

PROSPECTS OF THE COCONUT INDUSTRY IN THAILAND

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In the past, coconut used to be a leading economic crop of Thailand with a score of coconut oil factories, and was able to export the oil to the US, Europe and several other countries around the globe. However, almost 40 years ago, coconut oil and coconut milk, in which the Thais as well as other people around the world have been using for a long time without any ill effect to the health, have been blamed by the American Soybean Association (ASA) on grounds that coconut oil contains saturated fatty acids with high cholesterol believed to be the cause of heart disease and obesity.

ASA therefore recommended the people all over the world to switch to soybean oil. This has triggered a long wave of action, especially our Thai nutritionists and medical doctors, who made a campaign to stop using coconut oil and coconut milk. Soon after that, Thai people have been significantly affected with heart disease, cancer, diabetes, and a host of other degenerative diseases.

In recent years, research results on coconut oil have been conclusive that coconut oil is definitely not the cause of heart disease nor any other degenerative diseases. In fact it is good for health of the people, as has been proven by our forefathers from time immemorial. In a nutshell, coconut oil is good for health because it contains:

(1) saturated fatty acids that does not allow oxidation and hydrogenation - the



Various Value Added Coconut Products from Thailand

cause of free radicals and trans fats, respectively, which are the major causes of all degenerative diseases,

- (2) medium-chain fatty acids that, having a small molecule, can travel fast, and end up in the liver and are converted into energy rather than deposit as fats in the body,
- (3) antimicrobial agents that destroy pathogenic microorganisms, and
- (4) antioxidants that prevent oxidation from occurring.

However, Thai doctors and nutritionists are still hanging around the old believe of their predecessors that coconut oil

and coconut milk are dangerous to health. Even though they are, according to the Thai sayings about coconut, 'the cream of the coconut' (a person who is exceptional), they behave as 'a frog under the coconut shell' (a person who thinks he is brilliant enough such that he does not want to know more about other new knowledge). Consequently, they refuse to know about new findings of the coconut oil that it is not the cause of heart disease, but the best oil in the world for health and beauty.

Due to the belief that coconut oil and coconut milk are dangerous to health, most

people in Thailand avoid consuming them, resulting in less demand of the coconut fruit such that its price has been very low. However, with the shortage of coconut fruits from August 2010 to the present (June 2011), coconut price sky-rocketed several times, from about 5-8 Baht to 25.5 Baht (as of 7 March 2011). Such price provides an incentive to the Thai coconut growers, many of whom were so depressed such that they wanted to cut down their coconut palms and replanted with other higher income plants such as rubber and oil palm. Now that the price of the coconut fruit is much higher than the past several months, and most likely to remain as such for a long time, it is a good sign that the coconut growers will take good care of their coconut palms, replanting to replace the dead ones, or plant more in the new areas.

If the net income per Rai per year of the three economic crops, namely, rubber, oil palm and coconut are compared, based on their prices on 7 March 2011, the net income of coconut is

Table 1. Number of plant per Rai, duration to first harvest and harvesting cycle of rubber, oil palm and coconut.

Crop	No. of plants/Rai	Duration to first harvest	Harvesting cycle
Rubber ^{1/}	80	6 years	30 years
Oil palm ^{2/}	22	2 years 8 months	20 years
Coconut ^{3/}	22-25	4 years 8 months	100 years

Sources:

^{1/} Rubber Research Institute

^{2/} www.farmkaset.org/contents/default.aspx

^{3/} Chumphon Agricultural Cooperatives and www.thaigoodview.com

twice that of rubber and thrice that of oil palm, as shown in Tables 1-3.

Table 3. Comparative summary of coconut vs rubber and oil palm (based on Tables 1&2)

- ❖ Investment per Rai in the first year: 2 times less than rubber, 1.3 times less than oil palm.
- ❖ Maintenance cost: 5 times less than rubber, 3 times less than oil palm.
- ❖ Harvesting cycle: 3.3 times longer than rubber, 5 times longer than oil palm.
- ❖ Net income: 2 times

higher than rubber, 3 times higher than oil palm.

Other Benefits of Coconut:

The following benefits can be visualized:

- ❖ The demand is increasing after its merit has been recognized by the public.
- ❖ Even though the price per fruit is reduced to 15 Baht, net income would still be 30,000 Baht/Rai/year, which is higher than those of rubber and oil palm.
- ❖ There is less problem on labour, particularly on harvesting.
- ❖ Better tolerant to drought than rubber and oil palm.
- ❖ Able to withstand poor soil condition than rubber and oil palm.

Table 2. Net income per Rai per year of rubber, oil palm and coconut.

Crop	Investment (Baht – 1 st year)	Maintenance cost (Baht/year)	Yield (per year)	Price* (Baht/unit)	Gross income (Baht/year)	Net income (Baht/year)
Rubber	12,000	6,000	317 kg	159.25/kg	50,482	24,289**
Oil palm	8,000	3,200	3,000 kg	7.00/kg	21,000	17,800
Coconut	6,270	1,150	2,000 fruits	25.50/fruit	51,000	49,450

* Price on 7 March 2011

** Income is deducted by 6,000 Baht for maintenance cost and tapping cost (40% of gross income)

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