
The Success Story of Quality Copra from Vanuatu

By Franklyn Kere



Photo by Coconut Development Board, India

Vanuatu before independence was known as New Hebrides. Coconuts remain the most important crop in this island country with regard to its contribution to income generation both at national and household levels. Since 1870 copra, the principal product derived from coconuts, has been produced and exported from Vanuatu. It has remained the mainstay of the Vanuatu agricultural economy, contributing on average 58% to export earnings since independence.

Traditionally, Vanuatu produced very poor quality copra. Since 1982 the Government embarked on a program to produce better quality copra through hot air drying. It has paid dividends.

Coconut is believed to be a native plant of the Vanuatu not only because Vanuatu's traditional stories say so but it is also supported by the fact that certain members of the Crustacea which are found only in Vanuatu and the neighboring island countries such as the coconut crabs depend only on coconuts for their livelihood. However, the commercialization of the crop only started in the late 1800 with the arrivals of the French and the English planters and quickly spread with the development of the plantation sector early this century.

Development with respect to the smallholders began on the latter part of the first half of the century when Ni-Vanuatus returning from plantations started planting their own small coconut holdings.

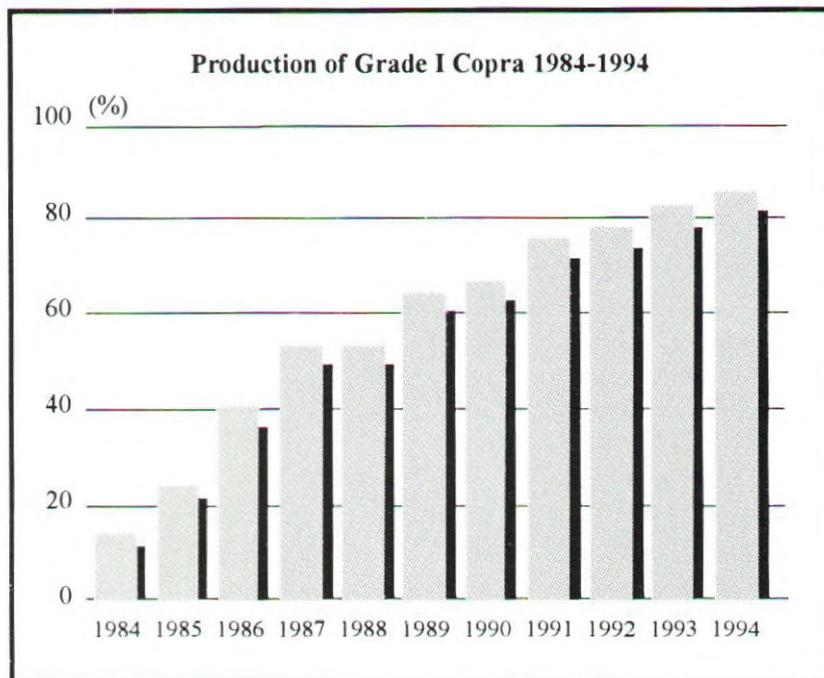
Before independence in 1980, all copra produced in the country was smoke dried. This was largely due to two factors - the generally low level of the education at that time and the absence of any policy with respect to the coconut industry by the Colonial Administrators.

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Post independence

Upon independence, the national Government quickly acted to establish policies and objectives in all sectors of the economy including the Agricultural sector. In its first 5 year Development Plan, which covered the period 1982-1986, the first three objectives out of nine, emphasized the development of the smallholder sector of agriculture in all regions of the Republic and the reestablishment of a strong plantation sector. With regards to the specific issue of coconut development, the Plan emphasized the need to reverse the general decline of output by replanting and planting of new improved varieties and the modernizing of drying facilities to ensure improved quality products for export. To achieve this the Government created in 1980 a Ministry of Land and Natural Resources which comprised three departments, of which one was the Department of Agriculture, Livestock and Forestry. To further strengthen its focus, the Government created the Vanuatu Commodities Marketing Board (VCMB) in 1981 to take charge of the copra industry.

This policy was further reemphasized in the second 5 year Development Plan (1987-1991) and as an extension of this policy, additional emphasis was directed at better human resource development for increased participation in and the control of the economy. By this time the Ministry responsible was appropriately named Ministry of Agriculture and Fisheries. Added to this was the general feeling of awareness and responsibility by the indigenous islanders aided largely by the improved level of education in the country.



Quality improvement

After its establishment, the VCMB with the assistance of the Department of Agriculture, Livestock and Fisheries (DALF) launched the Copra Quality Improvement Awareness Program (CQIAP) with the First National Plan with a view to modernize the country's most important agro-economic sector. The scheme was called "Copra Improvement Project" (CIP) initiated in early 1982 and lasted for three years with the EEC funding accounting for 15.8% of the cost, Vanuatu Government contributing 33.1% and the farmers shouldering 51.1% of the total project cost of 94 million Vatu.

Implementation

Under the guidance and control of the VCMB and the DALF through its extension arm, the objectives of the CIP was launched nationwide. *The quality improvement campaign included the design, construction and the supply of Hot Air Drying Units.* The

implementation of the CIP was under the overall management of the VCMB General Manager aided by one Project Coordinator responsible for the overall administration of the project, one Field Supervisor in charge of all aspects and problems of procurement and despatching of materials and other equipments of the project, and three Field Assistants based in Lakatoro on Malekula, Port Vila and Luganville on Santo who were entrusted with the duties of ensuring the adequate movements of materials and conversion units, the supervision of their transport and construction on sites, the assistance and advice to farmers on proper operation and management of the processing units.

In connection with the project, the VCMB announced towards the end of 1982 two different producer prices for hot air dried copra and smoked copra. The hot air dried copra has a premium of around US\$50.00 per tonne. The implementation of the project was hun-

dred percent successful.

Towards the completion of the project, some farmers were already meeting the full cost of their hot air drying units by themselves reflecting their acceptance of the advantage and benefit of such units. This high level of acceptance by the farmers is the major factor behind the present continuation of the process of improvement of the copra quality on a sustainable basis despite the completion of the subsidized funding arrangement in 1985. The scheme is still continuing under the administration of the Co-operative Federation with the farmers meeting the full price of the units.

Results

The first significant result is the regrading of the Vanuatu copra into Grade I and Grade II, being hot air and improved smoke dried, respectively. A premium price of around US\$50.00 is obtainable for the grade I copra resulting in the augmentation of the farmer's incomes. The second noticeable outcome of the project is the non-occurrence of losses arising from discount pricing of Vanuatu's previously single substandard copra since 1983 and thirdly the financial benefit the country receives from premium prices obtained from the export of hot air/sundried copra.

The most important contribution is the continued process of changing to hot air and sundried copra from smoke dried. In fact at present new methods and techniques are still being tried out such as the steam drying process. Reflecting this, the percentage share of grade I copra which was zero in 1980 accounted for 1% of total production in 1982 then jumped to



MV Chi Feng Kou loading in Santo, Vanuatu

8% the following year. In 1984 and 1985 grade I copra share percentage increased further to 14.4% and 23.8% respectively. The momentum was maintained the following year to further increase to 39.7% and in 1987 it passed the 50% mark to record 54.7%. In 1988 it edged up a little to 55.2% then increased to 63.7% in 1989. 66.8% was recorded in 1990 and in 1991 it augmented further to 76.4%. Then general improvement in quality was sustained in 1992 to register 78.3% and further increased by 4.2% to reach 81.6% in 1993. Last year, 1994 the percentage share of Grade I copra was 84.5% which was a further improvement of 3.6%. There is optimism with the Authorities that in not so distant future, the Vanuatu copra will be totally hot air, sun dried or steam dried.

Symmetrical development to these improvements is the increased additional incomes to farmers, which in 1994 was VT114 million. The aggregate additional income to farmers since the introduction of the CIP in 1982 to 1994 is over a billion Vatu. This is an important

factor not only behind the general upliftment of the farmer's income positions and their respective families' welfare, but most importantly, the development of the rural economy in general in line with the National Development Plans. On the external front, additional export revenue earned from premium prices denominated in US dollars is equally as significant in magnitude and benefit; assisting the country's balance of payment positions, official reserve building and the domestic money supply developments.

Interest is increasing

With the significant improvement in the copra quality, more buyers are now interested in Vanuatu copra. Numerous enquiries are made each year to purchase Vanuatu copra with several of them indicating interests for full production. However, due to supply limitation, the VCMB only contracts to sell to two buyers only each year who offer the best terms with a small percentage allocated for spot sales. □

Photo by VCMB