

Desiccated coconut powder is one of the most traded coconut products in the international market following coconut oil and copra. Desiccated coconut powder is used world over in cookies, biscuits and other bakery products. Presently around six lakh metric tonnes of desiccated coconut powder is being produced worldwide. Philippines tops the list in the production of desiccated coconut powder followed by India, Indonesia and Sri Lanka. However, India is nowhere seen in the list of major exporters of desiccated coconut powder. Philippines, Indonesia, Sri Lanka and Vietnam are the major exporters of the product. The production and export details of major producers of desiccated coconut powder are given in table 1.

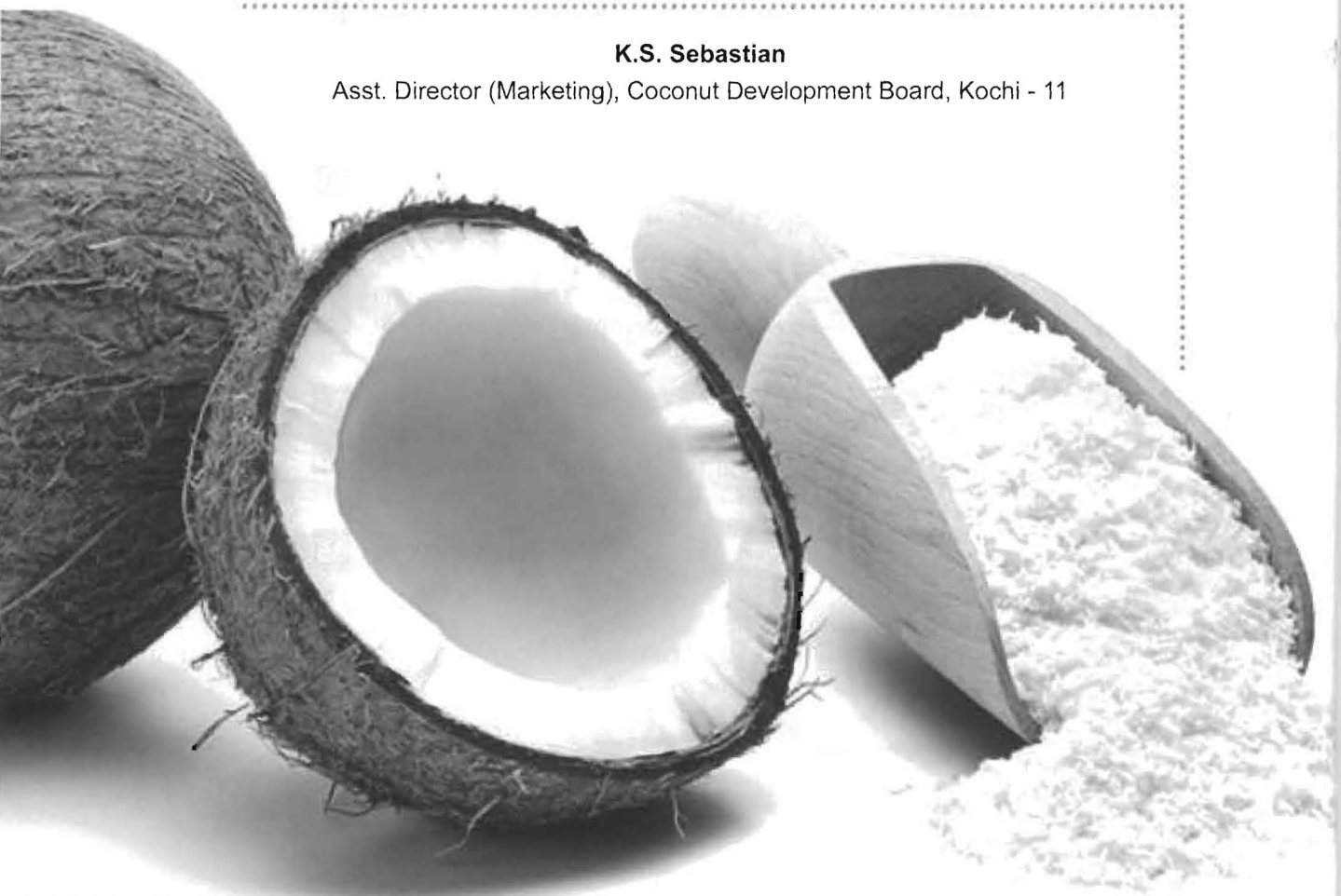
Table 1: Major Desiccated Coconut Producing Countries and their contribution to export

Country	Production (in lakh MT)	Production (in %)	Export (in lakh MT)	Export (in %)
Philippines	1.50	25.00	1.20	27.27
Indonesia	0.95	15.83	0.90	20.45
Sri Lanka	0.55	9.17	0.50	11.36
Vietnam	0.45	7.50	0.40	9.09
Ivory Coast	0.40	6.67	0.30	6.82
Dominican Republic	0.35	5.83	0.30	6.82
India	1.00	16.67	0.05	1.14
Others	0.80	13.33	0.75	17.05
Total	6.00	100.00	4.40	100.00

Quantum leap in Desiccated Coconut Powder export

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Daily consumption of
desiccated coconut yields
better health
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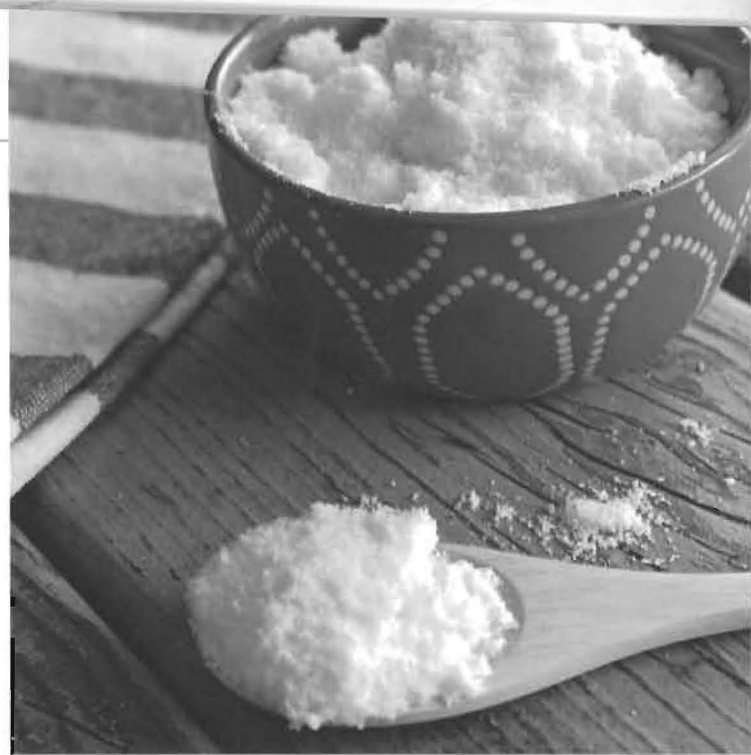


Table 2: Major Desiccated Coconut Powder Importing Countries

Sl. No.	Country	Domestic Demand (In lakh MT)
1	USA	0.50
2	Brazil	0.25
3	Singapore	0.25
4	Germany	0.15
5	Turkey	0.15
6	Britain	0.15
7	Russia	0.15
8	Belgium	0.10
9	Netherlands	0.10
10	Holland	0.10
11	Spain	0.10
12	Canada	0.10
13	Australia	0.10
14	Pakistan	0.10
15	UAE	0.10
16	Egypt	0.10
17	Iran	0.10
18	Others	1.80
	Total	4.40

Largest importers of desiccated coconut powder are USA, Brazil, Singapore, Germany, Turkey, Britain and Russia. Egypt, Iran, UAE, Pakistan and almost all the European nations also import desiccated coconut powder of sizable quantities. The current domestic demand of desiccated coconut powder in major importing countries is provided in table 2.

There are currently over 150 desiccated coconut powder production units in India. Of which around 100 are located in Karnataka. The total production capacity of all the production units in India would come around one lakh metric tonnes. Due to the huge

domestic demand and attractive domestic price,

The major desiccated coconut powder exporters from India:

- Vittal Agro Industries, Kanhangad, Kasargod, Kerala
- Srihari Industries, Bikaner, Rajasthan
- PSS Varadarajan and Sons, Tripunithura, Ernakulam, Kerala.
- South Indian Industries, Kozhikode
- Sri Krishna Coconut Producer Company, Dindigul, Tamil Nadu
- Super Coco Company, Pollachi, Tamil Nadu
- Trident Creation, Andheri, Mumbai

desiccated coconut powder producers hadn't paid much attention to the export market. This is one of the main reasons why India lags behind in the export of desiccated coconut powder. We can see that till 2015-16 our exports had been well below 5000 metric tonnes. But however in the following year 2016-17 we were able to quadruple the earlier amount that is to around 20000 metric tonnes.

India is one of the largest consumers of desiccated coconut powder. Desiccated powder is widely used across India and is high in demand wherever the availability of fresh coconut is limited viz. in North India and North East India.

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Table 3
Major countries importing Desiccated Coconut Powder from India

Sl. No.	Country	Quantity (in MT)
1	U.A.E	5600
2	Egypt	2300
3	Iran	2000
4	Brazil	1900
5	Saudi Arabia	1700
6	USA	1150
7	Spain	1050
8	Kuwait	700
9	Poland	600
10	Qatar	550
11	Yemen	300
12	South Africa	300
13	France	200
14	Ukraine	200
15	Morocco	200
16	Bahrain	200
17	Nepal	150
18	Algeria	150
19	Turkey	100
20	Israel	100
21	Belgium	100
22	Other Countries	1450
22	Total	21000



Duty Drawback Scheme to continue under GST

As a relief to exporters, the government has announced that the duty drawback scheme would continue under GST (Goods and Services Tax). "Drawback scheme continues under GST. Existing rates of drawback to continue with minor changes for three months (1.7.17-30.9.17)," the Central Board of Excise and Customs (CBEC) has said.

domestic market, price dominates over quality, almost none of the producers of desiccated coconut powder cared much about quality standards till recently. Besides our products did not conform to international quality standards there were fewer trade enquiries from other countries. However currently winds of change have blown in this sector. This is mainly because of the commissioning of over a dozen new desiccated coconut powder units and the importance they give to quality. In the year 2016-17 our products have been increasingly exported to US and European markets. The details and lists of countries to which desiccated coconut powder imported is given in table 3.

If the domestic price of raw material is not undergoing unprecedented spurt, the growth in export would sustain in the coming years. In the year 2020-21 the export of desiccated coconut powder is expected to reach a whopping 50000 metric tonnes. The expected growth in export of desiccated coconut product is given in table 4.

Year	Export (in MT)
2017-18	25,000
2018-19	32,000
2019-20	40,000
2020-21	50,000

Large number of processing units which have an eye on the increasing domestic and export demand are expected to come up in the coming years.

The financial support from Technology Mission on Coconut, export incentive schemes of Government of India and efforts of Coconut Development Board to find new markets will surely bring new entrepreneurs to the desiccated coconut powder sector.

Export Promotion Activities

Government of India is providing export incentive to boost India's exports under Foreign Trade Policy 2015-20. Entrepreneurs are entitled to receive the following incentives for export of desiccated coconut powder.

(1) Merchandise Exports from India Scheme (MEIS): Under the MEIS scheme, the Government of India provides incentive for exporting notified goods/products to notified markets.

(2) Duty Drawback Scheme: Duty Drawback has been one of the popular and principal methods of encouraging export. It is a method of refund of custom duties paid on the inputs or raw materials and service tax paid on the input services used in the manufacture of export goods.

Details of export incentive applicable to export of desiccated coconut powder is stated in table 5.

ITC HS Code	08011100
Products	Desiccated coconut
MEIS benefits in percentage of FOB Value	5
Duty Drawback Scheme benefit in percentage of FOB Value	1