

DUNAGAHA COCONUT PRODUCERS' CO - OPERATIVE SOCIETY LTD

Dunagaha Coconut Producers' Co - operative Society Ltd. was formed in 1940 with the common objective of assisting the coconut growers to derive a remunerative price for their produce. There were 18 pioneer members who were responsible for the formation of this society. At the inception the members had an extent of 361 acres of coconut. This is the second Coconut producers' Co - operative society in Sri Lanka.

The formation of this co - operative society was necessitated as the coconut dealers were exploiting the small and medium class coconut growers, by lending money at very high interest rates and procuring their produce at very low prices. Invariably the coconut growers were at the mercy of the then coconut dealers.

In 1941 the then Ceylon Coconut Board granted Rs. 600.00 to meet the cost of constructing a white copra kiln and further sum of Rs. 300.00 as managerial expenses for 6 months. The total sum was utilized for the construction of the copra kiln.

Again in 1947 the then Ceylon Coconut Board had directed 5 selected Coconut Co - operatives to construct their own desiccated coconut factories. A loan of Rs. 133,000.00 at 3% interest per annum was granted for this purpose. Our Co - operative society too was selected for this scheme. The first Desiccated Coconut factory was set up by 1948. Since then the society is in a sound position to compete with the private sector and gradually resulting in the increase of the membership. By end 1949 membership stood at 730 and covering an extent of about 7000 acres. The classification of the members then were as follows:

1 - 10 acres	628 members
11 - 50 acres	79 members
over 50	23
	<u>730</u>

With the increasing membership, in 1962

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the society set up its 2nd desiccated coconut factory, and was more modernized. With the second factory operating, processing capacity increased from 45000 coconuts to 75000 coconuts per day.

In 1975 the society purchased another D. C. Factory at Rs. 550000.00 from a private firm. The processing capacity then increased upto 110000 coconuts per day.

In 1984 the first constructed D. C. factory was modernized to suit the requirements of the industry with an upto - date laboratory. All the desiccators were replaced with semi automatic dryers and the manual handling was minimised to facilitate a higher degree of quality.

With the advancing technology, again in 1992 the society modernized and automated its second D. C. factory at a cost of Rs. 140 million. The main feature of this factory is that there is no manual handling of D. C. and thereby maintaining a very high degree of quality and bacteriological standards. Earlier the society was unable to compete with Philippines due to our quality standards and at present the society produces D. C. which could cater to any sophisticated market (Western and North American).

Most of the foreign buyers who are members of E. E. C. request for ISO 9000 quality standards and the society is in a position to conform to that quality standard. This is one of the milestones that the society has achieved during the recent past.

Today the society produces 16 metric tons of desiccated coconut per day. It has the machine capacity to process 125000 coconuts.

In addition to the desiccated coconut

factories the society owns two large oil mills and 5 large copra kilns. Copra kilns are fed with all the rejected nuts.

By products of the D. C. factory are used as inputs in the oil mills copra that is being produced in the kilns are also used as input to the oil mills.

Society owns 75 acres of coconut land which gives a good return to the society.

The society has its own area of operation within the five Assistant Govt. Agent Divisions of the Gampaha District, i. e. Divulpitiya, Minuwangoda, Katana, Mirigama and Negombo.

Any person who owns a coconut land within the above areas can enroll himself as a member of the society. Minimum requirement is half an acre. Only those who own coconut lands are entitled to obtain membership in the society. Share value is Rs. 1000.00 and the share money will be collected in four annual installments. Today the society is rich with 966 active members with an extent of about 7484 acres. Membership is classified as follows.

Range	Members	Acreage
1 - 5 acres	540	1567
6 - 10 acres	219	1676
11 - 15 acres	83	1075
16 - 20 acres	51	922
21 - above	73	2244
	<hr/> 966	<hr/> 7484

The main function of the society is to purchase coconuts from the members and process the same so that there is value addition for the members produce. When the society procures farmers produce, prices will be decided on quality basis. This enables the society to pay a higher price for those farmers whose produce is of high quality.

The society now maintains a horizontal and vertical integration.

Following pre harvest facilities are provided to the members.

- (i) Fertilizer is supplied on credit basis without interest.

- (ii) Free transportation of fertilizer from office to the members lands.
- (iii) Harrowing of land on subsidized rates.
- (iv) Members are entitled to get crop advances without interest.
- (v) Conduct Seminars on the effective use of fertilizer in under plantation and re - plantations

Post Harvest Facilities

- (i) Coconuts from the members are purchased on first come first served basis.
- (ii) Husking and transportation of coconuts is done by the society.
- (iii) Coconuts are purchased on quality basis.
- (iv) Processing of coconuts and manufacture of desiccated coconut, copra, oil, and poonac.
- (v) Payment for coconuts purchased from the farmers is made within seven days after delivery.
- (vi) At the end of the year, if the society has made good profits part will be divided among the members who have supplied nuts to the society, as second payment.

Other Facilities

- (i) 10% interest on the fully paid shares.
- (ii) Members are entitled for dividends.
- (iii) Each member is entitled to supply coconuts in accordance with the share purchased by him.
- (iv) Members need not go in search of good buyers who would give a higher price.
- (v) The society is managed by a democratically elected Board of Directors. Each year a Board of Directors will be appointed by the General Body.
- (vi) Each member has only one vote irrespective of the shares held.