

NOTE ON NEERA

1. Neera is a **nutritious health drink with 0% alcohol**. It is the unfermented juice tapped from the inflorescence of coconut palm. It is more nutritious than any of the commercially marketed fruit juices available in the country. The nutritional composition of Neera is given in *Annexure I*. As it has very low Glycemic Index (GI) of 35(normal table sugar has GI 70), it can be used by diabetic patients. The sugar present in other fruit juices has a GI more than double that of Neera.
2. Unfortunately, Neera is advertently or inadvertently included under “**toddy**”. **The Karnataka Excise Act, 1965 (Act 21 of 1966) was adapted from the Mysore Excise Act, 1901(Act No. V of 1901), The Hyderabad Abkari Act, 1316(No. 1 of 1316 F) and the Madras Abkari Act, 1886 (Madras Act 1 of 1886)**. It defines the unfermented juice of coconut palm(Neera) as toddy. Toddy is actually the fermented juice. Neera on fermentation gets converted to toddy and not vice versa. Both Neera and Toddy are two different products, physically, chemically and nutritionally
3. Coconut is included as an excise tree (Section 11A) and the unfermented juice of coconut tree ie., Neera is interpreted as toddy. *This is similar to interpreting milk as curd since curd is produced from milk*. In the definition of Toddy also, unfermented juice from coconut ie., Neera is included. Toddy is further put under the definition of liquor and country liquor. Once unfermented Neera is included under Toddy, it automatically gets included under liquor. The definition of Liquor(Section 18) clearly indicates a liquid consisting of or containing spirits and Neera doesn't consist of or contain spirit.
4. CDB suggests the following changes in the Karnataka Excise Act 1965(Act 21 of 1966)

Section No.	Description existing in Act	Amendment suggested	Remarks
11 (A)	Excise tree includes the Gulmohwa, cocoanut, palm, palmyra, date, bagani or doddasal tree or any other tree, the fermented or unfermented juice from which toddy or any other liquor can be prepared”.	Excise tree includes the Gulmohwa, coconut, palm, palmyra, date, bagani or doddasal tree or any other tree, the fermented juice from which toddy or any other liquor can be prepared”.	The term unfermented may be removed from the clause. Unfermented juice of coconut palm inflorescence is a health drink and need not be included under the products from an excise tree (Section 6) since it is not liquor
27	Toddy means fermented or unfermented juice drawn from an excise tree.	Toddy means fermented juice produced from an excise tree.	The term unfermented may be removed from the clause. Unfermented juice is not toddy and cannot be included under the definition of toddy
27 A	No description on Neera is included in the Act	Neera can be defined as the “unfermented juice of coconut palm which can be processed and preserved without fermentation”	Separate rules for production of Neera as a nutritious health drink and for further processing into jaggery, syrup and palm sugar may be framed.

5. **Unfermented juice of coconut inflorescence needs to be deleted from the definition of toddy and Neera be taken out of the Toddy definition of Karnataka Excise Act, 1965.** This simple amendment can facilitate creation of around 5 lakh **“Green Collar Jobs”**, increase the revenue of the state by Rs. 22568 crores and result in an increase in GSDP by 6%.

6. The Karnataka Excise Act, 1965 (Act 21 of 1966) was implemented at a time when modern technology for preservation of fruit juices was not available. As on now, advancement in technologies permit preservation of Neera upto 1 year without fermentation. Hence **there is no rationale in keeping an “unfermented juice” under liquor**. It can be packed in various packages and marketed. Photographs of different types of packed Neera in major coconut producing countries are attached as *Annexure 2*.
7. The Karnataka Excise Act has clauses for offences if Neera is converted to toddy (Section 32, 34, 37, 52, 53, 54, 58 etc)
8. In Phillippines, Neera tapping and production of coconut palm syrup, coconut palm jaggery and coconut palm sugar is undertaken even by women’s groups (*Annexure 3*)
9. Phillippines Coconut Authority promotes sale of coconut palm sugar with Gandhiji as their brand Ambassador. Gandhiji’s quotes dating back to 1939 are used to promote Neera and coconut palm sugar. (*Annexure 4*)
10. From 1.4.2014, import of agricultural products and their value added products can be done without import duty. Neera and value added products from Neera can be freely imported by any merchant in the country. These imported products do not come under the purview of Excise rules in the country. Moreover, the tax to be levied on these the imported products can only be on par with the tax on similar domestic products. In this situation, the coconut farmers and the economy of the state will be severely affected.

11. Modus operandi for production, processing and marketing of Neera suggested by CDB

- Issue permission only to Federated Coconut Producers Societies registered with CDB to tap Neera. CDB has facilitated formation of farmer collectives called Coconut Producers Societies (CPS) comprising of 40-100 farmers. Further 15-25 CPS were integrated to form Federation of CPS and 10 federations were integrated to form Producer Companies. **CDB has**

facilitated the formation of 200 CPS and 41 Federations in Karnataka. It is planned to form 2000 CPS and 200 Federations during this financial Year. Ten Producer Companies will also be formed in the state during this year.,

- Federated CPSs can produce Neera and Producer Companies can process and market Neera as a nutritious health drink. Value addition of Neera through products like palm syrup, palm jaggery and coconut palm sugar can be taken up by Producer Companies.
 - A federation can be given permit to tap 1000 coconut palms initially.
12. Neera technicians can be developed to undertake Neera tapping in such a way that a skilled work force is evolved. A new nomenclature of **Green collar jobs** is thus created which is related to agriculture production, contributing to food security , conserving soil, water and environment and generates employment, thus raising their standard of living. Neera tapping generates daily income to the farmer and the Neera technician which adds to their purchasing power. Value of Neera tapped can be shared between the farmer and the Neera technician in a fixed proportion so that both the stakeholders are benefited and the sector emerges in a sustained manner. Pricing of Neera may be such that the coconut farmer is assured 50% of the consumer price and the Neera technician is given 25% of the consumer price. The remuneration should be in proportion to the yield of Neera as in the case of milk, latex etc.
13. Production of Neera from 1% of the coconut palms will generate an employment opportunity of 0.5 lakh and an additional revenue of Rs. 2257 crores to the state's economy. If 10% of palms are subject to Neera production , around 5 lakh Neera technicians are required and an additional revenue of Rs. 22568 crores can be generated. The growth in GSDP as a result of Neera production will be around 6%(Annexure 5)

14. Coconut parks in the 11 major coconut growing districts of the state through establishment coconut parks will surely provide an impetus to entrepreneurs interested in the value added products of Neera too. Adequate infrastructure for hygienic production, preservation and packaging of Neera and other products like palm syrup, jaggery and coconut palm sugar need to be provided to interested entrepreneurs. (It may be noted that Government of Kerala has allocated budgetary provision of 15 crores in the current financial year for establishing 10 Neera processing centres in the major districts.)

Thus in view of the immense potential it offers, Neera production may be permitted to be undertaken by CPS/CPF and Producer Companies in the state by amending the Karnataka Excise Act, 1965. There is a need for organizing trainings for developing Neera technicians from the unemployed youth in the rural areas of Karnataka. State Government support is solicited for extending resources for conducting trainings for Neera technicians and developing this “Green Collar Job” professionals.

Marketing Division
Coconut Development Board

Annexure 1 - Nutritional Composition of Neera

Total solids (g/100 ml)	15.2-19.7
pH	3.9-4.7
Specific gravity	1.058-1.077
Total sugars(g/100 ml)	14.40
Original reducing sugars(g/100 ml)	5.58
Total reducing sugars (g/100 ml)	9.85
Total ash(g/100 ml)	0.11-0.41
Citric acid (g/100 ml)	0.50
Alcohol in %	nil
Iron (g/100 ml)	0.15
Phosphorus (g/100 ml)	7.59
Ascorbic acid (mg/100 ml)	16-30
Total protein (g/100 ml)	0.23-0.32

Source : CFTRI