

Prospects of Value Added Coconut Products in the Pacific Region

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The Pacific region is endowed with tremendous coconut based resources. The agro-climatic condition in the Pacific region is highly suitable to growing coconuts. Adverse conditions can lead to reduction in yields in certain periods of time lasting for two or more years but the coconut palms are so resilient to stresses due to climate change like draught, cyclones and flooding that they remain as the dominant crop in the Pacific landscape.

Because of under utilization and low prices, the Pacific region has a surplus of raw materials including unharvested or uncollected nuts. Due to their remote locations and poor infrastructure facilities, many areas are not readily accessible. Under these circumstances, many fallen mature nuts are just left in the fields or in the bushes. It is obvious that the main motivation to harvest, collect or gather coconuts in the field is price. If the price of whole nuts or copra increases, the farmers and their household members respond positively and collect or gather the nuts for the market. Copra and to some extent, crude coconut oil are still the main products that are traded in the Pacific region. There is very little value-addition and the Pacific region is viewed mainly as a source of raw materials. This makes the region vulnerable to the fluctuations of prices of vegetable

oils in the global fats and oils market. Price volatilities in the last decades have left the small coconut farm holders to remain poor due to very low prices of copra. Copra production has in many instances, become unprofitable or non-competitive.

There is therefore the challenge to move away from copra and add value to the coconut products. The processing of value-added coconut products and their exports in the Pacific region is influenced by several cross cutting issues. These include the availability of infrastructure and logistic services, appropriate technology and good management practices, competitiveness, and market development, both at the domestic level and in niche markets outside the country, among others. While the raw materials in the Pacific region are comparatively low priced, attention must be given to ensure that the value-added products coming from the Pacific region must be competitive to those of other coconut producing countries in Asia. This suggests that to be sustainable, refined, bleached and deodorized (RBD) cooking oil to be produced from copra and crude coconut oil must be competitive with the much lower priced imports and competing products like palm oil, soybean oil, canola oil and others.

The way forward may be in specialty virgin coconut oil (VCO)

and its derivative products for niche markets in New Zealand, Australia, USA and Europe including the domestic market. Certified organic VCO and VCO-based products from Women in Business in Samoa, Pure Fiji Ltd in Fiji, Kokonut Pasifik in the Solomon Islands, Wainyaku Estate in Taveuni Fiji are good examples of successful initiatives in value-added coconut products for niche markets. The local market must likewise be developed and domestic utilization of coconut products must be vigorously promoted. Although there may be some opportunities to explore desiccated coconut, coconut milk, coconut sap sugar, coconut vinegar, coconut shell charcoal briquettes and coconut shell charcoal-based activated carbon including coir products and coconut timber and wood processing, as well as coconut biodiesel projects, investments in these areas have to be thoroughly evaluated and location-specific project feasibility studies must be conducted to ensure competitiveness and sustainability. The need to scale up existing coconut processing ventures in the Pacific region should also be given attention to ensure economies-of-scale, efficiency, better quality control, profitability and long-term sustainability.

(Source: The Cocommunity)