



The Cocommunity

Monthly Newsletter of the Asian and Pacific Coconut Community (APCC)

Vol. XLIII No. 6

ISSN 0215 - 1502

1 October 2013



The **COCOMMUNITY** is the monthly Newsletter of the ASIAN AND PACIFIC COCONUT COMMUNITY (APCC) incorporating current news, features, statistical data, business opportunities, and market information relating to the world coconut industry.

Established in 1969, under the auspices of the United Nations Economic and Social Commission for Asia and the Pacific (UN-ESCAP), the APCC is an independent regional intergovernmental organization which consists of fifteen member countries and accounts for 85-90% of the world production of coconut. The APCC member countries are: the Federated States of Micronesia, Fiji, India, Indonesia, Kiribati, Malaysia, Marshall Islands, Papua New Guinea, Philippines, Samoa, Solomon Islands, Sri Lanka, Thailand, Vanuatu, and Vietnam.

The subscription rates for the *Cocommunity* inclusive of postage are: US\$50.00 per year for APCC Member Countries, US\$ 60.00 for Non-APCC Member Countries.

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EXECUTIVE DIRECTOR SPEAKS

“Creating Market Demand and Promoting Market Access for Coconut Products”



As I have stated earlier, I believe in the statement that if the coconut farmers can derive more income and provide food for their families from the produce of their coconut farms, they will continue to plant/replant coconuts and grow intercrops, and find efficient and effective means to increase production. Indeed, income and food security are good motivations towards increasing production. However, income as we know, is a function of several factors, i.e. efficiency and cost of production, processing and marketing, the price of the coconut product and by-products, the demand for the products and ready access to market, among others.

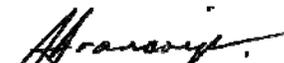
We also believe that there is a need to identify the coconut products, apart from the traditionally produced and exported coconut products, that are in demand and have more added value in the existing market and in the non-traditional markets.

We likewise believe that market development starts with product availability, supply reliability, assurance of quality standards and backed up by other market support mechanisms. Strong commitments and concrete programmes by the Government, supported by adequate budget allocations to improve coconut production, farm productivity, product diversification and value addition, efficient processing technologies and assurance of good quality standards have to go hand-in-hand with an aggressive marketing strategy.

The APCC member countries are therefore challenged to provide all these enabling policy support and implement programmes that will create market demand and promote greater access of coconut products both in the domestic and export markets, as well as in traditional and non-traditional market destinations. It is essential to coordinate market matching activities, buyers and sellers meetings, including the participation of the private sector especially the coconut processors and exporters in high impact Trade Fairs and Exhibitions both domestically and abroad. Concerted action among the APCC member countries and other market advocacy groups in consuming countries to promote the health attributes of coconut as a functional food and as a nutraceutical is important. The environment friendly attributes of coconut such as coir fibre products should also be promoted.

The conduct of various symposia and educational fora on the health and medicinal attributes of coconut food products in key importing countries may be considered. Market studies on the demand profile of specific coconut products and the consumer preferences in the new markets may also be conducted. The objective is to promote and create more demand for coconut products both in the domestic and in the export market.

Creating greater demand and promoting market access to various coconut products should redound to the benefit of the coconut farmers.


ROMULO N. ARANCON, JR.

PREVAILING MARKET PRICES OF SELECTED COCONUT PRODUCTS AND OILS

Price of CNO, DC, CSC and Copra increase in Coconut Producing Countries.

COPRA: The price of copra in Indonesia (Surabaya) was US\$531 in September, virtually the same than last month's price of US\$530/MT which is higher than 2013 average price of US\$498. When compared to last year's data for the same month, the average price of copra is US\$5 higher.

In the domestic market of the Philippines (Manila), the average copra price was at US\$540/MT. The price increased by 8.4% over the price in August 2013 and about 3.7% lower when compared to the price of US\$561/MT in September 2012. In the Philippines, out of the eight copra market centers, the highest price at US\$567/MT was recorded in Quezon, and the lowest price at US\$414/MT was in N. Mindanao.

COCONUT OIL: The average price of coconut oil in Europe (C.I.F. Rotterdam) for the month of September 2013 increased by US\$60 to US\$926/MT from US\$866/MT in August 2013. This price is lower by 5.3% when compared with the price in September 2012. The average price of September 2013 is higher than the average price of 2013 which is US\$858 per MT.

The average local price of coconut oil in the Philippines in September 2013 was US\$850/MT. This was US\$65 higher than the price in August 2013, and it was US\$ 41 higher if compared to the average price in 2013 at US\$809.

The average domestic price of coconut oil in Indonesia in September 2013 virtually the same which was US\$935/MT compare to US\$936/MT in August 2013. September 2013 price was 12.4% higher than average price of the same month of 2012 which was US\$832/MT.

COPRA MEAL: The average domestic price of the commodity in the Philippines at selling points was quoted at US\$220/MT. The price was US\$18 higher than price of the previous month.

DESICCATED COCONUT: The average price of desiccated coconut (DC) FOB Manila, Philippines in September 2013 was US\$1,689/MT. This price was US\$102 higher than that of the previous month's price and US\$37 higher than the price of the same month last year. In Sri Lanka, the domestic price of desiccated coconut in September 2013 was US\$1,932/MT or US\$212 higher than the price in August 2013. Meanwhile, the price of DC in the domestic market in the Philippines was US\$1,621/MT, which was US\$28 higher than the previous month's price at US\$1,593/MT and US\$30 lower than the price in the same month last year. Indonesian price was US\$1,588/MT, increased by US\$76 from last month's, and increased by US\$388 from last year's price.

COCONUT SHELL CHARCOAL: In the Philippines, the average price of coconut shell charcoal was not quoted for September 2013. Meanwhile, in Sri Lanka, the average price of the commodity in September 2013 was US\$367/MT. The average price of charcoal in Indonesia for September 2013 was US\$351/MT, which was US\$11 higher than last year's price for the same month.

COIR FIBRE: Coir fiber traded in the domestic market in Sri Lanka was priced at US\$159/MT for mix fiber and US\$453 - 597 for bristle. The Indonesian price for mattress (mixed) fiber was US\$293/MT in September 2013.

Prices of Coconut Products and Selected Oils (US\$/MT)

Products/Country	2013 Sept.	2013 Aug.	2012 Sept.	2013 (Annual Ave.)
Fresh Coconut				
Philippines (Dom. Husked)	141	130	126	129
Copra				
Philippines/Indonesia (CIF Europe)	596	575	626	551
Philippines (Dom. Manila)	540	498	561	489
Indonesia (Dom. Java)	531	530	526	498
India (Dom. Kerala)	921	828	615	825
Coconut Oil				
Philippines (CIF Rott.)	926	866	978	858
Philippines (Domestic)	850	785	935	809
Indonesia (Domestic)	935	936	832	841
Sri Lanka (Domestic)	1,893	1,850	1,539	1,894
India (Domestic), Kerala	1,377	1,244	1,050	1,225
Desiccated Coconut				
Philippines FOB (US), Sellers	1,689	1,587	1,652	1,722
Philippines (Domestic)	1,621	1,593	1,651	1,705
Sri Lanka (Domestic)	1,932	1,720	1,212	1,740
Indonesia (Domestic)	1,597	1,512	1,200	1,511
Copra Meal Exp. Pel.				
Philippines/Indonesia (CIF Rott.)	n.q.	218	n.q.	195
Philippines (Domestic)	220	202	207	179
Sri Lanka (Domestic)	378	353	239	339
Indonesia (Domestic)	207	189	190	198
Coconut Shell Charcoal				
Philippines (Domestic), Visayas, Buyer	n.q.	n.q.	350	349
Sri Lanka (Domestic)	367	355	341	350
Indonesia (Domestic) Manado, Buyer	351	339	340	360
Coir Fibre				
Sri Lanka (Mattress/Short fibre)	159	142	137	142
Sri Lanka (Bristle 1 tie)	453	456	415	456
Sri Lanka (Bristle 2 tie)	597	607	626	641
India (Geo Textile)	n.q.	1,118	1,010	1,098
Indonesia (Mixed Raw fibre)	293	276	340	293
Other Oils				
Palm Kernel Oil Malaysia/Indonesia (CIF Rott.)	914	818	996	833
Palm Oil, Malaysia/Indonesia (CIF Rott.)	822	803	997	833
Soybean Oil, (Europe FOB Ex mill)	1,013	965	1,319	1,073
Palm Kernel Oil, RBD (CIF NY)	840	821	1,100	838

Rate of Exchange: September 26, 2013:

1US\$=P43.793 or Indo.=Rp11,485 or India=Rs62.44 or SL=Rs132.05
Euro=US\$1.35 n.q.: not quoted

MARKET ANALYSIS OF DESICCATED COCONUT

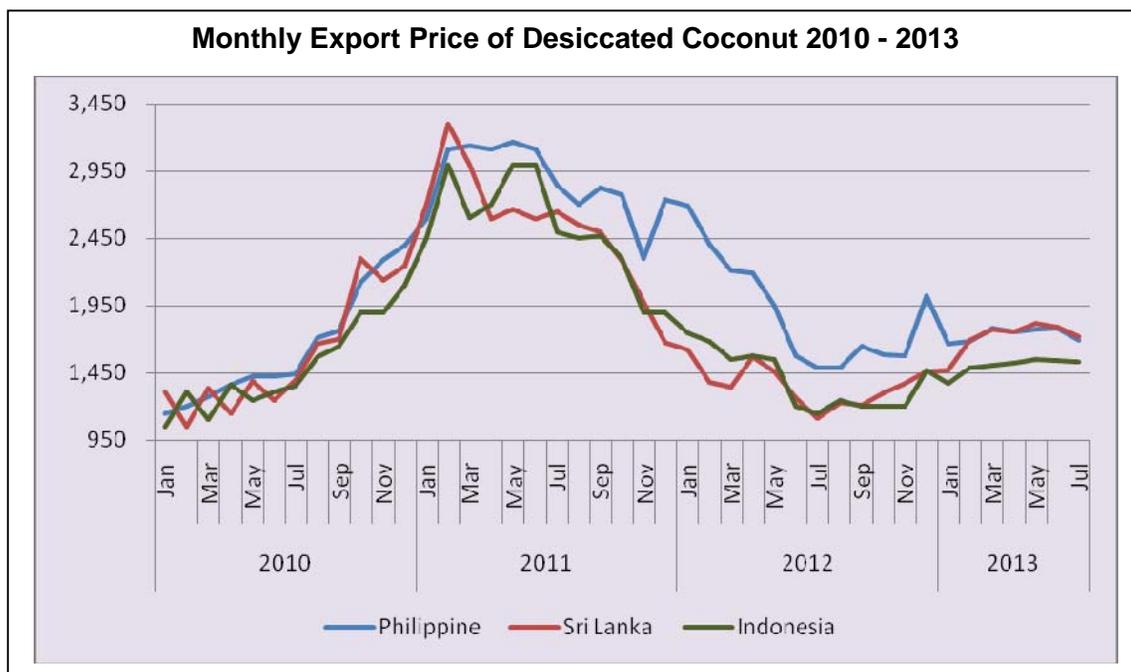
Export performance in terms of volume of desiccated coconut (DC) in 2013 from the main producing countries such as the Philippines and Indonesia experienced an increasing trend in the first half of the year. In the period of January to June 2013, the Philippine's export of DC was 56,347 MT which is 10.8% higher than the same period of the previous year at 50,860 MT. Indonesian export for desiccated coconut also increased by 23.1% in volume which was 30,635 MT in the period of January – June 2012 to 37,701 MT in the same period of January – June 2013. During the observed period the highest volume of export was in May 2013 which was at 9,323 MT, in comparison with the highest monthly export of 2012 which was at 6,570 MT on October. This means that the total export of desiccated coconut in 2013 could be higher than in the previous year which was at 61,511 MT. The lowest export volume of the period was on April 2013 which was 4,512 MT. On the contrary the export volume of desiccated coconut from Sri Lanka significantly decreased in the observed period of January – July 2013. The export decreased by 51.7% from 26,650 MT in January – July 2012 to 12,861 MT on the same period in 2013. During the observed period, the highest volume of export was recorded in July 2013 at 2,330 MT which was almost similar with the lowest export volume of the same period of the previous year which was at 2,822 MT in July 2012.

However, it is worth noting that there was an increase of average export price of desiccated coconut from Sri Lanka which was US\$ 1,746/MT in the period of January – July 2012 to US\$ 1,926/MT in January – July

2013. The average Indonesian DC price F.O.B Surabaya during the period of January– July 2013 increased to US\$1,521 per ton from US\$ 1,452 per ton in the same period of 2012. The highest price of Indonesian DC on the observed period was US\$ 1,554 per ton on May 2013, the lowest price was recorded US\$1,375 per ton in January 2013. It is also observed that there is a steady price increase of Indonesian desiccated coconut from US\$ 1,375 in the beginning of the year US\$ 1,597 per tons in September 2013. The international demand of DC seems to increase while the supply from Indonesia tries to keep up with the availability of raw material especially in some coconut producing areas such as in the province of North Sulawesi. This province is one of the main producers of desiccated coconut in Indonesia. Out of 15 desiccated coconut factories in the country, North Sulawesi has seven DC factories. The scarcity of raw material in the province will make DC price continue to rise until the rest of the year. Some exporters said that the price of desiccated coconut for November delivery is close to US\$1,700/MT deal. In the Philippines the average price for the period of January – July 2013 decreased by 16.4% at US\$2,074 per ton in the observed period of 2012 as opposed to US\$1,733 per tons in 2013. During the observed period of January – July 2013, among the three main players in the Philippines offered the highest price to the world market with average price of US\$ 1,733 per ton followed by Sri Lanka that offered US\$ 1,716 or only 0.9% lower, then Indonesian exporters who sold at US\$ 1,502 per tons or 13.3% less than the Philippines desiccated price.

Although Sri Lanka exported less volume of its desiccated coconut to the overseas market in the period of January – July 2013 than in the same period of 2012, the country has shifted partly its export market to America that gave better price than other DC importing regions especially the Middle East. In the observed period of 2012 10.54% of the total Sri Lanka DC export went to America, this figure increased by 12.5% in the same period of 2013. In American continent, although experiencing a significant decrease by 42.8% from 2,810 MT in January – July 2012 to 1,606 MT in January – July 2013, USA remains the largest importer with stable volume of import of Sri Lanka's DC. The percentage of USA import to the total import of the American continent significantly increase from 57.1% to 81.8% in the observed period of January – July 2012 to January – July 2013. The traditional market as well as the major importer of Sri Lanka's DC is still the Middle East including Saudi Arabia, Iran, Jordan and Kuwait that absorbed 1,628 MT; 1,143 MT; 462 MT and 316 MT of Sri Lanka DC export in the observed period respectively.

UCAP reported that the Philippines export of desiccated coconut in May alone was 11,400 MT which generated US\$ 17.65 million. The export destination was to 43 The US remained a major destination which took 1,812 MT or equal to 15.9% of the Philippine total export. The import of the Philippine's DC by USA in May was down by 17.9% compared to the import on the previous month. The second position was the Netherlands which absorbed 1,323 MT or equal to 11.6%. This volume was an increase by 30% to the previous month which was at 1,017 MT. It was follow by Belgium with 930 MT (7.7% decrease), Germany 661 MT, Russia 614 MT, France 592 MT, Canada 570 MT, China 527 MT and Australia 515 MT all together shared was 38.6%. A dozen others with uptake ranging from 101-435 MT was Singapore, Brazil, United Kingdom, Turkey, Malaysia, South Africa, Japan, Poland, Spain, Hong Kong, Taiwan and Korea.



COMMUNITY NEWS

WORLD COCONUT DAY CELEBRATION IN INDIA

World Coconut Day celebrations commenced on Tamil Nadu Agricultural University (TNAU) campus in Coimbatore on Sunday.

An exhibition of value-added products of coconut, on the theme 'Farmer producer organisations and value-addition in coconut' is also being organised as part of the celebrations.

The Coconut Development Board (CDB) is organising the celebration and exhibition in association with the TNAU and Tamil Nadu Agriculture Dept. A A Jinnah MP, inaugurated the exhibition in the presence of CDB Vice-Chairman R Kalaiselvan, Chief Coconut Development Officer Sugata Ghose, CDB Director K Muralidharan and TNAU officials. The two-day exhibition showcases an array of value-added coconut products manufactured utilising modern technologies by leading entrepreneurs and artisans, machinery manufacturers and nursery owners in the coconut industry. Around 30 manufactures participated in exhibition-cum-sale and showcased their products. A theme pavilion of the CDB was set up in front of the exhibition hall wherein newly-introduced products such as palm sugar, palm jaggery, coconut gel, virgin coconut oil and the like were displayed. (<http://newindianexpress.com>)

PLANTING KOPYOR COCONUT TO MARK THE WORLD COCONUT DAY IN INDONESIA

In the sideline of the Gorontalo International Conference on Coconut, the participants and resource speakers were invited to participate in planting *Kopyor* coconut seedlings in the area owned by the State University of Gorontalo (UNG) at Haya-Haya Village on 3rd September 2013. This place is going to be used for the coconut knowledge center in the future.

This coconut planting activity was set up to celebrate the World Coconut Day 2013. The organizers expressed their hope that in the future, people in Gorontalo will have the *Kopyor* coconut in their farms. The *Kopyor* coconut seedlings were provided by Bogor Agriculture University (IPB). In this occasion, the *Kopyor* Professor-Dr. Sudarsono joined in the planting activity. He explained the *Kopyor* characteristics to the participants while they joined in the planting.

Many villagers came and observed this activity and their smiling faces showed that they welcome some foreigner speakers and other conference participants. The special local dessert made from young tender coconut meat was served to all participants.

On 2nd September 2013, the Opening Ceremony of Gorontalo International Conference on Coconut held in Magna hotel, Gorontalo City marked the 50th anniversary of the Gorontalo State University (UNG). This conference hosted by the Provincial Government of Gorontalo and Gorontalo State University (UNG) in collaboration with the Asian and Pacific Coconut Community (APCC), Indonesian Academy of Science, and Indonesia Agri Business and Agro Industry Community from 2-3 September.

The Gorontalo Governor inaugurated the conference and expressed his hope that the conference would give positive impact and benefits for the development of community's welfare, particularly to the coconut farmers. He mentioned that Gorontalo was a new province as a result from the division of North Sulawesi with a population of 1,062,883 (2012). The development strategy is to focus and commit to the achievement of the vision of the medium term development plan of Gorontalo province 2012-2017.

The government and business networking was also organized in the conference. The key officials who attended this conference included the Vice Minister of Trade, Government of Indonesia (Dr. Bayu Krisnamukti), the Rector of Gorontalo State University (Dr. Syamsu Q. Badu), Executive

Director, APCC (Mr. Romulo N. Arancon, Jr.), Chairman of Indonesia Science Academy (Prof. Dr. F.G. Winarno) and Chairman of Indonesia Agri Business and Agro Industry Community (Dr. Ir. Fadel Muhammad) and senior government officers and lecturers from UNG. At the end of this event the Gorontalo Declaration on Coconut Development was unanimously endorsed.

PHILIPPINES COCO WEEK: A CELEBRATION OF ALL THINGS COCONUT!

All I could say was "Wow!" when I saw how really vast the usage of the coconut was. The free event celebrating the versatile coconut and its various usage confirmed the facts that the coconut indeed is the most useful fruit ... or nut!

Sampling some of the coconut food products were appreciated and buying some non-food products for take-home souvenirs made my day. The lectures on the latest technologies related to the coconut industry was also a worthwhile reason why I stopped to sit down and listen intently.

The Philippine Coconut Authority (PCA) in coordination with the private sector spearheaded the celebration of the 27th National Coconut Week and 12th Coconut Festival at the Mega Trade Hall of SM Megamall, Mandaluyong City a few weeks ago.

This year's theme was "Biyaya ng Niyugan, Kaunlaran ng Bayan", an apt label to the benefits derived from the coconut and its contribution to the country's economy.

The coconut industry has risen to an immense national magnitude in view of its importance to the national economy as well as the socio-economic life of one-third of our population who are directly or indirectly dependent on the industry as a source of their livelihood.

It is but fitting that all sections involved in the coconut industry from the farmers, workers, processors, traders and industrialists to the policy-makers collectively pay tribute of

honor and thanksgiving for the blessings and benefits derived from the industry and to establish a continuing awareness of its lasting importance to our national life.

The celebration was mandated by Presidential Proclamation number 142 signed by the late President Corazon Cojuangco Aquino.

The event was a venue for sharing information, market matching, trading activities and showcasing the best of the coconut in various food and non-food forms from the various coco-based companies from all over the country.

Some of the event highlights included the launch of Dr. Fabian Dayrit's book titled *Coconut: From Diet to Therapy*. There was also some product launching and promotion, a feeding program, the search for best product innovation, the latest result of B5 in public transport, a seminar on the Standards of Quality and Safety of Coconut Sugar, updates on coconut research and development, plus a lot more! (<http://www.wazzupphilipinas.com>)

DEVELOPMENT ACADEMY OF THE PHILIPPINES RESEARCHERS VISITED DOA, THAILAND AND APCC-HQ

On September 16, 2013 the Deputy Director General; Dr. Suvit Chaikiattiyos officially welcomed the group from the Development Academy of the Philippines (DAP). The DAP, the National Productivity Organization (NPO) of the Philippines in partnership with its Department of Agriculture (DA) of the Republic of the Philippines is currently undertaking a research study on "*Supply/Value chain on identified agricultural commodities: a research study in six selected countries in Asia and Latin America*".

The some researchers also visited the APCC Headquarters in Jakarta, Indonesia and had some discussions with the APCC Executive Director.

The study generally aims to identify good/best practices in the supply/value chain of the mango, shallot, tamarind, chili (red-hot pepper), green mango beans, peanut and young coconut.

Thailand is the leading country for young tender nut export. In this program, the DAP group has consulted on other horticultural crops production such as mango, tamarind, chili, mungbean, and aromatic coconut.

This trip to Thailand is a preliminary initiative of the Philippines to pursue cooperation among its neighboring country in Asia to foster cooperation that is grounded in establishing and /or identifying common needs among Asian nations, so that the agriculture sector in Asia could somehow, establish common and applicable response as the countries prepare for the regional economic integration by 2015 and eventually become fully integrated in the global economy.

TWO THAI COMPANIES PARTICIPATED IN THE INTERFOOD INDONESIA 2013

The Interfood Indonesia 2013, it's 13th International exhibition on food and beverage products and other food industry relate necessities such as ingredients, additives, raw materials, services, equipment and supplies. The event was held on 28-31 August 2013 at the Jakarta International Expo center in Kemayoran, Jakarta which has the full support from the Trade Ministry, the Cooperatives and Small & Medium Enterprises Ministry, and the Indonesian Food and Drug Supervision Association.

In this event the Department of International Trade Promotion, Ministry of Commerce, Royal Thai Government through its AEC Business Support Center had supported the two coconut processing/trading companies (Ampol Food Processing Ltd. and Tropicana Oil Co.Ltd.) to exhibit their coconut and other products in their booth at the Interfood Indonesia 2013.

The AEC Business Support Center is located at the Royal Thai Embassy, Kuningan, Jakarta. It was established in May 2013 to provide in-depth information, networking, and other services for Thai companies, who wish to do business or invest in ASEAN countries. Moreover, this center offers sourcing

information and business matching opportunities for both Thai and ASEAN importers.

COCONUT DEVELOPMENT BOARD PARTICIPATED IN THE 59TH SUMMER FANCY FOOD SHOW-2013

Coconut Development Board participated in 59th Summer Fancy Food Show-2013 held at Jacob Javits Convention Centre, New York City, USA from 30th June to 2nd July 2013. The 59th summer Fancy Food Show is the largest market place devoted exclusively to specialty foods and beverages in North America. It is owned and operated by the Specialty Food Association. This Food Show is North America's largest food exhibition at Javits Center North. This year's Summer Fancy Food Show is reported to be the largest ever with exhibitors from 80 countries and regions, more than 180,000 products and 24,000 buyers from top names in the retail, dining and food service industries. There were 34 international pavilions, including first time pavilions from Bulgaria, Indonesia, Sri Lanka and Switzerland. US exhibitors had new opportunities to connect with buyers from countries like China, Mexico, Canada and Brazil, which are participating in a special international buyers program.

India Trade Promotion Organisation (ITPO) is the nodal agency of the Government of India for promoting the country's external trade. Board's participation in Summer Fancy Food Show was arranged by India Trade Promotion Organisation (ITPO) wherein pavilions both from Government as well as private sector participated under the banner of India Pavilion. The focus of the event was to synergise the efforts of the Export Promotion Councils / trade bodies to highlight and project 'Brand India' concept and present a single 'India Pavilion' image.

United States of America is India's largest bi-lateral trade partner, and most of the merchandise has the highest penetration by way of direction to the various ports of USA. (*Indian Coconut Journal, July 2013*)

COCONUT DEVELOPMENT BOARD AIMS MAKING INDIA LEADING EXPORTER

The Coconut Development Board (CDB) said it is making all efforts to make the country the leader in production and processing of the agro- commodity's products during the 12th Five Year Plan.

The Board was also keen on placing the country in first three positions in coconut exports from the existing 27 position and processing and value addition from the 25 position, CDB Chairman T K Jose said.

This can be achieved with the collective efforts of the three-tier structure of Coconut Producers Society (CPS), Federation of Coconut Producers (FCP) and Coconut Producer companies (CPC) in major coconut growing states, he said at the 15th World Coconut Day celebration at the Tamil Nadu Agricultural University here.

At present there were 3,807 CPS, 142 FPC and six CPCs registered with the board, to help enhance value addition in coconut and generating sustainable income.

The board planned to add 2,000 CPS, 200 FCPs and six companies in Tamil Nadu and Karnataka and 1,000 CPS, 100 Federations and five companies in Andhra Pradesh during this fiscal, he said.

Tamil Nadu Agriculture Minister S Damodaran said the Board should adopt latest technologies being developed in the Department of Genetic Studies to promote good variety of coconuts and make use the facilities available in the University for promotion of coconut seedlings.

Damodaran also expressed happiness for selecting Pollachi in the district as a 'town of Export Excellence', from where export of coconut had netted more than Rs 1,000 crore through valued added products. (<http://newindianexpress.com>)

INDIA-GOVT TO SEEK RS 330 CR FROM CENTRE FOR COCONUT GROWERS

The withering of coconut plantation on 1.65 lakh hectares in Karnataka has prompted the State government to seek a Rs 330-crore

package from the Centre for providing financial aid to the farmers.

Additional Chief Secretary - cum-Development Commissioner V Umesh and Horticulture Department Principal Secretary M K Shankarlinge Gowda told reporters in Bangalore that coconut palms cultivated across 15,789 hectares had completely withered and 1.49 lakh hectares of plantation had been partially damaged primarily due to consecutive drought for the past three years.

Gowda said the total loss due to the damage to the palms is estimated at Rs 600 crore. The area under coconut palms in the State is 4.91 lakh hectares and the turnover due to sale of coconuts is Rs 2,000 crore per annum.

The Horticulture Department has prepared a Rs 330-crore package (on a 50:50 cost sharing basis between the Centre and State) for the rejuvenation of plantations and to help farmers in distress.

The proposal will be placed before a Cabinet sub-committee headed by Revenue Minister V Srinivasa Prasad for approval, Gowda said. A Central team led by Union Horticulture Commissioner Gorak Singh recently visited the plantations in the affected districts and interacted with the farmers, Gowda said.

Pests such as black-headed caterpillar, diseases such as stem bleeding and ganoderma wilt had aggravated the crop loss in several pockets. Farmers would be encouraged to use hybrid varieties to increase the per hectare yield of coconut.

Another major cash crop affected due to disease is areacanut. The crop is cultivated across 2.3 lakh hectares and the disease had affected 1.38 lakh hectares resulting in losses to over 65,000 farmers. The estimated loss is Rs 789 crore, Umesh said. (<http://www.deccanherald.com>)

PCA DISTRIBUTES 7.7M COCONUT SEEDLINGS IN FIRST SEMESTER

The Philippine Coconut Authority (PCA) said it has distributed close to 7.7 million

coconut seedlings to farmers all over the country in January to June.

The attached agency of the Department of Agriculture (DA) said this is more than the 7.18 million seedlings targeted by the government for distribution this year.

PCA said about 45,718 farmer-beneficiaries have received coconut seedlings by June. Of the 71,789 beneficiaries of the coconut-planting project for 2013, the agency said only 26,071 coconut farmers have yet to receive seedlings.

The agency also said it has fast-tracked its planting and replanting program in Davao region to compensate for the 5.76-percent or 39,800-metric ton decline in the region's output in the first quarter of the year.

Davao region or Region 11 is one of the top coconut-producing regions in the country. Other top coconut-producing regions are Zamboanga Peninsula, Northern Mindanao, Eastern Visayas and the Autonomous Region in Muslim Mindanao.

Meanwhile, the PCA said under its salt fertilization program, 662,617 bags of salt fertilizer were delivered to priority areas from the 852,127 bags targeted for delivery for 2013.

However, only 98,929 bags were actually distributed, and only 11,580 bags salt fertilizers were applied. This resulted in the limited number of trees fertilized at 289,500 planted in 2,895 hectares of farmlands. The PCA is targeting to fertilize 21.3 million trees planted in 213,031 hectares of farmlands this year.

The distribution of coconut seedlings to farmers is part of the government's efforts to increase the number of productive trees.

The fertilization of coconut trees is part of the government's efforts to increase production and sustain the export of coconut products. (<http://businessmirror.com.ph>)

THE GROWTH OF MANUFACTURING INDUSTRY IN PNG

The Islands of the South Pacific often bring to mind sparkling beaches lined with

coral reefs and lush rainforests rather than manufacturing, innovation and progress.

Papua New Guinea is renowned for its rugged natural beauty and vibrant tribal culture but, interestingly, the country has seen some significant growth in manufacturing.

In recent times, there have been some intriguing developments taking place that are having a positive impact on the economy and local industries.

Papua New Guinea may one day, for instance, be recognised as the tuna capital of the world. Copra farmers are now supplying a sustainable alternative to tropical hardwoods, one that would have been wasted in the past. People in China may soon be enjoying a cup of coffee from PNG.

The pristine waters surrounding PNG are teeming with marine life, which includes migrating schools of tuna. While the vast majority of canned tuna on supermarket shelves is a product of Thailand, that looks likely to change in the future with all eyes on PNG.

Unlike Asian countries, PNG has full duty free access to the European market, the world's most lucrative market with around 500 million customers through its Economic Partnership Agreement.

In 1884, German settlers planted numerous coconut plantations around the northeastern quarter of Papua New Guinea and coastal areas for the production of copra, which is the dried inner flesh of the coconut.

Coconut oil is extracted from copra and the by-product known as copra meal is used in the manufacture of animal stock feed. Copra farming is nothing new in PNG but growers have found a profitable and sustainable way to deal with coconut palms that have reached the end of their fruit bearing life.

Coconut palms will bear fruit for around 70 years. In the past, senile coconut palms and plantations were felled and burned or used as landfill. A few years ago, it was realised that senile coconut palms can be used to manufacture palmwood.

This is an ecologically sound choice that has the same exotic appeal as endangered hardwoods sourced from rainforests. No rainforests have to be destroyed to harvest palmwood; all the lumber is sourced from senile coconut palms and plantations.

Depending on the density of the wood, the colour can vary from a light honey to dark tan and is always patterned with distinctive dark brown flecks throughout. Since the coconut palm has no limbs, palmwood has no knots. It is exceptionally strong and durable, making it suitable for high traffic areas in the home and office.

Many Australian flooring manufacturers are now examining the potential that palmwood has for their domestic manufacturing operations. Palmwood is also being used to manufacture furniture, from tables and chairs to desks and cabinets. The palmwood industry is still in its infancy in Papua New Guinea but looks like it will have a lucrative future.

While the palmwood industry holds tremendous potential for growth, the humble coffee bean is still the star of Papua New Guinea's agricultural sector. Coffee exports earn K460 million annually for PNG, and over 90% of the coffee is produced by smallholders with almost 400,000 households involved.

If PNG does establish China as an export partner for coffee, will it be able to improve overall product quality and increase production to meet the huge demand? It has been suggested that the coffee companies and cooperatives of PNG would be better off supplying niche coffee markets in China with speciality products like organic coffee. Provided that PNG can meet the quality specifications of the Chinese market, the coffee industry is going to have a new lease on life in the years to come.

The growth of manufacturing in PNG has by no means been an easy path, with 80 per cent of the population living in impoverished remote and rural communities. Access to basic health care and education is still limited and nearly half of the adult population is illiterate.

Yet the growth of manufacturing in Papua New Guinea has the potential to propel the nation into a more prosperous and progressive era. There is great potential for innovation in challenging the old ways of doing business and welcoming new ideas.

Women are going to be lending their hands to the growth of manufacturing in the journey forward for PNG. Over time, hopefully hearts and minds are going to begin making progress too, as Papua New Guinea becomes increasingly connected to the outside world via investment and trade. (<http://asopa.typepad.com>)

MARKET NEWS

PERFORMANCE OF PHILIPPINES' TOP NON-TRADITIONAL COCO PRODUCTS EXPORT IN MAY 2013

Data from the Philippine Coconut Authority show 13 nontraditional coconut products generated export revenue of more than USD100,000 during the month to qualify for the top non-traditional export products category. Topping the list was VIRGIN COCONUT OIL which earned USD1.887 million from export of 450 MT. Tonnage, however, fell by 51.7% from year-ago at 931 MT. Canada was market leader during the month capturing 177 MT (39.3%). Limited volumes went United States at 68 MT (15.0%), Germany 51 MT (11.4%), Australia 40 MT (8.9%), Malaysia 26 MT (5.8%), China 21 (4.7%), Singapore 16 MT (3.7%), and eight other countries that jointly held 51 MT.

Second biggest non-traditional export was GLYCERIN with export receipts of USD1.829 million from sale of 1,862 MT. Volume during the month was down by 34.9% from 2,863 MT year-ago. Japan was the biggest outlet cornering 1,031 MT or 55.4% of total sales, followed far behind by China at 425 MT (22.8%). Smaller volumes went to Hong Kong at 122 MT (6.5%), Korea 115 MT (6.2%), Thailand and Russia at 43 MT apiece,

and three other countries which shared the remaining 84 MT.

COIR & COIR PRODUCTS took the third spot with income of USD811,059. Shipment at 2,026 MT leaped by 192.8% from 693 MT of the previous year. Korea was leading market capturing 1,111 MT (54.8%), while limited volumes went to China at 200 MT (9.9%), Singapore 149 MT (7.4%), Malaysia 143 MT (7.1%), Hong Kong 141 MT (6.9%), United Kingdom 113 MT (5.6%), and five other countries with combined uptake of 170 MT.

COCONUT WATER ranked fourth with proceeds of USD476,561 from delivery of 363,162 liters, a volume sharply behind last year at 1,980,631 liters by 81.7%. Brazil was key destination absorbing 110,227 liters (30.4%), followed by UAE at 90,186 liters (24.8%), Singapore 46,543 liters (12.8%), Korea 32,548 liters (9.0%), Netherlands 25,920 liters (7.1%), Australia 25,040 liters (6.9%), United Kingdom 24,613 liters (6.8%) and three other countries which jointly held the balance of 8,085 liters.

FRESH COCONUTS landed fifth with turnover of USD430,574 MT from overseas purchases of 850 MT. Quantity was more than 42 times the previous year total at 20 MT. China was virtually an exclusive market cornering 687 MT (80.8%). Much smaller volumes went to Brazil at 66 MT (7.8%), Hong Kong 30 MT (3.5%), Japan 27 MT (3.2%), Brunei 22 MT (2.6%), Lebanon 16 MT (1.9%) and United States 2 MT (0.2%).

ACID OIL grabbed the sixth place with delivery worth USD411,751 from tonnage at 763 MT which was more than seven times the previous year at 100 MT. China was the only country destination.

NATA DE COCO came in seventh with export at 474 MT valued at USD392,640. Total load was down from last year at 651 MT by 27.2%. Japan was primary outlet with uptake of 333 MT (70.3%), followed by Saudi Arabia 103 MT (21.7%), Malaysia 23 MT (4.8%) and nine other countries which bought the remaining 15 MT.

COCO FLOUR which earned USD341,440 from export of 235 MT (53 MT year-ago) filled in the eighth place. Korea was principal buyer accounting for 102 MT (43.2%), tracked by United States 46 MT (19.7%), Japan 40 MT (17.0%), France 25 MT (10.8%), Italy 12 MT (5.2%) and three other countries which shared the balance of 10 MT.

SHAMPOO occupied the ninth place with shipment of 86 MT (25 MT year-ago) costing at USD337,903. South Africa was the main destination at 24 MT (27.9%), trailed by Malaysia at 20 MT (23.7%), UAE 18 MT (20.9%), Cyprus 9 MT (10.6%), Bahrain 5 MT (5.5%), and Saudi Arabia 3 MT (3.4%). Nine other countries jointly took in 6 MT.

COCONUT VINEGAR was tenth leading non-traditional export, earning USD327,264 from transactions involving 589 MT. Delivery during the month was more than 10 times the prior year load at 55 MT. Saudi Arabia was major importer responsible for 298 MT (50.6%) while the United States held 129 MT (21.9%), followed by UAE at 80 MT (13.5%). Smaller volume went to Australia at 30 MT (5.2%), Korea 16 MT (2.7%), Canada and Cyprus at 14 MT apiece. Five other countries shared the remaining 8 MT.

TOILET/BATH SOAP took the 11th slot contributing USD298,320 from dealings of 115 MT. Volume during the month was down by 72.2% from 412 MT last year. India was chief importer with market share of 72 MT (63.2%), followed far behind by Singapore at 34 MT (29.5%) while six other countries shared the remainder of 8 MT.

ALKANOMIDE made it to the 12th place with returns of USD187,474 from the sale of 129 MT. Total load was more than eight times the previous year total at 15 MT. China was main buyer cornering 44 MT (34.1%), followed by Dominican Republic at 27 MT (20.9%), Taiwan 26 MT (20.2%), Poland 15 MT (11.3%), UAE 9 MT (7.0%), Korea 6 MT (4.9%) and New Zealand 2 MT (1.6%).

Completing the 13 leading non-traditional exports was COCONUT MILK POWDER which contributed USD108,361

from shipment of 42 MT. Export volume was sharply behind by 75.0% from 166 MT year-ago. There were only three country destinations led by Korea at 26 MT (62.4%), followed by Denmark at 13 MT (30.6%) and United Kingdom at 3 MT (6.9%). (*UCAP Bulletin*)

U.S. IMPORT OF LAURIC OILS UP IN JUNE

Data from *Oil World* show the U.S. imported 69,500 MT of lauric oils in June, sharply rising by 16.2% from June year-ago at 59,800 MT. The increase came solely from palm kernel oil, after recording 60.7% upturn in purchases to 30,700 MT from 19,100 MT. Coconut oil, however, accounted for 55.8% of the total imports with 38,800 MT (40,700 MT year-ago) with the balance 44.2% being palm kernel oil.

The Philippines was top supplier of lauric oil to the U.S. during the month with shipment of 26,000 MT (25,200 MT) of coconut oil, the equivalent of 37.4% of total import. Malaysia was the second biggest origin of lauric oil, contributing 36.1% with 25,100 MT (18,800 MT) of palm kernel only. Indonesia shared 19.1% or 13,300 MT (15,400 MT) of which 8,000 MT (15,300 MT) was coconut oil and 5,300 MT (100 MT) was palm kernel oil. Purchases from other countries totaled 5,100 MT (500 MT) of which 4,800 MT (300 MT) was coconut oil and 300 MT (200 MT) was palm kernel oil.

The cumulative January-June figure stood at 445,400 MT, significantly increasing by 23.3% from a comparable year-earlier period total at 361,300 MT. Coconut oil uptake was 290,700 MT (227,500 MT) of which 77.4% or 225,000 MT (163,200 MT) came from the Philippines. Palm kernel oil was 154,700 MT (133,800 MT) of which 85.9 % or 132,900 MT (122,600 MT) originated from Malaysia. (*UCAP Bulletin*)

GLOBAL OILSEED OUTPUT MAY RISE TO A RECORD

Global oilseed production will rise to a record in 2013-14, propelled by higher-than-predicted rapeseed and sunflower seed crops

that will alleviate two years of tight supplies, according to Oil World.

World production of seven oilseeds is forecast to gain 4.8 percent from a year earlier to 478.4 million metric tons, the Hamburg-based research company said today in a report. Sunflower seed output may be a record 40.2 million tons, 1.5 million tons more than previously estimated. Oil World also raised its forecast for rapeseed production to an all-time high 64.8 million tons, 1.3 million tons more than projected earlier.

“World supplies will become more ample, ending two consecutive seasons of tightness,” Oil World said. “This has already been reflected in the price trend during the past couple of months.”

Rapeseed futures on NYSE Liffe in Paris have declined 15 percent this year, trading at 353 euros (\$471) a ton on July 31, the lowest for a most-active contract since August 2010. The European Union is the world's biggest grower of rapeseed, used to make biofuel and cooking oil. Canada, which produces the canola variety of rapeseed, ranks second.

Production of rapeseed, the world's second-largest oilseed crop after soybeans, was estimated at 20.8 million tons in the European Union, up 6.8 percent from a year earlier. Canada's crop will be 6.5 percent bigger at 14.8 million tons while the harvest in a bloc of former Soviet Union countries will be 41 percent higher at 4.5 million tons, Oil World said.

In the EU, better-than-expected rapeseed harvests in Poland, the Czech Republic and Romania will boost the crop. (www.bloomberg.com)

AMERICAN EXCITED OVER COCONUT WATER IN SUMMER FANCY FOOD SHOW 2013

Survey reports and from the information gathered from visitors, it is understood that tender coconut water and coconut juice will stay in the USA as a health and sports drink for some time to come. Coconut water in

original as well as with added fruit juices are available in many brands in the most of the supermarkets. M/s Maveric Brands LLC have been supplying their coco Libre brand of coconut water to all the visitors during the event.

The Major brands presently marketed in the USA are Vita coco, ZICO, Naked, Real coco water etc. Thai Heritage 100% of coconut water, coconut juice, coconut plus lemongrass water and juice, coconut plus lemongrass water and juice cool brands were displayed in Thailand pavilion and are already marketed in the States. Nata de Coco in various fruits flavors is also becoming popular as speciality food items.

Non dairy products like frozen desert in different brands were also an attraction, wherein coconut milk is used as a major ingredient.

Organic shredded coconut, flakes, creamed coconut, coconut flour etc. have also huge markets in the country. (*Indian Coconut Journal, July 2013*)

CO YO NAMED MOST INNOVATIVE AT FOOD MAG AWARDS

Last year, the praise went to its Coconut Milk yoghurt, but this year the focus was well and truly on the new Coconut Milk Ice Cream Alternative.

Manufactured from pure coconut milk instead of dairy milk, the Coconut Milk Ice Cream Alternative presents consumers with a dairy-free and vegan alternative to a dairy-based ice cream.

Traditional ice cream must contain 10 percent milk from a mammary gland in order to use the product name "ice cream", so CO YO had to name its new product an "ice cream alternative."

The company describes the Coconut Milk Ice Cream Alternative as "almost velvety in texture, with a unique smoothness on scooping."

It's available in Natural, which is just pure coconut cream without any additional

flavouring, as well as seven other flavours including Cacao; Acai and Blueberry; Mango and Lime; Pina Colada; Sticky Date and Tamarind; Cherry and Raw Choc Nibs; and Vanilla and Nutmeg.

CO YO also uses tapioca and pectin instead of the usual egg and gum emulsifiers and where possible uses coconut nectar to sweeten the dark flavours, and organic raw cane sugar for the lighter coloured flavours.

In its award nomination form, CO YO said, "There are many consumers in our population who have been deprived of the pleasure of eating ice cream because of an intolerance to dairy products and now, finally CO YO provides that choice. The flavours are innovative and exciting; the texture is smooth and velvety. The use of pectin and tapioca as an emulsifier is safe for those with allergies and the use of unrefined sweeteners makes for a guilt-free treat, well almost!

"The challenge for CO YO's Ice Cream Alternative was to produce a smooth product with good scoop ability. This was difficult because coconut has a low freezing point and is inclined to be very hard unless large quantities of gums are used and we didn't want to do this, so finding the right balance of tapioca, pectin and the nectar was very important. The fruits we use help the texture, particularly the mango and lime and sticky date and tamarind which provide more natural sugar."

CO YO's Ice Cream Alternative is distributed throughout Australia and will soon be exported to New Zealand.

In other exciting news for the company, the product will also soon be on shelves in the US, in a deal similar to that in the UK, where since 2011, a company has manufactured CO YO products under licence in London and distributed them throughout the UK and Europe. (<http://www.foodmag.com.au>)

PEPSICO LAUNCHES TROPICANA COCONUT FRUIT BLENDS

PepsiCo India has launched Tropicana Coconut Fruit Blends as a new category of

beverages under the brand. It comes in two variants — Coconut Orange and Coconut Litchi.

The company said the coconut fruit blends were the first ever for Tropicana worldwide. It has been priced at Rs 85 for one litre and Rs 20 for 200 ml, respectively.

In a statement, Homi Battiwalla, Senior Director – Marketing (Colas, Juices & Hydration), PepsiCo India, said, “With this new and innovative launch of Tropicana Coconut Fruit Blends, we are looking at expanding and diversifying our portfolio.”

He said the company hoped to bring in more consumers in the packaged juice category and expand the franchise of Tropicana in India. (<http://www.thehindubusinessline.com>)

NUTIVA MAKES INC. 5000 LIST OF FASTEST GROWING COMPANIES FOR 5TH CONSECUTIVE YEAR

Nutiva, the world's leading provider of organic coconut oil, hemp foods, chia seeds, and red palm oil, has again been named one of the fastest-growing private companies in America by *Inc. Magazine*. Earning accolades in the Private Company Sector for the fifth year in a row, Nutiva now ranks at No. 1,252 as a result of rapid growth stemming from its uncompromising dedication to providing the highest-quality organic superfoods and commitment to “Nourishing People and Planet.” Nutiva ranks seventh among food brands with sales above \$20M a year, and is number two in organic foods — just behind Plum Organics.

“This is the fifth consecutive year we’ve made the Inc. 5000 Fastest-Growing Company list,” said Nutiva founder and CEO John W. Roulac. “People today are searching for nutrient-dense organic foods, and our team has done an amazing job keeping up with the surging demand.”

Superfoods Becoming a Super Trend

As popularity spikes for superfoods — most notably coconut, hemp, and chia — Nutiva is riding this wave of demand, resulting in its average 55 percent annual growth rate

since 2002. Nutiva’s mission is to produce the highest-quality organic superfoods, providing superior nutritional value to its customers while supporting sustainable agricultural practices. Compare this to today’s modern chemical-intensive GMO (genetically modified organism) corn and soy crops, which underpin unhealthy GMO vegetable oils and animal feedlots with their compromised meat and milk. Eaters vote with their dollars three times a day and Nutiva’s hyper growth shows that people are shifting to healthier food choices. Nutiva is accelerating the organic-food movement and revolutionizing the way the world eats!

Pioneering the Next Superfood: Red Palm Oil

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Pioneering the Next Superfood: Red Palm Oil

Nutiva recently introduced certified-organic Red Palm Oil, a delicious culinary oil

with a signature bright reddish-orange color, grown on small organic family farms in northwest Ecuador. By partnering with Natural Habitats in Ecuador, Nutiva ensures that no deforestation or habitat destruction results from the growing or harvesting process. Nutiva expects to receive its Fair Trade certification on Red Palm Oil this fall.

A wonderful buttery flavor combined with high levels of antioxidant vitamins A and E makes Nutiva's Red Palm Oil an excellent choice for baking, soups, sauces and medium heat sautéing. Nutiva's Kitchen offers numerous online recipes featuring red palm oil, hempseeds, coconut oil, coconut manna, chia seeds, and others.

Nutiva's Corporate Social Responsibility

Nutiva's socially-responsible vision includes donating 1 percent of its sales to groups promoting sustainable agriculture, as well as supporting the health and wellbeing of the communities in which it operates. Since 1999, the company's success and rapid growth have enhanced the sum of its contributions, which totaled \$1.4 million to date. Nutiva has established the Nutiva Nourish Foundation to ensure the continuity of its philanthropic expansion.

Recently, Nutiva partnered with Common Vision to plant a fruit tree at every one of the twenty-five public schools in Richmond, CA. In the Philippines, Nutiva has given away thirty-five thousand coconut seedlings to independent farmers. Each "money tree," as the farmers call them, will within five years yield up to forty-eight coconuts a year.

About Nutiva

Nutiva is dedicated to a healthy and sustainable world, demonstrating its mission to nourish people and planet by sourcing delicious organic superfoods and donating 1 percent of sales to sustainable-agriculture groups. Founded in 1999, Nutiva is the world's best-selling brand of nutritious organic hemp foods, extra-virgin coconut oil, and chia seeds. Fifteen thousand retailers in the United States, Canada, Asia and the European Union

offer Nutiva foods, including Whole Foods, Sprouts, Vitamin Shoppe, GNC, Publix, Safeway, Costco, Loblaws, and Amazon.com.

About Inc. 5000

Each year *Inc. Magazine* ranks the five thousand fastest-growing privately held firms in the United States. This prestigious list of the nation's most successful private companies has become a hallmark of entrepreneurial success and the place where future household names first make their mark. Oracle, Patagonia, E*Trade, American Apparel, Microsoft, and numerous other well-known brands are among those celebrated on this list. (<http://en.businesswire.com>)

KERALA INTRODUCING PRODUCTION DIVERSIFICATION IN COIR SECTOR

Kerala's Minister for Revenue and Coir, Adoor Prakash, said the state government will introduce diversification of production in the coir sector soon. At the inauguration recently of the State-level Onam fair organised by Foam Mattings India Limited (FMIL), Mr. Prakash said the idea was to launch an array of diverse coir products in the market in an effort to energize the traditional coir sector. He said the demand for coir products had gone up in the national market, and the eco-friendly natural fiber products would be made available in the market at a reasonable price. The Minister said the government was committed to ensure job security to nearly 3.5 lakh workers in the coir sector. (*UCAP Bulletin*)

COCONUT TECHNOLOGY NEWS

PRODUCTION OF COCONUT PLANTING MATERIAL THROUGH PLUMULE CULTURE

Coconut is a highly recalcitrant species with respect to tissue culture. Over the past two decades, many researchers have directed their efforts towards developing a method for clonal propagation of coconut. Despite these concerted efforts, success in the area has

been limited and only a few clonal plants have been established in the field. Various problems encountered during *in vitro* propagation of coconut are intensive tissue browning (due to oxidation of polyphenols), slow *in vitro* response, low rate of somatic embryogenesis and variation in tissue response due to heterogeneity of explants taken from different individuals. A variety of protocols have been developed using a range of explants, immature inflorescence (Blake, 1991), immature and mature zygotic embryos, young tender leaflets, leaf basis from unopened spindle and plumular tissue (Iyer 1982; 1993; Nair *et al.*, 1999; Iyer and Parthasarathy, 2000), but the protocols lack repeatability.

Plumular tissues have been found to be the most responsive explants till date for clonal propagation of coconut. Plumule culture of coconut has been successfully applied for enhancing multiplication rate of known hybrid and genetic materials that are observed to be resistant to diseases, production of homogeneous breeding materials, multiplication of cryopreserved coconut germplasm and basic studies on somatic embryogenesis.

Coconut somatic embryogenesis is possible through a callus phase; therefore, the initial calli and subsequent embryogenic calli are prerequisite for successful plantlet regeneration. Among the auxins, the 2, 4-D was more responsive and gradual reduction of the concentration of 2, 4-D was necessary for induction of embryogenesis. It was reported that the regeneration protocol for plumule through organogenesis and somatic embryogenesis utilizing plumular slices from *in vitro* germinated embryos. Embryogenic callus induction as well as plantlet regeneration was achieved in media supplemented with 2, 4-D and polyamines. By using this protocol a maximum of 13 plantlets/plumule was achieved. The varying response of individual embryos to *in vitro* regeneration has remained a major bottleneck for large scale multiplication.

With the initial success achieved in regeneration of plants from plumule explants of coconut, a new project entitled “*Scaling up the production of planting material from released varieties of coconut palms through plumule culture*” was initiated at CPCRI, Kasaragod with financial assistance from Coconut Development Board during 2009. (Full article can be read from *Indian Coconut Journal*, LVI No. 2, June 2013)

NEERA: MEMBRANE FILTRATION TECHNIQUE

Neera, a nutritious drink, has a shelf life of a few hours. Hence it is consumed within a limited radius of the point of production in the coastal regions. Unless, Neera is stored under chilled conditions, it changes to toddy when bacteria and yeast ferment the Neera within a few hours of its collection. A membrane filtration technique developed at National Chemical Laboratory (NCL), Pune removes the microorganisms present in Neera without affecting its nutritive quality, thus extending the shelf life up to 45 days under conditions of refrigeration (4-8°C).

National Chemical Laboratory has set up a Pilot Plant at the Gajanan Naik Multi-Disciplinary Training Centre, (GNMDTC) of Khadi and Village Industry Commission (KVIC), Dahanu in Thane District of Maharashtra. The plant has the capacity to process up to 500 litres of Neera per day and was commissioned on 3rd May 2008. About 1500 pouches per day, each having a volume of 200 ml are packed and distributed at KVIC retail outlets in Dahanu. The product is well received and represents a new approach to improving a traditional rural drink by infusing appropriate technology.

Membrane processing of Neera has resulted in an overall 15-20% saving in product, which would otherwise go to waste due to its poor shelf life. A major portion of this saving will benefit the Neera tappers by way of increased wages. It is estimated that instituting a Neera processing plant will create additional 1200 jobs for a 1000 L /day plant.

Analyses carried out at NCL and SNTD University, Mumbai (who is collaborator in the project under a DBT umbrella program) confirm that Neera is a highly nutritious drink and can be consumed by young children and expecting mothers.

Neera filtration pilot plant using membrane filtration technique, developed by NCL, Pune is capable of processing 1000 liters of Neera per day. The plant will consist of the following equipment / components having the specifications, as described below. Approximate costs of equipment are also given.

Typically this project will require at least one qualified graduate in Microbiology or Chemistry who can be trained for operation of the membrane filtration, basic analysis and QC.

Cost of consumables for packaging need to be procured as rolls from manufacturer. This will work out to Rs. 0.60-1.00 per pack. (i.e. for 1000 liters/day in a 200 ml pack it will be Rs 5000/day).

Electricity for running 2 x 1.5 HP motors, laboratory instruments, diesel for gen set and steam boiler is also required.

Required infrastructure shall be provided in the room which will house the units. Viz. painting, window air-conditioner, lighting etc.

It is very difficult to estimate these costs because conditions vary from place to place. They are best decided by local bodies.

For processing neera on a commercially viable scale one would need to process minimum 30,000 litre per day. Only then the capital costs can be attractive. This may not be possible by a single farmer or small scale entrepreneurs. A large company with suitable infrastructure, resources and strong marketing ability can be successful. (*Indian Coconut Journal, July 2013*)

TODDY COMES CLEAN IN TESTS; FOOD AUTHORITY STUMPED

Kerala's iconic alcoholic drink toddy has emerged 'clean' from a series of quality tests

by Food Safety and Standards Authority (FSSA). The test results have surprised food safety officials and scientists familiar with the culture and business of toddy in the State.

The laboratory tests, the first under the FSSA regime, were carried out at regional labs in Thiruvananthapuram, Kochi and Kozhikode. The results showed nothing wrong with the 12 toddy samples.

But a senior FSSA official was surprised at the results and conceded there were no parameters in place to judge the quality of toddy or to determine whether a particular sample was synthetic or natural.

Lack of sophisticated equipment at the regional laboratories is one reason for the failure of the tests to reveal what people suspected for long — rampant adulteration of toddy. A committee appointed by the government early this year to look into problems facing toddy business admitted there was adulteration of toddy. The High Court of Kerala has been scathing in its attack on sale of spurious toddy.

"The more serious problem in detecting spurious toddy is that there is no definition of toddy available," said the FSSA official. If the quality of toddy has to be determined, it has to be defined and its chemical composition and properties identified.

But there is no definition of toddy except for the specification on its ethyl alcohol content solely for the purpose of abkari business, which is controlled by Kerala Abkari Shops (Disposal) Rules, 2002.

Rule 9(2) says that ethyl alcohol content in toddy solution on sale should not exceed 8.1 per cent volume by volume in the case of the produce from coconut trees; 5.2 per cent in the case of palmyrah toddy and 5.9 per cent in toddy from 'choondapana'.

Going by this definition, it was a useless exercise to determine whether a particular sample was either natural or synthetic, said a senior official of the Excise Department.

The official said possibilities remained wide open for adulteration of toddy, the bulk of which originates in farms in the Chittoor taluk in Palakkad.

According to Excise Department figures, about 60 per cent of the coconut trees licensed for toddy tapping are in Palakkad. The official said there are three varieties of toddy available in Palakkad. The first was the toddy tapped by traditional tappers from parts of Kerala, especially from Alappuzha. There is little scope for adulteration of toddy in these farms because of the presence of tappers who are union members.

The other two varieties of toddy, tapped mostly by tappers from Tamil Nadu engaged as contract labourers, offered a lot of scope for adulteration, the official said.

The view was echoed in the report of the committee appointed by the government early this year to address issues facing toddy business. The panel, headed by excise commissioner Anil Xavier said greedy licensees and a toddy deficit had led to rampant adulteration.

Toddy to be profiled

The scene could better in the near future. Though long in the making, a committee of chemists and excise officials are expected to come out with a proper definition of toddy, which will act as a ready reference against which testing of toddy can be done in the future.

A scientist familiar with the toddy business in the State alleged that the government had been lax in chemically profiling toddy. If this was done it would have allowed extensive testing of what passes for toddy in the State today.

The Excise Department claims Kerala produces around 8.35 lakh litres of toddy a day and consumes 7.21 lakh litres. But there is a general allegation that Kerala drinks more toddy than it produces. By a rough estimate, the State consumes about two lakh more litres of toddy than it actually produces, making spurious toddy sales worth more than Rs. one crore a day at the price of Rs. 60 a litre.

A Division Bench of the High Court of Kerala asked the State government to take a bold decision and ban the sale of toddy in the state. The High Court asked in September 2012 why toddy business continued in a State which hardly produced it. Sale of toddy only helped defeat the prohibition of arrack introduced in the State 16 years ago, the Division Bench had said. (<http://www.thehindu.com>)

SEMIOCHEMICALS IN MANAGEMENT OF COCONUT RHINOCEROS BEETLE AND RED PALM WEEVIL

An alternative to conventional pesticides in pest management is the use of semiochemicals that deliver behavioral messages between organisms. Semiochemicals include pheromone (that aid in finding mates, food and habitat resources), allomone (favour the producer) and kairomone (favour the receiver).

In coconut production the major pests that influence the crop yield are rhinoceros beetle, *Oryctes rhinoceros*, red weevil, *Rynchophorus ferrugineus*, Black headed leaf eating caterpillar, *Opisina arenosella*, eriophyid mite, *Aceria guerreronis* and white grub and *Leucopholis coneophora*. Chemoecological approaches are well exploited in management of key coleopteran pest of coconut viz., coconut rhinoceros beetle and red palm weevil. (*Indian Coconut Journal, July 2013*)

PHEROMONE TECHNOLOGY: AN ECOFRIENDLY APPROACH FOR COCONUT PEST MANAGEMENT

Coconut palm is inflicted by a number of pests of major and minor importance. All these are capable of causing considerable damage to the coconut palm resulting in reduced yields. Nearly 751 insect pests of coconut have been recorded world over. These pests attack leaves, stems, flowers, nuts and roots of the palm and coleoptera is the most numerous among them. Apart from coconut mite, the rhinoceros beetle, red palm weevil and black-headed caterpillar (BHC) are

considered to be serious pests during growth period.

Pheromone technology

Pheromones are released by males or females of the insect and use to communicate among the same species. Pheromones are used in pest management as an attractant and trapping tool for males or females of the same species. This technology is standardized for mass trapping rhinoceros beetle (RB), red palm weevil (RPW) and black-headed caterpillar (BHC). RB and RPW have aggregation pheromones which attract both males and females leading to reduction in pest population where as BHC has sex pheromones and can attract only males of *Opisina arenosella*. When most of the males are trapped, the unmated females will lay infertile eggs leading to larval reduction and there by population reduction of this defoliating pest. Continuous trapping is required for few generations to bring the pest population under control. (*Indian Coconut Journal, July 2013*)

Use of pheromone traps

The sex pheromone traps are used for trapping of the male BHC moths. For effective mass trapping of male moths 1 trap/tree is required for highly infested gardens. The moderately and low infested gardens require 1 trap/every two trees and in any infestation level, the traps must be placed at tip of the middle canopy level. The lures must be replaced once in a generation for effective management of pest. The traps should be replaced as and when they get damaged and also after loss of stickiness of the gum. The commercial trap can be used for up to 6 months if it is maintained properly.

The trap densities per hectare-based on age and level of infestation

- 40 traps/acre is effective for all ages of coconut trees with any level of infestation
- Severely infested gardens of any age group required on trap/tree

Integration of pheromone traps with larval parasitoids: The pheromone traps can be effectively integrated with larval parasitoids without having any adverse effect. The pheromone trap density and number of larval parasitoids, as mentioned earlier, are selected for implementation. Before setting up of traps, release the larval parasitoids. The parasitoids should be released on to the tree trunk for effective dispersal of parasitoids.

Mass trapping should be implemented on a community basis, so that the chance of movement of insect pests of coconut palms, from infested area to new uninfested area is controlled. By adapting these eco-friendly management methods the red palm weevils, rhinoceros beetles and BHC moths can be managed successfully. (*Indian Coconut Journal, July 2013*)

NOVEL CELLULOSIC GEL CAN REPLACE TRANS FATS IN FOODS - STUDY

A new research backed by Kraft Foods showed a novel food-grade gel made by cellulosic polymer, surfactant and oil could be used to replace trans fats in foods. Published in *LWT- Food Science and Technology*, the study titled "Cellulosic oleogel as trans-fat substitute: Viscoelastic and structural properties" analyzed the structural properties of the potential new fat replacer finding that the edible gel can be used to provide fat-like functionalities.

The study authors led by Tania Dey from the University of Guelph, Canada, noted that developing healthy shortenings and fillings for cookies, muffins, puff pastries and chocolate products can be extremely beneficial for consumers and industry. "This can be achieved by gelling oils into 'oleogels' or 'organogels'," said Dey, who revealed that previous research has reported oleogel preparation from ethyl cellulose (EC) in ethoxylated glyceride medium," indicating that the color, smell and transparency of EC remains intact upon gelation."

The research investigated how the formulation of the novel gel from cellulosic polymer, surfactant and oil affected its

structural properties revealing that the properties of the oil containing polymer gel was influenced by the structure and the formulation of components. "Viscoelastic parameters of the gels were correlated to polymer viscosity, surfactant structure and oil composition," noted Dey, while the use of sorbitan monostearate and glycerol monooleate as surfactants imparted the maximum and minimum gel strengths respectively. (*UCAP Bulletin*)

THE HEALING POWER OF COCONUT KEFIR

There was nothing sexy about probiotic beverages until the last few years during which kombucha has risen up and claimed to be the king of all 'probiotic pops'. The kombucha craze has created a new awareness for fermented drinks, but the title for the most healing and beneficial probiotic beverage could quite possibly belong to coconut kefir. It's time to take a closer look into this not so well known body elixir.

Coconut kefir is quite simply fermented coconut water. Typically, fermented drinks are recognized as dairy (milk kefir) and tea (kombucha) beverages, and not as much recognition has been given to coconut kefir. This may prove to be a mistake, due to the fact that coconut kefir eliminates the often problematic ingredients of dairy and certain teas for some people's digestive systems while still allowing you to take in a highly beneficial probiotic beverage.

The benefits of coconut kefir are comprehensive, but, from a high level view, this probiotic beverage is very healing to the digestive system and the liver and creates a strong immune system that is ultimately responsible for your good health.

In your digestive system, coconut kefir will enhance hydration and recolonize your gut and mucous membranes with healthy strains of beneficial microflora. Coconut kefir is superior, as it promotes a wide variety of microflora and has been said to have a much more potent effect on the digestive system than any yogurt.

Kefir also contains beneficial yeasts that are known to hunt out and destroy pathogenic yeasts in the body. These beneficial yeasts are considered the best defense against dangerous yeast organisms like *candida*. They clean, purify and strengthen the intestinal walls and help the body become more efficient in resisting dangerous pathogens such as *E. Coli*, salmonella and intestinal parasites.

Since we have ten times more bacteria in our body than cells, creating an optimal environment for bacterial balance is paramount. Poor bacterial balance can cause blood sugar imbalances, sugar cravings, weight gain, poor immunity, low energy and digestive disturbances. Kefir helps heal all of these problems by restoring balance to the microflora of the body. It also helps assimilate nutrients in the gut and enhance the usage of certain trace minerals and B vitamins.

Kefir's excellent nutritional content offers healing and health benefits to people regardless of condition. The regular use of it can help relieve intestinal disorders, promote bowel movement, cleanse the endocrine system, reduce flatulence and create a healthier digestive system.

The simplest ways to consume coconut kefir is through a shot or added to your smoothie first thing in the morning. You can also add it to other beverages, like unsweetened cranberry juice, and add a touch of stevia to sweeten if you wish. This creates a nice 1-2 combo for your liver and kidneys.

If you are new to coconut kefir, 2 to 4 ounces a day is a good start. Some people take it first thing in the morning to wake themselves and their digestive systems up and before bed when the friendly bacteria often do their best work. Others drink it before each meal for optimal digestion. There is really no bad time to take it, but the benefits will be enhanced for you if taken during one of these times -- or all of them! (<http://www.24medica.com>)

CPCRI TO SET UP FARM INCUBATION CENTRE

An agriculture incubation centre for supporting budding entrepreneurs interested in manufacturing value-added products from farm produces is to be set up by the Central Plantation Crops Research Institute (CPCRI), Kasaragod in the next two months.

CPCRI Director George V. Thomas told *The Hindu* that the institute would provide technical knowhow, guidance and training to the entrepreneurs. They would have to pay a nominal fee to the institute for it.

The Director said the entrepreneurs could make use of the laboratory, machinery and scientific assistance at the CPCRI for manufacturing marketable products. The institute has already procured machines required for the centre. Initially the centre would function from a temporary building, Mr. Thomas said.

He said some entrepreneurs have their own ideas of making value-added products. These entrepreneurs often start working on their ideas but dropped it mid-way if anything went wrong, due to lack of guidance or equipment for research and development. It is in this context that CPCRI's incubation centre would be useful, Mr. Thomas said.

The director said that the institute has value-added products from coconut such as virgin coconut oil by developing an indigenous technology and coconut chips. The virgin coconut oil extracted from fresh coconut kernels has export potential. (<http://www.thehindu.com>)

BIO-DIESEL NEWS

EDIBLE PLANT OIL ON LARGE-SCALE-BIOENERGY PRODUCTION

The global public debate about the use of ethanol as a world energy source has been going on for more than fifty years. On one hand, ethanol advocates have described ethanol as the "fuel of the future". But critics question the feasibility and advisability of

large-scale ethanol production in terms ranging from "net petroleum energy balance" to more general environmental and agricultural impacts. The opponents of widespread use of ethanol as fuel question the use of limited edible resources to meet the world's energy needs. In the same manner, these opponents say that the need for cleaner-burning fuel sources for environmental and health reasons does not fully justify the use of edible plant oils such as soybean oil, palm oil and coconut oil. Many critics also argue that it is wrong to use grain for energy production instead of for food. In the final analysis, it is society that must decide whether the virtues and benefits of using ethanol or biodiesel as an energy source outweigh the potential negative consequences on available food supply of using grain or edible plant oils for biofuel. Society, in general, and the scientific community, in particular, must also resolve the debate about the energy balance of ethanol production, with different studies showing either a net gain or loss when the energy inputs to ethanol production are compared to the energy yield.

The future of agricultural and land use policies is complicated by this emerging potential for large-scale bio-energy production. The growing demand for cleaner-burning fuels, such as ethanol, is likely to generate changes in agricultural cropping patterns and land management practices. This will have serious impacts on the environment, possibly threatening the natural resource base. Both biofuels proponents and critics question how production decisions and policy formulation and development surrounding the rapid expansion of the biofuel industry will affect the environment, especially water quality and soil quality. In the same manner, they ask whether the long-touted climate benefits arising from the displacement of petroleum oil use will actually be realized. The answers to these questions are not yet certain. What is certain is that while energy policy will have a significant impact on how the markets for biofuels will develop, agricultural and land use policies will also significantly influence how those markets will impact the environment and the people's health. (*Biofuels from Plant Oils*)

NEW BIODIESEL RULE RECEIVES MIXED REVIEWS

A new ministerial regulation published on first week of September 2013 requiring greater use of biodiesel has received mixed reviews from analysts who claim the ruling will not reduce fuel imports in the short term.

Pri Agung Rakhmanto, the Executive Director of the Jakarta-based energy think-tank ReforMiner Institute, said on Thursday that it would take some time to increase the use of biodiesel. "It is impossible to meet all the requirements needed to realize the plan. Furthermore, the new rule will not significantly reduce diesel fuel imports," he said.

With the regulation, the government is hoping to reduce diesel fuel imports by increasing the use of biodiesel from the current 2.5 percent to at least 10 percent, while also mandating fuel-blending.

The regulation seeks to support the economic stimulus package announced last week to spur economic growth and stabilize the weakening rupiah.

According to data from the Energy and Mineral Resources Ministry, the government is seeking to cut at least 1.3 million kiloliters of diesel fuel imports between September and December this year.

By August next year, a year after the introduction of the regulation, the government expects to have cut diesel fuel imports by around 5.6 million kiloliters, worth US\$4 billion. In the near term, the government expects to reduce the country's diesel fuel imports by at least 100,000 barrels per day (bpd) for the rest of the year.

However, according to Pri Agung, the scheme will not reduce fuel imports significantly, instead the government should shift its focus to speeding up the construction of oil-processing plants that have been discussed for the past several years.

State-owned oil and gas firm PT Pertamina's two planned oil refineries are on hold as potential investors in the project have

reportedly sought fiscal incentives rejected by the Finance Ministry. "The new mandatory biodiesel-use rule will not help reduce fuel imports as much as constructing new oil-processing plants," said Pri Agung.

Indonesia consumes around 1.3 million bpd of refined oil. The country, which left the Organization of the Petroleum Exporting Countries (OPEC) in 2008 after becoming a net oil importer, currently produces only 830,000 bpd of crude oil.

Separately, an economist with the Institute for Development of Economics and Finance Iman Sugema, said that the new biodiesel rules were not an answer to the current economic situation as it was not perceived as an effective short-term solution. "The idea behind biodiesel is basically good, but it will not be a solution to the current account deficit," he said.

The new biodiesel rules are aimed at all consumers of diesel in the country including Pertamina, state utility firm PT PLN, private mining companies such as PT Freeport Indonesia and private players in the downstream petroleum sector such as Shell Indonesia and Total Indonesia.

Indonesia currently imports around 35 million kiloliters of diesel oil per year, including 17.5 million kiloliters of subsidized diesel oil.

Meanwhile, Pertamina Processing Director Chrisna Damayanto said separately that the firm would begin mixing at least 10 percent of fatty acid methyl ester (FAME) to its diesel production. "We will be able to save up to 90,000 bpd of diesel with the new scheme," he said, adding that Pertamina would not have to add new refinery facilities in order to abide by the new regulation. (*The Jakarta Post*, 5 September 2013)

GOVT FORCES SHELL, TOTAL TO BOOST BIODIESEL MIX

PT. Shell Indonesia and PT. Total Oil Indonesia will have to increase the proportion of biodiesel in the diesel fuel mix they sell at their gas stations to at least 10 percent by January next year or the business.

Shell and total, the only two remaining foreign players in the downstream petroleum sector in Indonesia, were obligated to boost the fatty acid methyl ester (FAME) content in their diesel mixes, said Energy and Mineral Resources Ministry Director General for renewable energy and energy conservation Rida Mulyana.

“We will inspect [their] gas stations from time to time to ensure they follow the new regulation,” he said over the weekend, referring to the 2013 Energy and Mineral Resources Ministerial regulation issued on September 1 mandating the change.

The regulation also requires a minimum of 10 percent biodiesel in diesel fuel mixes used for industrial and commercial purposes, and a minimum of 20 percent for those used in power plants.

The regulation also stipulates a minimum amount of 1 percent bio-ethanol in gasoline used in non-public service transportation vehicles, as well as in industries and commercial businesses, by January next year.

The new regulation, which was passed as part of the government’s stimulus package aimed at pushing down fuel imports to combat the current-account deficit and weakening rupiah, replaces a previous regulation issued in 2008 and makes the fuel-blending requirement mandatory instead of voluntarily.

Fuel retailers failing to comply with the regulation may face sanctions ranging from suspension of operations to business license revocation.

Both shell-a subsidiary of petroleum giant Royal Dutch Shell-and Total-a subsidiary of France-based Total SA-currently only mix 1 percent of biodiesel into their diesel fuel, according to Rida.

They previously were required to have at least 3 percent biodiesel in their diesel fuel mix.

Indonesia, Southeast Asia’s biggest economy, now imports around 35 million kiloliters of diesel fuel per year, including 17.5 million kiloliters of subsidized diesel fuel.

Indonesia’s state-owned oil and gas corporation PT Pertamina dominates the market in petroleum product sales in Indonesia with a 97.3 percent market share, followed by Shell (2.4 percent) and Total (0.11 percent), according to Energy and Mineral Resources Ministry data.

Shell Indonesia spokesperson Inggita Notosusanto said the firm now had 2 percent biodiesel in its diesel fuel and would start selling 10 percent biodiesel in January next year.

She, however, highlighted the need for carmakers to give assurances that their products were compatible with a 10 percent biodiesel mix.

“Will people buy [the 10 percent biodiesel diesel fuel] if there’s no warranty on their engine?” she said.

Meanwhile, Total Indonesia said in an email response to *The Jakarta Post’s* queries that the firm now sold diesel fuel with 2 percent biodiesel and was ready to support the government’s new policy. (*The Jakarta Post*, 23 September 2013)

5% BIOFUEL BLEND MAY START NEXT MONTH

Department of Agriculture (DA) Secretary Proceso J. Alcala is hopeful the proposed increase in biodiesel blend to 5% from the current 2% will be implemented in October. At the sidelines of the recently concluded 27th National Coconut Week and 12th Coconut Festival at the Megatrade Hall, SM Megamall, in Mandaluyong City, he said the National Biofuels Board (NBB) is now in the process of studying the data from the 25-day road testing of the blends in seven jeepneys and from public consultations conducted in Davao, Leyte, and Metro Manila this month. “We are just waiting for the final decision of the National Biofuels Board on the results of the road testing of the B5 (5% blend) on public utility vehicles. We are confident that we can start the implementation by October,” Secretary Alcala said.

However, the Department of Energy's (DoE) Renewable Energy Management Bureau Director Mario C. Marasigan said that the implementation of the increased biodiesel blend does not rely only on the road testing and public consultations. There were numbers of parameters involved, and all were presented during the public consultations, including tests and technological studies. The final decision and approval will be in the form of a department circular. He also said that the DoE is set to discuss the results of the tests with NBB on Sept. 10. (*UCAP Bulletin*)

BILL TO FUND RESEARCH ON PLANT-BASED JET FUEL FILED IN US CONGRESS

A Southern Illinois congressman has filed a bill that would help turn the region's corn and soybeans into bio-based jet fuel for the Air Force. U.S. Rep. Bill Enyart, D-Bellefonte, travelled to a farm near Scott Air Force Base to drum up support for his Biofuels Development Act, which would allow grants up to \$25 million toward research that could lead toward corn and soy-based jet fuel. The bill would give preference to a current biofuels research center that is close to corn and soy fields as well as a military base. Enyart's district has all of those: The National Corn-to-Ethanol Research Center at Southern Illinois University Edwardsville, thousands of acres of farmland and Scott Air Force Base.

Enyart, who is a member of the House Armed Services and Agriculture committees, introduced the bill earlier this summer, but is just now pushing it and looking for co-sponsors. Analysts see the Midwest, and particularly Illinois - home to Chicago-based Boeing and United Airlines, as the epicenter of efforts to develop bio-based jet fuel, though many believe a viable transition could be decades away. The University of Illinois announced earlier this year that it would begin construction on a \$23 million biofuels research lab. According to a report issued earlier this summer by the Midwest Aviation Sustainable Biofuels Initiative, the aviation industry and the U.S. military consume 20

billion gallons of jet fuel a year. (*UCAP Bulletin*)

OTHER VEGEOIL NEWS

CRUDE PALM OIL: CHANGING LANDSCAPE

Favorable third quarter 2013 weather conditions in the Northern hemisphere and good planting and growing conditions in South America will result in much higher October 2013–September 2014 soybean output of 284 million tons (exhibit 1), up 6.8 percent year-on-year (y-y) based on a report by Oilworld.

This condition will result in higher ending stock of 75 million tons, up 22 percent y-y and higher stock to usage ratio of 28 percent (October 2012–September 2013: 24 percent). That said, with September 2013–October 2014 palm oil production also expected to rise 4.4 percent to 58.2 million tons, total 8 vegetable oil supplies will increase 3.4 percent y-y to 159.5 million tons, higher than the increase in consumption of only 3.1 percent y-y to 158.7 million tons.

Other than higher supplies, we see policy risk in India and Indonesia as they continue their fiscal policy war to protect their own refineries. This coupled with the above-mentioned factors will limit crude palm oil (CPO) price growth going forward in our view.

Hence, although oil has remained above US\$100/barrel lately, CPO price will not benefit from this condition as the EU limits the use of CPO for its biodiesel mandate. Biodiesel production is concurrently also experiencing limited growth.

With CPO production entering its peak period in the second half of 2013 and slower demand following Lebaran, we expect CPO in the third quarter of 2013 to reach \$731/ton, down 13 percent quarter-on quarter (q-q) and 27 percent y-y, before averaging \$774/ton, down 22 percent y-y in 2013.

Sizeable increases in CPO production will push Indonesian and Malaysian CPO inventories in 2014 to another record high,

pushing down next year's CPO price to \$760/ton, down 2 percent y-y, before slightly recovering in 2015 to \$798/ton, up 5 percent y-y. This means 12 percent-20 percent downgrades in our 2013-15 CPO price assumptions (exhibit 2), resulting in 14 percent-51 percent lower earnings for CPO counters in our coverage, some 30-65 percent below consensus' projections.

While benefiting from the weaker rupiah, CPO companies will see depressed 2013-2015 earnings on lower CPO price and higher labor costs. Thus, we cut our sector rating on plantations from neutral to underweight on continued negative developments within the industry, particularly as 2014 Price Earning (PE) has reached 16.6 times.

On individual counters, we now have "reduce" ratings on most of our plantation counters with average 16 percent downside potential on revised down earnings and lofty valuations on unsupportive CPO market.

Going forward, we expect sector de-rating to 2014 price-earnings (PE) of 14.2 times, translating to 20 percent discount to its Malaysian peers, reflecting negative 2013-14 earnings growth. We have two "hold" ratings on Astra Agro Lestari Tbk (AALI), due to generation of additional earnings from its refinery business starting in 2014, and BW Plantation (BWPT) on strong earnings recovery helped by the operation of its new mill next year. On a more negative note, our top sells are Sampoerna Agro (SGRO), Salim Ivomas Pratama (SIMP) and London Sumatra Indonesia Plantation (LSIP) on weak growth profiles. (*The Jakarta Post*, 1 August 2013)

INDIA PALM IMPORTS MAY RISE TO RECORD ON OILSEED SHORTAGE

Palm imports by India, the largest buyer, will probably climb to a record next year as domestic oilseed harvests trail consumption and a growing population boosts demand for the oil used in noodles and candies.

Purchases may increase 5 percent to 8.7 million metric tons in the year beginning Nov. 1 from 8.3 million tons this year, said Govindlal G. Patel, managing partner at G

Patel & Nikhil Research Co., who has traded cooking oils for more than three decades. Imports were 7.57 million tons in 2011-2012, according to data from the Solvent Extractors' Association of India.

Increased imports may trim inventories in Indonesia and Malaysia, the biggest producers, and stem a third year of price declines, the worst run since at least 1996. World stockpiles are set to rise to a record by the end of 2013-2014 as production climbs to an all-time high and demand expands the least in 12 years, the U.S. Department of Agriculture says.

"Our per capita consumption of oil is very low compared to the global average and demand is growing, so we need to import," said Patel. Consumption may grow at the same pace as last year as a slowing economy curbs some purchases, he said.

India's per capita consumption is growing an average of 4 percent annually and is estimated at 13.5 kilograms this year, said B.V. Mehta, Executive Director of the association.

The country meets more than half its cooking oil demand through imports, buying palm from Indonesia and Malaysia and soybean oil from the U.S., Brazil and Argentina. The country produces about 8 million tons of vegetable oils annually.

Palm for delivery in December fell 0.7 percent to 2,300 ringgit (\$726) on Bursa Malaysia Derivatives in Kuala Lumpur today. Futures lost 5.7 percent this year, extending the combined 36 percent slump in 2011 and 2012.

"Indian imports in 2013-2014 will hit a record high, but not as high as some people suggest," Dorab Mistry, a Director at Godrej International Ltd., said in e-mail interview. "Consumption is being hurt by the local economic slowdown."

The economy expanded at the slowest pace since 2003 in the year ended March as investment fell and consumer spending in the nation of 1.2 billion people moderated. HSBC

Holdings Plc and Goldman Sachs Group Inc. cut their growth estimates to 4 percent for this year.

Crude palm oil and refined, bleached and deodorized palm olein imports in the 10 months to August rose 14 percent to 6.7 million tons, according to association data. Total cooking oil imports climbed 8 percent to 8.79 million tons between November and August, it said.

“Overall imports will rise to 10.6 million tons this year because output was lower last year,” said Patel. “We will need to see how the winter oilseed crop shapes up.”

The rupee slumped 8.1 percent in August, the biggest monthly loss since 1992, making purchases more expensive. The currency recovered to 62.315 to a dollar today after touching a record low of 68.845 on Aug. 28.

“When the rupee was at 67-70, imports were difficult,” said Patel. “If it stays between 60-63, then consumers may not find cooking oil costly.” (*The Jakarta Post*, 21 September 2013)

SEMINAR TO ADDRESS ANTI-PALM OIL CAMPAIGN

Indonesia and Malaysia, the world's top two producers of palm oil, will organize a joint seminar on the health and nutritional benefits of palm oil next year to address the anti-palm oil campaign. Government officials from both countries held a bilateral cooperation meeting on commodities including palm oil, cocoa, pepper and jathropa. The Malaysian delegation was led by Plantation Industries and Commodities Minister Datuk Seri Douglas Uggah Embas and the Indonesian delegation was led by Agriculture Minister Dr. H. Suswono.

“There are evolving barriers to palm oil exporters particularly to Europe now,” Uggah said in a press conference that followed the meeting. These include the proposal to raise domestic taxes on palm oil in France and the ‘without palm oil’ labeling on food products. The latest issue is the draft proposal

submitted to the European Union (EU) Parliament to ban imports of palm oil from deforested countries as a biodiesel source. A proposal is being considered by China to ban the use of palm oil in the production of infant formula on health grounds. (*UCAP Bulletin*)

DID YOU KNOW.....

8 REASONS TO ADD COCONUT TO YOUR DIET

The majestic, easy-to-grow, multi-talented coconut—including the fruit's water and flesh—has abundant health and beauty benefits. It's no wonder in the tropics they call it the “Tree of Life.” Here are eight great benefits of coconut. To learn how to incorporate more coconut in your life see: 5 Ways to Add Healthful Coconut to Your Life

Interesting side note: Botanically, the coconut is considered a fibrous one-seeded “drupe.” A drupe is a fruit with a hard stony cover enclosing a seed, like a peach or olive. If that's hard to picture, it's because when we buy whole coconuts in the store, the outer fibrous layer has been removed.

1. Hydration

You have probably noticed coconut water springing up everywhere on supermarket shelves. Well that's because advertisers made it hip, but we also cottoned on to the benefits of making it a regular part of our diets. Coconut water is more hydrating than regular water. It's isotonic, so it contains the same amount of electrolytes as our blood. So when you sweat during exercise, it replaces what you lose, rehydrating you more quickly.

Interesting side note: coconut water was used as an intravenous fluid to replace blood when nothing else was available during WWII and is still used in remote equatorial regions when nothing else is available.

2. Vitamins & Minerals

Fresh Coconut water is full of vitamins and minerals. It has more potassium than

bananas, around 300 mg per coconut, so it's good for healthy muscle function. It also contains calcium, zinc, phosphorous, magnesium, vitamins B1, 2, 3, 5, 6, folate, vitamin C, and quite a bit more. Remember these vitamins are naturally occurring, they aren't whizzed up in a laboratory then added to your sports drink.

3. Antioxidants

Antioxidants in coconut water help flush out toxins and maintain your body's PH balance, which should be between 6.0 and 7.5. You can buy PH test strips if you want to know your body's PH level. When our PH level becomes more acidic (a lower number) it weakens our bodies systems, which makes an ideal environment for disease to develop. Our body is made up of 70 percent water, so it makes sense to drink nature's water to help keep up with the demands of today's world.

4. Aids Weight Loss

Blending coconut water and coconut flesh in a smoothie not only tastes amazing, (once you master the art of opening coconuts), but it keeps you full for longer. It helps increase your metabolism, which means you burn fat faster. Some also report that their sugar cravings decrease once they start consuming coconut oil. Here's a quick smoothie recipe:

1 Baby Thai Coconut, water and flesh

2 Ripe Bananas

1 Ripe Mango

Add all ingredients to a blender, blend until smooth. Yum!

5. Keeps Ya Regular

Some might think this is not something to be excited about, but intestinal health is integral to our overall health, and we need to keep things moving along! Coconuts contain plenty of dietary fibre, which helps speed up digestion and keep you regular. Coconuts are also found to be natural antihistamine, anti-viral, anti-microbial, and contain lauric acid (in breast milk too), which kills fungi, bacteria, and intestinal yeast.

6. Energy Booster

Even though coconut oil contains saturated fat, it is quickly absorbed into the liver and converted directly to energy. It helps to regulate blood sugar, so you can go longer before needing to eat. Athletes use coconut to stay hydrated and improve their endurance during performance. It also helps promote healthy thyroid function which aids the symptoms of chronic fatigue.

7. Beauty Products Galore

This is where coconut oil comes in. Virgin, cold pressed, organic coconut oil can be used as a facial moisturizer, lip balm, body moisturizer (provides light sun protection), and you can use it in your hair for extra shine. It can also be used as massage oil and in pregnancy to help prevent stretch marks. The skin is the largest organ and absorbs everything you put onto it, so it makes sense that what you put on your skin be edible. Some also use it as a light mouthwash, and brush their teeth with it because it fights bacteria that cause tooth decay.

8. A Healthy Oil Alternative

Coconut oil is a diverse oil which can be used as an alternative to butter in baking, used in sweet desserts, and used for light frying. It has a high smoke point (350°F, 177°C) and it does not degrade once heat is added to it. Unlike other oils, it doesn't produce free radicals—cells that kill working cells just by interacting with them. It also has a long shelf life and doesn't develop rancidity when exposed to light, like other oils. Aside from the oil, you can also blend the flesh and water into milk and add to Asian cooking. (<http://www.thepochtimes.com>)

COCONUT RECIPE

"Coconut Pastries"

- 1 kg (about 7.5 cups) wheat flour
- 1 cup sugar
- 1 tsp baking powder

- 1 tsp yeast
- 4 cups coconut milk
- Oil for deep frying

Preparation:

1. Mix wheat flour, sugar, baking powder, yeast and coconut milk. Knead into dough. Let stand for 1 hour.
2. Roll the dough and cut into small pieces.
3. Heat oil in pan and fry dough pieces until golden brown.
4. Serve with tea, milk or coffee.
5. Makes 8-10 servings. (COGENT Coconut Recipes)

BUSINESS OPPORTUNITIES

❖ BUSINESS PARTNERSHIP FOR COCONUT WATER PRODUCTION & MARKETING

A coconut milk producing company is looking for a partner to produce and sell drinking coconut water to the global market. Interested parties please contact:

Mr. Robert FW
PT. Mandra Indojoya
Jl. Babatan Mukti Blok N/108
Wiyung, Surabaya 60227
Indonesia
Email: robertfranw@yahoo.com

❖ COCONUT WITH HUSK, COPRA, COCONUT HUSK CHIPS

A leading agriculture import/export trading company (7 seas Group India) is looking forward to export coconut with husk, copra, coconut husk chips from India. Interested parties please contact:

Mr. Garuav Kolhapurkar
India
Email: gaurav@7seasgroup.biz

❖ COCONUT SHELL HANDICRAFT

Known as coconut shell handicraft master (guru) in Southern Thailand, Mr. Pleum Chookong has created jobs for his neighbors in the community and dealt

with buyers/exporters with faithful manner and reasonable price for more than a decade. He and his community members usually make coconut handicrafts by order. Tourists/visitors are always welcome to visit his simple showroom called "Learning Center for Coconut Handicraft" in Ban Khog Wua village, Tambol Chaiburi, Maung, Pattalung province. Coconut shell handicraft products such as utensils used for cooking and food decoration, items used in restaurant/café, and jewelry items are available for sale. Interested parties may send their order including the pictures of the ordered products to:

Mr. Pleum Chookong
Ban Khog Wua Village
Tambol Chaiburi, Maung
Pattalung Province
Thailand
Tel/Fax.: (66-74) 614 512
Mobile phone: (66-86) 287 2542

❖ COCONUT WOOD FURNITURE AND DOOR FRAME

Wide range of coconut wood furnitures, window and door frames, floors and decking are available for sale. All of them are made from the best quality coconut wood. For details please contact:

Ms. Meity Lolowang
Marketing Officer
UD. Sinar Sakti
Jl. Wolter Monginsidi Malalayang
Manado, North Sulawesi, Indonesia
Tel.: 62-431-825878
Fax.: 62-431-821355
Email: sinarsaktimanado@yahoo.com

❖ COCONUT SUGAR

An organic coconut sugar producer with a production capacity of 1 ton/month offers a very competitive price. Interested parties may contact:

Mr. Suherman
Mobile: +62-81391029149
Karangjati Village
Sampang Cilacap, Central Java
Indonesia

STATISTICS

**Table 1. INDONESIA - Monthly Export Prices of Desiccated Coconut, 2009-2013
(US\$/MT, FOB Jakarta/Surabaya)**

MONTH	2009	2010	2011	2012	2013
January	1,100	990	2,500	1,763	1,375
February	1,100	1,050	2,650	1,626	1,486
March	900	1,110	2,600	1,550	1,503
April	920	1,200	2,600	1,580	1,519
May	930	1,350	2,550	1,500	1,554
June	930	1,275	2,600	1,300	1,545
July	925	1,375	2,500	1,300	1,517
August	980	1,550	2,450	1,300	1,512
September	910	1,650	2,469	1,350	1,588
October	900	1,900	2,300	1,350	
November	900	2,100	2,120	1,370	
December	925	2,200	1,939	1,457	
Average	952	1,479	2,440	1,454	1,511

**Table 2. PHILIPPINES - Monthly Export Prices of Desiccated Coconut, 2009-2013
(US\$/MT, FOB Manila)**

MONTH	2009	2010	2011	2012	2013
January	1,314	1,185	2,716	2,554	1,667
February	1,178	1,200	3,183	2,503	1,682
March	1,138	1,272	3,090	2,464	1,781
April	1,119	1,379	3,175	2,344	1,752
May	1,236	1,422	3,160	2,190	1,776
June	1,190	1,396	2,902	2,041	1,778
July	1,102	1,436	2,864	1,893	1,696
August	1,140	1,717	2,796	1,711	1,593
September	1,110	1,877	2,778	1,645	1,621
October	1,085	2,187	2,678	1,577	
November	1,097	2,360	2,610	1,580	
December	1,126	2,400	2,577	2,024	
Average	1,153	1,653	2,877	2,044	1,705

**Table 3. SRI LANKA - Monthly Export Prices of Desiccated Coconut, 2009-2013
(US\$/MT, FOB Colombo)**

MONTH	2009	2010	2011	2012	2013
January	1,226	1,351	2,650	1,600	1,467
February	1,280	1,447	2,700	1,381	1,690
March	1,221	1,434	2,650	1,360	1,773
April	1,074	1,478	2,700	1,570	1,751
May	1,165	1,450	2,650	1,470	1,822
June	1,235	1,400	2,900	1,265	1,792
July	1,167	1,450	2,962	1,110	1,717
August	1,100	1,670	2,887	1,230	1,720
September	1,119	1,700	2,500	1,200	1,932
October	1,208	1,900	2,282	1,250	
November	1,284	2,143	2,100	1,370	
December	1,175	2,300	2,000	1,457	
Average	1,188	1,644	2,582	1,355	1,740

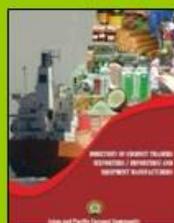
COMING EVENTS

1. ANUGA 2013, 5-9 October 2013, at Cologne Exhibition Centre, Koeln Messplatz 1 Cologne, Germany.
2. American Fats & Oils Association Annual Meeting, 9-10 October 2013, New York, USA.
3. 11th Euro Fed Lipid Congress and 30th ISF Lectureship Series, 27-30 October 2013, Antalya, Turkey.
4. Palm Oil Trade Fair & Seminar (POTS), 28-29 October 2013, Cairo, Egypt.
5. 2013 IFFO Annual Conference, 28-30 October 2013, Hong Kong.
6. European Bulk Liquid Storage 2013, 30-31 October 2013, Rotterdam, The Netherlands.
7. Oils & Fats International (OFI) Asia 2013, 5-6 November 2013, Landmark Hotel, Bangkok, Thailand.
8. PIPOC 2013, 19-21 October 2013, Kuala Lumpur, Malaysia.
9. THAIFEX-World of Food Asia 2014, 21-25 May 2014, IMPACT, Bangkok, Thailand.
10. International Conference on Agricultural Postharvest Handling and Processing (ICAPHP), November 19-21, 2013, The Sultan Hotel, Jakarta, Indonesia.

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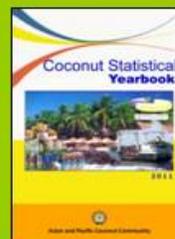
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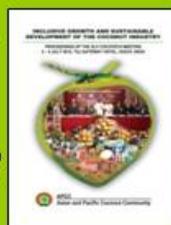
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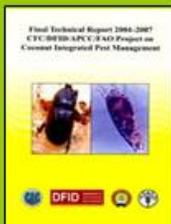
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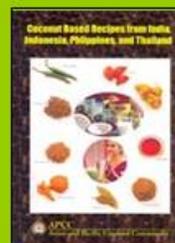


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