

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 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



Table 1. Major Coconut Producing Countries

| Country | Production (in million nuts) | Percentage Contribution |
|------------------|------------------------------|-------------------------|
| Indonesia | 16,498 | 25.44 |
| India | 15,730 | 24.26 |
| Philippine | 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 | 64,850 | 100.00 |

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 the Government has to take measures to protect the interest of farmers.

All the above facts point to some of the aspect 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. More 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 countries, the domestic demand for coconut and its products are very high.

As seen from 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 the production of Sri Lanka 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. Country 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.

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 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. 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

Table 2. Export of Coconut Products

| Country | 2007 | | 2008 | | 2009 | |
|--------------|---------------|---------------|----------------|---------------|----------------|---------------|
| | Quantity | Percentage | Quantity | Percentage | Quantity | Percentage |
| Indonesia | 8,993 | 10.97 | 42,839 | 31.40 | 72,818 | 42.66 |
| Sri Lanka | 45,763 | 57.73 | 38,284 | 28.06 | 59,199 | 34.68 |
| Mexico | 9,550 | 12.5 | 8,613 | 6.31 | 9,964 | 5.84 |
| India | 1,043 | 1.32 | 2,838 | 2.08 | 6,815 | 3.99 |
| Malaysia | 8,488 | 10.71 | 5,735 | 4.20 | 4,149 | 2.43 |
| Thailand | 2,129 | 2.69 | 332 | 0.24 | 1,937 | 1.13 |
| Others | 3,605 | 5.55 | 37,795 | 27.70 | 15,818 | 9.27 |
| Total | 79,271 | 100.00 | 136,436 | 100.00 | 170,700 | 100.00 |

Table 3. Export of Copra (in MT)

| Country | 2007 | | 2008 | | 2009 | |
|------------------|----------------|---------------|----------------|---------------|----------------|---------------|
| | Quantity | Percentage | Quantity | Percentage | Quantity | Percentage |
| Indonesia | 4,6920 | 36.29 | 26,110 | 18.22 | 39,517 | 34.51 |
| Solomon Islands | 19,302 | 14.93 | 41,810 | 29.18 | 21,292 | 18.59 |
| Papua New Guinea | 16,652 | 12.88 | 32,659 | 22.79 | 17,491 | 15.27 |
| India | 1,357 | 1.05 | 1,671 | 1.17 | 13,578 | 11.86 |
| Sri Lanka | 14,058 | 10.87 | 13,314 | 9.29 | 8,592 | 7.50 |
| Malaysia | 4,000 | 3.09 | 4,500 | 3.14 | 4,600 | 4.02 |
| Others | 27,019 | 20.90 | 23,219 | 16.20 | - | 8.25 |
| Total | 129,308 | 100.00 | 143,283 | 100.00 | 114,516 | 100.00 |

Table 4. Export of Coconut Oil (in MT)

| Country | 2007 | | 2008 | | 2009 | |
|------------------|------------------|---------------|------------------|---------------|------------------|---------------|
| | Quantity | Percentage | Quantity | Percentage | Quantity | Percentage |
| Philippines | 886,561 | 41.21 | 847,626 | 40.48 | 826,237 | 45.99 |
| Indonesia | 739,923 | 34.40 | 649,255 | 31.01 | 570,311 | 31.74 |
| Malaysia | 139,821 | 6.50 | 134,725 | 6.43 | 128,855 | 7.17 |
| Papua New Guinea | 56,100 | 2.61 | 64,525 | 3.08 | 35,648 | 1.98 |
| Thailand | 4,399 | 0.20 | 48,312 | 2.31 | 17,886 | 1.00 |
| India | 3,677 | 0.17 | 6,817 | 0.33 | 9,855 | 0.55 |
| Vanuatu | 2,600 | 0.12 | 11,500 | 0.55 | 5,800 | 0.32 |
| Fiji | 5,503 | 0.26 | 6,152 | 0.29 | 4,423 | 0.25 |
| Others | 312,567 | 14.53 | 324,790 | 15.51 | 197,634 | 11.00 |
| Total | 2,151,151 | 100.00 | 2,093,702 | 100.00 | 1,796,649 | 100.00 |

shortage of vegetable oils in India is one of the main reasons affecting the export of coconut oil.

Export of Desiccated Coconut Powder from is meager 2173 MT (2009). Philippines tops the list with an export of 116,421 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 very 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 15,000 to 20,000 MT per year.

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 high domestic demand for kernel products resulting in prices of kernel products ruling above the international prices most of the 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 (TMOC) has accentuated the efforts of the Board in value addition and by-

Table 5. Export of Copra Meal (in MT)

| Country | 2007 | | 2008 | | 2009 | |
|------------------|------------------|---------------|------------------|---------------|------------------|---------------|
| | Quantity | Percentage | Quantity | Percentage | Quantity | Percentage |
| Philippines | 886,561 | 41.21 | 847,626 | 40.48 | 826,237 | 45.99 |
| Indonesia | 739,923 | 34.40 | 649,255 | 31.01 | 570,311 | 31.74 |
| Malaysia | 139,821 | 6.50 | 134,725 | 6.43 | 128,855 | 7.17 |
| Papua New Guinea | 56,100 | 2.61 | 64,525 | 3.08 | 35,648 | 1.98 |
| Thailand | 4,399 | 0.20 | 48,312 | 2.31 | 17,886 | 1.00 |
| India | 3,677 | 0.17 | 6,817 | 0.33 | 9,855 | 0.55 |
| Vanuatu | 2,600 | 0.12 | 11,500 | 0.55 | 5,800 | 0.32 |
| Fiji | 5,503 | 0.26 | 6,152 | 0.29 | 4,423 | 0.25 |
| Others | 312,567 | 14.53 | 324,790 | 15.51 | 197,634 | 11.00 |
| Total | 2,151,151 | 100.00 | 2,093,702 | 100.00 | 1,796,649 | 100.00 |

Table 6. Desiccated Coconut Powder (in MT)

| Country | 2007 | | 2008 | | 2009 | |
|--------------------|----------------|---------------|------------------|---------------|----------------|---------------|
| | Quantity | Percentage | Quantity | Percentage | Quantity | Percentage |
| Philippines | 130,673 | 39.14 | 147,626 | 39.84 | 116,421 | 35.80 |
| Indonesia | 59,884 | 17.94 | 57,689 | 15.57 | 46,699 | 14.36 |
| Sri Lanka | 45,393 | 13.60 | 36,248 | 9.78 | 38,651 | 11.89 |
| Malaysia | 8,268 | 2.48 | 6,599 | 1.78 | 9,448 | 2.91 |
| Ivory Coast | 17,390 | 5.21 | 17,522 | 4.73 | 19,661 | 6.05 |
| Dominican Republic | - | 0.00 | 7,156 | 1.93 | 15,115 | 4.65 |
| India | 312 | 0.09 | 1,455 | 0.39 | 2,173 | 0.67 |
| Others | 71,924 | 21.54 | 96,245 | 25.97 | 77,026 | 23.69 |
| Total | 333,844 | 100.00 | 2,093,702 | 100.00 | 325,194 | 100.00 |

Table 7. Export of Activated Carbon (in MT)

| Country | 2007 | | 2008 | | 2009 | |
|--------------|----------------|---------------|---------------|---------------|---------------|---------------|
| | Quantity | Percentage | Quantity | Percentage | Quantity | Percentage |
| Indonesia | 26,325 | 26.06 | 24,478 | 18.46 | 826,237 | 26.71 |
| Philippines | 30,474 | 30.17 | 20,259 | 23.56 | 570,311 | 23.52 |
| Malaysia | 17,039 | 16.87 | 15,071 | 17.52 | 128,855 | 20.82 |
| Sri Lanka | 17,880 | 17.70 | 17,388 | 20.22 | 35,648 | 20.71 |
| Thailand | 9,303 | 9.21 | 8,806 | 10.24 | 17,886 | 0.25 |
| India | N.R. | - | - | - | 9,855 | - |
| Total | 101,021 | 100.00 | 86,002 | 100.00 | 85,156 | 100.00 |

N.R. – Not reported

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 30,000 MT per annum have 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

| Country | Export Value (in '000 US\$) |
|-------------|-----------------------------|
| Philippines | 884,022 |
| Indonesia | 578,972 |
| Sri Lanka | 253,010 |
| India | 178,217 |
| Malaysia | 151,558 |

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 incentives are provided. Though the coconut oil is eligible for VKGUY benefits at the rate of 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 coconuts, 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.

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 overcome 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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| No | Item | 2008-2009 | | 2009-2010 | | 2010-2011 | |
|--------------|---------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| | | Qty | Value | Qty | Value | Qty | Value |
| 1 | Coconut (fresh) | 6814.48 | 937.99 | 13621.03 | 18889.81 | 15751.89 | 2267.77 |
| 2 | Coconut (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 coconut excluding fresh / dried | 8007.78 | 1,882.62 | 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 | 5,841.23 | 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 | 17,279 | 2,449.39 | 39938.00 | 2429.53 | 15522.78 | 2915.44 |
| 11 | Copra | 135.78 | 5,580.07 | 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 | | | 32,980.50 | | 43,238.43 | | 53,659.71 |