



Indian export scenario of coconut and coconut products

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Indonesia, India and Philippines together account for about 74% of the world production of coconut, share of each varying between 15.7 to 16.5 billion nuts. India being one of the leading coconut producers at the global level, performance of the country in the export front of coconut and coconut products is quite dismal. India is in the bottom most rung in the export of fresh coconuts, copra, desiccated coconut, coconut oil and copra meal. Many of the countries whose production figures are just one tenth or one fifth of India could figure prominently in the export of coconut products. The country is having world class research institutions, a huge domestic market, a highly favourable demographic factor, and above all the availability of raw material, coconut. Technology for production of new value added coconut products is indigenously available. It is just baffling that why India is lagging behind other small coconut growing countries in the export sector. One of the reasons could be the comparatively high domestic price prevailing in India. But during the past two – three years, price of coconuts in the country

was at the lowest level, with the result that Government has to take measures to protect the interest of the farmers. All the above facts point to some of the aspects of production system of coconut products. It is to be ascertained that whether our processing units possess the capability to produce products which meet the international standards and can compete with products emanating from other countries. It needs to be studied that the standards and efficiency of the plant and machinery used in India and the technology could produce cost effective products which meet the quality standards and which can compete in the foreign markets. Mere incentives for exports of coconut products will not be enough for enhancing export without giving proper attention to quality standards and cost effectiveness.

Global Coconut Scenario

The major coconut products which are being exported are coconut oil, copra, fresh coconuts, copra meal, desiccated coconut powder, coconut shell charcoal, activated carbon and coir & coir products. The major exporters of these products are Philippines,

Indonesia, Sri Lanka, Malaysia and Thailand. In comparison to the consumption pattern of coconut in other coconut growing countries, the domestic demand for coconut and its products are very high.

As seen from the table 2 Sri Lanka with an annual production of 2.85 billion nuts could export 59199 MT of fresh coconuts, India with more than 5 times the production of Sri Lanka could export only 6815 MT, just one ninth of the quantity exported by Sri Lanka. Even Mexico with a production level less than one tenth of that of India, exported 9964 MT, about 50% more than that of India. Countries with lesser production have significant exportable surplus, compared to India.

Export figures of copra (Table-3) indicate that countries such as Solomon Islands and Papua New Guinea with far behind in production of coconut to that of India could export comparatively higher quantities than India. The reason may be attributed to huge demand for copra by the coconut oil extraction industry in India.

As in the case of export of coconut and copra, in the export of coconut oil also, India lags far behind even to Malaysia with

Table - 1. Major coconut producing countries

Country	Production (in million nuts)	Percentage contribution
Indonesia	16,498	25.44
India	15,730	24.26
Philippines	15,668	24.16
Brazil	3,289	5.07
Sri Lanka	2,853	4.40
Papua New Guinea	1,495	2.31
Mexico	1,402	2.16
Thailand	1,104	1.70
Vietnam	813	1.25
Tanzania	401	0.62
Malaysia	379	0.58
Other Countries	5,218	8.05
Total	64850	100.00

production of coconut less than 3% of India. An analysis of value of production and export income from coconut products shows that the competitiveness of coconut industry is determined by coconut oil. Around 60% of the value of total world exports of all coconut products is accounted by coconut oil. Coconut oil sustains coconut cultivation to a great extent. In India the production of coconut oil depends almost completely on the production of copra. The percentage of coconut production diverted for production of copra is

lesser in India when compared to other coconut growing countries. Apart from that overall shortage of vegetable oils in India is one of the main reasons affecting the export of coconut oil.

Export of Desiccated Coconut Powder from India is meager 2173 MT(2009). Philippines tops the list with an export of 1.16 lakh MT closely followed by Indonesia to the extent of around 47000 MT. Sri Lanka with one sixth of the production of coconuts of India

exported around 40000 MT of desiccated coconut powder in 2009. It is every interesting to note that countries such as Dominican Republic and Ivory Coast whose production levels are less than 3% of the production of India could export 15 to 20000 MT per year.

Table 8.

Country	Export value (in '000 US \$)
Philippines	884,022
Indonesia	578,972
Sri Lanka	253,010 (78,365*)
India	178,217 (115,506*)
Malaysia	151,558

*Export value of coir and coir products

Domestic Scenario

Barring coir and coir products, the export of coconut products from the country was below Rs.300 crores till recently. This was mainly because of the high domestic demand for kernel products resulting in prices of kernel products ruling above the international prices most of the

Table-2. Export of coconut products

Country	2007		2008		2009	
	Quantity	Percentage	Quantity	Percentage	Quantity	Percentage
Indonesia	8693	10.97	42839	31.40	72818	42.66
Srilanka	45763	57.73	38284	28.06	59199	34.68
Mexico	9550	12.05	8613	6.31	9964	5.84
India	1043	1.32	2838	2.08	6815	3.99
Malaysia	8488	10.71	5735	4.20	4149	2.43
Thailand	2129	2.69	332	0.24	1937	1.13
Others	3605	5.55	37795	27.70	15818	9.27
Total	79271	100.00	136436	100.00	170700	100.00

Table-3. Exports of Copra (Quantity in MT)

Country	2007		2008		2009	
	Quantity	Percentage	Quantity	Percentage	Quantity	Percentage
Indonesia	46920	36.29	26110	18.22	39517	34.51
Solomon Islands	19302	14.93	41810	29.18	21292	18.59
Papua New Guinea	16652	12.88	32659	22.79	17491	15.27
India	1357	1.05	1671	1.17	13578	11.86
Srilanka	14058	10.87	13314	9.29	8592	7.50
Malaysia	4000	3.09	4500	3.14	4600	4.02
Others	27019	20.90	23219	16.20		8.25
Total	129308	100.00	143283	100.00	114516	100.00

Table-4. Export of Coconut Oil (Quantity in MT)

Country	2007		2008		2009	
	Quantity	Percentage	Quantity	Percentage	Quantity	Percentage
Philippines	886561	41.21	847626	40.48	826237	45.99
Indonesia	739923	34.40	649255	31.01	570311	31.74
Malaysia	139821	6.50	134725	6.43	128855	7.17
Papua New Guinea	56100	2.61	64525	3.08	35648	1.98
Thailand	4399	0.20	48312	2.31	17886	1.00
India	3677	0.17	6817	0.33	9855	0.55
Vanuatu	2600	0.12	11500	0.55	5800	0.32
Fiji	5503	0.26	6152	0.29	4423	0.25
Others	312567	14.53	324790	15.51	197634	11.00
Total	2151151	100.00	2093702	100.00	1796649	100.00

Table-5. Export of Copra Meal (Quantity in MT)

Country	2007		2008		2009	
	Quantity	Percentage	Quantity	Percentage	Quantity	Percentage
Philippines	422889	52.36	435244	58.86	399782	61.19
Indonesia	323288	40.03	247022	33.40	209035	32.00
Sri Lanka	8114	1.00	5046	0.68	20007	3.06
Papua New Guinea	22127	2.74	27452	3.71	14895	2.28
Malaysia	5062	0.63	3964	0.54	3011	0.46
Thailand	174	0.02	1054	0.14	1326	0.20
Others	26019	3.22	19706	2.66	5268	0.81
Total	807673	100.00	739488	100.00	653324	100.00

Table-6. Export of Desiccated Coconut Powder (Quantity in MT)

Country	2007		2008		2009	
	Quantity	Percentage	Quantity	Percentage	Quantity	Percentage
Philippines	130673	39.14	147626	39.84	116421	35.80
Indonesia	59884	17.94	57689	15.57	46699	14.36
Sri Lanka	45393	13.60	36248	9.78	38651	11.89
Malaysia	8268	2.48	6599	1.78	9448	2.91
Ivory Cost	17390	5.21	17522	4.73	19661	6.05
Dominican Republic	-	0.00	7156	1.93	15115	4.65
India	312	0.09	1455	0.39	2173	0.67
Others	71924	21.54	96245	25.97	77026	23.69
Total	333844	100.00	370540	100.00	325194	100.00

Table 7. Export of Activated Carbon (Quantity in MT)

Country	2007		2008		2009	
	Quantity	Percentage	Quantity	Percentage	Quantity	Percentage
Indonesia	26325	26.06	24478	18.46	22741	26.71
Philippines	30474	30.17	20259	23.56	20027	23.52
Malaysia	17039	16.87	15071	17.52	17730	20.82
Sri Lanka	17880	17.70	17388	20.22	17635	20.71
Thailand	9303	9.21	8806	10.24	7023	8.25
India	N.R.		N.R		N.R	
Total	101021	100.00	86002	100.00	85156	100.00

N.R.-Not reported

times. This has negatively impacted the efforts of value addition and by product utilization during the last decade. Though there exist research institutions of international repute in the country for developing food products, their services could not be fully utilized owing to their other priorities. However in late nineties in collaboration with research institutions like CFTRI and DFRL the Board could develop value added products. These products are slowly catching up the export market also.

Incentives made under the scheme Technology Mission on Coconut (TMO) has accentuated the efforts of the Board in value addition and by product utilization in the coconut sector. Under the scheme 164 coconut processing units with infrastructure facilities worth 152.43 crores for processing 1216 million nuts per year have been established. Nine tender coconut packing units having capacity to process 36 million nuts per year and 13 activated carbon units with a capacity to produce 30,000MT per annum have been established under the scheme. All these efforts have helped in enhancing market potential for coconut products both in domestic and international markets.

Decision of the Government of

India in 2009 to designate Coconut Development Board as Export Promotion Council(EPC) for coconut and coconut products except those from coir and coir products have also helped the Board to pay more attention to the export promotion activities which was hitherto attended by other EPCs such as APEDA, CHEMEXCIL etc. On being designated as EPC, the Board is issuing Registration-Cum-Membership Certificates to exporters, securing benefits under various schemes, facilitating participation in International Trade Fairs, disseminating important

trade information, and providing data on the exports and imports of the country.

The Board could also impress upon the Government of India and secure reliefs and concessions for boosting exports of coconut products under various schemes.

As a result of the concerted efforts, the export of coconut products have registered a significant growth from 2009-10.

The coconut export sector shows signs of improvement. It is felt that the growth could be accelerated further, if proper

Coconut Development Board designated as Export Promotion Council

Department of Commerce, Ministry of Commerce and Industry, Government of India has notified Coconut Development Board as an Export Promotion Council(EPC) for all coconut products other than those made from coconut husk and fibre vide Public Notice No.169 (RE-2008)/2004-2009 New Delhi dated the 1st April 2009 . In pursuance of the above notification coconut products such as coconut water based products, raw coconuts, coconut oil, dry coconuts, ball copra, cut copra, medicated

coconut oil, coconut oil based hair/massage oils, virgin coconut oil, coconut based convenience foods, Coconut shell, Coconut shell powder, coconut shell charcoal, coconut shell based activated carbon, coconut shell buttons, handicrafts made out of coconut shell and parts of coconut tree, coconut wood furniture etc. fall within the jurisdiction of the Coconut Development Board. The EPC of the Board has so far issued Registration cum Membership Certificate to 550 exporters from different States.

Table 9. Export of Coconut Products from India (Qty in Tonnes, Value Rs.in Lakhs)

Sl No	Item	2008-2009		2009-2010		2010-2011	
		Qty	Value	Qty	Value	Qty	Value
1	Coconuts (fresh)	6814.48	937.99	13621.03	1889.81	15751.89	2267.77
2	Coconuts(dried)	1787.06	618.68	2957.56	1119.16	3889.62	1342.99
3	Desiccated coconut	2173.29	458.88	2050.06	464.16	900.00	950.00
4	Other coconuts excluding fresh / dried	8007.78	1882.62	8822.87	2567.44	10960.17	3080.93
5	Coconut oil (crude)	-	-	14.13	16.05	30.17	19.26
6	Coconut oil (refined)	9854.58	5841.23	5066.85	3986.90	5840.00	6130.00
7	Other residues of coconut or Copra	123.00	18.56	271.14	44.33	1056.67	53.20
8	Oilcake (Solvent/expellers)	76.50	9.89	346.00	41.40	213.77	49.68
9	Coconut shell (raw)	1164.55	183.19	1986.28	304.00	1870.35	364.80
10	Shell charcoal	17279	2449.39	39938.00	2429.53	15522.78	2915.44
11	Copra	13578	5580.07	22997.16	9113.03	29625.03	10935.64
12	Coconut Shell based Activated Carbon*	26000	15000.00	36855.21	21262.62	38712.12	25550.00
Total		32980.50		43238.43		53659.71	

incentives are provided. Though the coconut oil is eligible for VKGUY benefits at the rate 5% of FOB value, due to ban on export of edible oil, the benefit is not extended to coconut oil exporters. In the Middle East, USA, European.

During the last year and the first half of the current year large quantities of copra were exported to Pakistan and Bangladesh. Huge quantities of copra is being exported to Pakistan through road also, which seldom reflect in the export figures. Copra is deprived of the benefits of coconut, which is presently enjoying VKGUY benefit of 5% of the FOB value. At present 2% of the Focus Product Scheme benefit is only eligible for copra. If VKGUY benefit is extended to coconut oil and copra, export could be increased considerably.

The activated carbon, which is second only to coir & coir products in export earnings is presently not getting any export incentives except Focus Market Scheme (FMS) benefits. Though it is a value added product from the by product of an agricultural produce viz. coconut shell, it is categorized as miscellaneous chemical and denied benefits offered to agricultural products.

Despite this, India is now emerged as the leading exporter of activated carbon. However because of non availability of quality shell charcoal at reasonable price the industry is now reported to be facing crisis which is expected to be persist for some more time. Over a period of two years the raw material (shell charcoal) price has almost tripled, whereas the price of finished product has only marginally

increased. It is learnt that all the leading exporters in the country have enough export orders, but they may not honour the orders owing to shortage of raw material. During the last two years, export of activated carbon witnessed an annual increase of 20% in volume.

At present medicated coconut oil, coconut oil based soaps etc. are not categorized as coconut products and as such export earnings are not figured in the total export of coconut products.

Opportunities exist in the export sector for coconut and coconut based products. To exploit these opportunities for increasing our exports the bottle necks have to be over come by concerted efforts of the Coconut Development Board, Processing Units and Government of India. This is the need of the hour.

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