

# A Glimpse at the Global Coconut Scenario

I took a moment to reflect even on my own upbringing on a coconut farm from childhood as I took this glimpse at the scenario unfolding on the coconut horizon as a new day dawning urged on by the rising sun bringing hope for another new day as many millions of families rise to the routine day under the coconut trees in farms, hamlets and villages across the coconut communities in Asia Pacific. To others it may be a business, vocation, a job or work you have to do but to many millions of families it is now a lifestyle, culture or tradition from the last generation and many children of tomorrow are being borne into this life which, we are all beginning to term as 'coconut culture'. This brings about the conviction to do ones best efforts to ensure sustainability and increased resiliency for both the farmers and their farms.

Confidence in the coconut as the "Tree of Life" is recognised and

expressed by many old and modern times in many different ways. According to Mahatma Gandhi, coconut blossom sugar provides a way to solve the world's poverty, as an antidote against misery:

*"The juice of the coconut tree can be transformed into a sugar as soft as honey... Nature created this product such that it could not be processed in factories. Palm sugar can only be produced in palm tree habitats. Local populations can easily turn the nectar into coconut blossom sugar. It is a way to solve the world's poverty. It is also an antidote against misery."* (Mahatma Gandhi, 3rd May 1939).

In another setting I reflect on the words of the President of Coconut Growers Association of Sri Lanka on the occasion of the 46<sup>th</sup> APCC COCOTECH Conference, "it is mind-boggling how, almost overnight, the global market



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demand has increased so dramatically for the coconut, its products and by products..." I also remember the words of veteran politician cum coconut farmer and longest serving member of Parliament in the Commonwealth States, Honourable La Mamae Ropate Mualia, Minister for Agriculture & Fisheries of Samoa "during the evening as I lay down to rest I can count my dollars by the number of mature nuts I hear falling to the ground on my farm". These are a few of the many expressed statements that sum up the profound potential and greatness of coconut.

It is wise as coconut stakeholders to focus on our strengths, the positive trends and sustainable outcomes as we collectively share our visions, mission and goals for the development of the coconut sector going forward. When we unite in our efforts, the burden of our challenges becomes manageable and our objectives and outputs are achievable.

The coconut sector is maturing in many ways nationally and internationally through the APCC network. The sector recognises and therefore making genuine efforts in addressing the key challenges that include:



- Emerging pests and disease seriously affecting coconut production and productivity;
- Drastic effects of climate change on coconut tree population, productivity and socio-economic wellbeing of farmers;
- Declining production of coconuts due to senility of palms which could be further prolonged as a result of inadequate in-country replanting programs; and
- Availability of planting material in the form of high quality seed nuts and seedlings would be insufficient to meet the planting requirement in most countries.

Many countries look towards examples set by leading producers like India and Philippines to learn and improve their position on managing the negative environmental and biological impacts on coconut caused by pests, diseases and also due to adverse climate changes. Farmers however continue their best efforts of planting coconuts utilising local material available as researchers continue to seek more elite planting material to give farmers.

The positive market outlook continues for all products of coconut:

- Copra prices over the last month in Indonesia, Philippines and Sri Lanka varied between US\$770 and US\$819 per metric tonne whilst domestic prices in India were over US\$1,200 per metric tonne; Coconut Oil prices for CIF Rotterdam remained at reasonable levels of around US\$1,300 per metric tonne; Copra Meal prices averaged at US\$299 per metric tonne.
- Dessicated Coconut market remained high around large producing countries in the Philippines, Sri Lanka and Indonesia averaging at



US\$2,500 per metric tones;

- Coir fibre market varied between by products from US\$200 for mattress/short fibre to Bristle 2 Tie at US\$620 and Mixed Raw Fibre in Indonesia at US\$375.
- In Sri Lanka Coconut Shell Charcoal prices were high at US\$390MT and that of Activated Carbon high at US\$2,000 compared to lower prices in the Philippines and Indonesia who are the other two major producers.

The challenge facing suppliers of both the traditional and non-traditional products of coconut is not being able to meet the volumes required now by the global market. This is caused by inadequate and inconsistent supply of raw material from coconut growers of which smallholders are attributed with 80%-90% of coconut production.

On the occasion of commemorating of the 16<sup>th</sup> World Coconut Day on 2<sup>nd</sup> September, we are reminded that it was the Governments of India, Indonesia and Philippines that were the foundational signatures to the United Nations instrument on 12 December 1968 for the establishment of the Asian and Pacific Coconut

Community for endoresment by the United Nations in 1969 under the then Economic Commision for Asia and the Far East (ECAFE) which has evolved now to the Economic and Social Commission for Asian and Pacific (ESCAP).

Today the full membership of APCC include the Asian countries viz. India, Indonesia, Malaysia, Philippines, Sri Lanka, Thailand, Vietnam and the Pacific countries of the Federated States of Micronesia, Fiji, Kiribati, Marshsall Islands, Papua New Guinea, Samoa, Solomon Islands, Tonga and Vanuatu. Associate Members include the nations of Kenya and Jamaica. Communication and dialogue for new membership within the Asia Pacific region is starting again with the Governments of Maldives, Timor Leste, China, Cambodia and Myanmar in Asia and Nauru, Tuvalu and Cook Islands in the Pacific. Prospects for new associate members is commencing with Trinidad & Tobago, Brazil and Mexico in South America and with Tanzania, Mozambique and 'Cote D'ivoire in Africa. The rationale for increased membership is that larger networking of coconut producing countries synergizes collective knowledge, experience, technologies and innovations to

pursue greater inclusive and sustainable growth of the coconut sector.

Only in the last 10 years, the private sector and industry has seen growth in six digits numbers in monetary value by the coconut and coconut products as new scientific knowledge and improved technology is applied in both the process and type of machinery and equipment developed for greater efficiency and effectiveness in meeting quality standards of the various products for the global market.

In the recent months, coconut water craze has entered into large populous markets such as China and recently in Japan apart from the large Western markets in USA, Brazil, Canada, Europe and through to New Zealand and Australia. Virgin coconut oil consumption has risen sharply in the last 5 years globally with more awareness on the health benefits of the products as indicated by positive market trends for VCO. These non-traditional products of coconut are the new impact lines the coconut world will view as the improved products emerge on the global scene. The greater benefit would be seen at farm level as many processing centres are placed as close as possible to the points of origin where increasing efforts would be made to maximise the economic benefits to the growers of coconut.

Advanced Asian coconut nations are encouraged to develop structured training programs in collaboration with APCC to acquaint our farmers, government officers and private sector operators to increase coconut plantings around the world. It is imperative that sustainable development and growth of the sector is to be better expected with trained people working amongst

farmers offering technical expertise and assistance to increase and improve the capability of farms and farmers to meet the fastest growing world demand for good coconuts. International certificates and diploma courses would be developed in the future to produce technically competent people for the holistic development of the coconut sector.

Over the last decade, the coconut sector in India has developed quite rapidly beginning with the growth of institutional capacity in important organisations such as the Coconut Development Board and the Coir Board of India with their related organisations. The mobilisation of growers at farm level and through marketing cooperatives is also an important ingredient for sustainable development as the absorption of new knowledge and technology by growers and producers is maximised in an organised and structured setting. New innovative programs involving youth and women improves implementation of many programs instituted for the development of coconut.

Manufacturers of machinery and equipment in India have contributed a lot to the development of virgin coconut oil and desiccated coconut industry apart from the traditional crude coconut oil production. A good number of machinery and equipment from India has been sold to and established by processors of coconut products throughout the Asia and Pacific region.

APCC Session/Ministerial Meeting will be held at Coimbatore in India during January 2015 under the Chairmanship of India at which it is expected for a number of important policy decisions would be effected to increase connectivity through technology transfer, training

opportunities and knowledge sharing amongst the APCC member countries for which the UNESCAP themed at its 70th Session in Bangkok as "Regional Connectivity for Shared Prosperity" going forward.

We look forward to the proposed international collaboration on the important clinical studies on the health benefits of coconut hopefully to be led by the medical institutes in India that have offered their facilities with the existing capacity to conduct such a study.

The important message to our coconut farmers is to continue to replace old and senile coconut palms, plant new coconut lands and improve viability of farms through improved farming practices including intercropping with economic crops as well as production of small livestock. Life under a coconut tree needs to become an increasingly exciting, healthy and profitable life. This life needs to attract our young generation to easily chose to go back to the farms not only as a viable business proposition but a better way of life. The future for coconut is promising, progressive and positive.

My hearty congratulations go to the Government, Coconut Development Board and Coconut Farmers of India for the excellent and eventful commemoration of the Tree of Life during World Coconut Day on 2nd September. When we plant a coconut it is one step towards sustaining the livelihood for the next generation of our people as the Minister for Agriculture from the small Pacific island nation of Kiribati once quoted the Chinese proverb that "if you give a man a coconut, you feed him for a day but if you teach a man to plant coconut, you feed him for a lifetime."