in the state of Andhra Pradesh because of many reasons. This paper throws light on the journey of a young entrepreneur turned techie from agricultural background. With the anticipation of bright future in the field of coconut related products, he started his own industry, Konaseema Agro Products, to produce virgin coconut oil in his own district ie., East Godavari. This paper also highlights the advantages of virgin coconut oil, the issues related to marketing of the virgin coconut oil and benefits to the coconut farmers with the establishment of such industries in this district, which is the largest producer of coconut in the state.

Keywords: *Virgin Coconut oil, East Godavari, Coconut Farmers, Entrepreneur*

Introduction

In the year 2019, Mr. Guttula Dharmaraju, a young man from Cheyyeru village of Katrenikona Mandal in East Godavari District became the first entrepreneur from his district to set up virgin coconut oil industry. He was born in the year 1980 and pursued M.Tech (Electronics) from JNTUK, Kakinada. After his studies he worked for more than 10 years in different MNCs including Reliance in software, hardware and production fields.

From Electronics to 'Velvish'

In the year 2017, Mr. G. Dharmaraju quit his job to pursue his dream of setting up his own enterprise. Having grown up with thousands of coconut trees around, he was naturally inclined towards coconut related products. By observing the growth in awareness among people for coconut oil as cooking oil, he wanted to try his luck in the coconut field. He went to Kerala to understand the industry, attended training workshops in Visakhapatnam and Vijayawada. After procuring the machinery, he established Konaseema Agro Products in Mummidivaram in the year 2019 and launched his virgin coconut oil brand 'Velvish'.

What is Virgin coconut oil?

Virgin coconut oil (VCO) is extracted from coconut milk through cold extraction method. VCO can be used in cooking and baking. This contains vital nutrients, anti-oxidants and good fatty acids. It is a very good moisturizer for the body and a great conditioner for the hair. VCO helps in boosting the immune system of the body and treat viral infections as well. This reduces the deposition of fat in human body and can help in weight loss.

The beginning

With the savings from his previous employment and family support, he approached the Coconut Development Board with his plans of setting up the industry. They encouraged him with a subsidy 25% i.e, 18 lakhs out of 72 lakhs of the machinery cost. The total cost the plant was about Rs. 1.2 crore. With the processing capacity of 5000 nuts per day and production capacity of 2000 liters, currently he is providing employment for thirty people from the region.

The plant and the Production

The coconuts required for the coconut milk are procured from his own farm and local farmers as well. Big coconuts of minimum 400 gm coconut only are suitable for the process. Mostly the coconuts are procured from Lanka (Island) Villages of East Godavari District.

Extra virgin coconut oil is extracted from the coconut milk through cold extraction using three centrifuge machines. The oil extracted at the rate of 200 ml per 90 seconds for best results. The oil is then packed in 200 ml and 500 ml bottles. The quality of the oil is certified by FSSAI unit in JNTUK, Kakinada. Some of the by products obtained in the process are desiccated coconut powder, out peel of the coconuts which provide extra income.

Marketing mechanism

The extra virgin coconut oil produced is marketed under the brand name of “velvish”. He is currently supplying the product to whole sellers and retailers in both Telugu states of Andhra Pradesh and Telangana. He is accepting orders from bulk buyers also.

Issues with production and marketing

Being a person with technical background, Mr. Dharmaraju has not faced much problem during his training for the machinery and equipment. Later he trained all the workers on his own.

Two major issues which are standing as obstacles for the marketing of the product are

- Lack of awareness about the benefits of virgin coconut oil in the region
- Premium pricing of virgin coconut oil, which makes it affordable to limited income groups only.

Plans for expansion

With the confidence provided by the initial success through VELVISH, Mr. G.Dharmaraju has bigger dreams for expanding his business. Some of his future plans include

- Increasing the production capacity to 5000 liters per day
- Complete automation of the plant
- Opening an outlet for Neera,
- Setting up a plant for flavored coconut water and packaged coconut milk

Better opportunities for local farmers

Since Konaseema Agro Products is procuring the coconuts directly from the farmers, this is helping in the partial elimination of the role of the middlemen in the field. As the farmers need not pay any commission to the middlemen, they are getting better price for their produce. Seasonal fluctuations in the price of coconut can be minimized if more such coconut related industries are set up in the district. Farmers in East Godavari District do not have the captive customers like Konaseema Agro Products who can offer the reliable and better price till now. If the district witnesses more industries like this, it will augment the marketing for Coconut Farmers.

Conclusion

The establishment of Konaseema Agro Products has paved a path for the welfare of coconut farmers in East Godavari District. As konaseema stands as the coconut hub of Andhra Pradesh, there is a lot of space for such coconut related products industries. More and more young persons from this region can take the path of Mr. Guttula Dharmaraju if Government agencies provided them with support in marketing of the product as he wishes for.

References

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