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(MT)

## EXECUTIVE DIRECTOR SPEAKS .....

### ***“Coconut Products should be Marketable and Profitable for Sustainability”***



A sound business decision is made in relation to taking on any product on the basis of both its marketability and profitability. Desiccated Coconut (DC) is considered an economically steady product starting in the 1800s. Whilst recent price movements indicate lower than same period last year the fluctuations over a 10-year average are very small. Statistics indicate good increases in volumes of exports in Indonesia and Philippines. Sri Lanka showed a decrease in volumes as direct result of prolonged drought affecting yield and productivity of palms. Domestic price is highest in Sri Lanka at US\$3,283/MT in comparison to other

locations.

Issue of viability is challenged when competition for adequate supply and reasonable purchase price for raw material are brought into question. Such was the case in the shutting down of around 90 desiccated coconut powder factories in the Tumakuru District of India, sacrificing employment of nearly 20,000 people. It was reported that farmers in the same District are turning away from coconut farming. This move would lower production therefore increase prices of limited coconuts supply hence difficulties faced by the processing factories.

Large producing countries of Philippines and India actively pursue trade and market confidence internationally for their products. Philippines conducted a Coconut Road Show in the USA last September 2017. India, with involvement of the Coconut Development Board, participated in the Dubai Global Convention promoting the coconut industry in India.

Donors have become more sympathetic towards the coconut industry with the European Commission now assisting the Caribbean and Pacific Communities through the two projects Coconut Industry Development for the Caribbean (CIDC) and the Pacific (CIDP) respectively. As a result the Government of Jamaica is calling for the revival of the coconut industry. Parts of CARICOM in Guyana, Trinidad & Tobago and the Dominican Republic are moving towards revitalizing their respective industry.

The Philippines stakeholders initiated the 1<sup>st</sup> World Coconut Congress to be held in Manila 14-16 August 2018 as a positive step towards increasing awareness geared towards maximizing the potential of coconut industry. Such awareness should result in convincing farmers to continue actively with coconut farms and seriously address the replanting as well as new development of coconut lands. Indonesia continues to grow its non-edible category such as the coir fibre products, coconut shell charcoal and potential for bio-fuel with increasing mandate by Government.

APCC continues to urge coconut farmers to continue with coconut as a very good commercial crop.

A handwritten signature in black ink, appearing to read 'URON N. SALUM', written over a horizontal line.

URON N. SALUM  
Executive Director. APCC

## PREVAILING MARKET PRICES OF SELECTED COCONUT PRODUCTS AND OILS

*Price of CNO decreased in Philippines, Indonesia and Sri Lanka. The price of DC decreased in Philippines, Indonesia and Sri Lanka.*

**COPRA:** The price of copra in Indonesia was US\$508/MT in May 2018, which was lower than last month's price of US\$576/MT. When compared to last year's data for the same month the price was US\$396/MT lower.

In the domestic market of the Philippines (Manila), the price decreased by US\$31/MT compared to the price in April 2018, and about US\$406/MT lower compared to the price of US\$1,044/MT in May 2017.

**COCONUT OIL:** The average price of coconut oil in Europe (C.I.F. Rotterdam) for the month of May 2018 decreased by US\$89/MT to US\$1,049/MT from US\$1,138/MT in April 2018. This price was lower by 38% when compared to the price of May 2017 accounting for US\$1,687/MT.

The average local price of coconut oil in the Philippines in May 2018 was US\$1,010/MT. This was US\$80/MT lower than the price in April 2018, and it was US\$590/MT lower if compared to the last year price for the same month which was US\$1,600/MT.

The average domestic price of coconut oil in Indonesia in May 2018 decreased by US\$93/MT compared to the previous month from US\$1,107/MT to US\$1,014/MT. May 2018 price was US\$613/MT lower than the price of the same month of 2017 which was US\$1,627/MT.

**COPRA MEAL:** The average domestic price of the commodity in the Philippines at selling points was quoted at US\$213/MT. The price was US\$21/MT higher compared to the

previous month, and was US\$19/MT higher than the last year price for the same month.

The average domestic price of copra meal in Sri Lanka decreased by US\$20 compared to the last month price of US\$368/MT, and was higher than last year price of US\$292/MT for the same month.

**DESICCATED COCONUT:** The average price of desiccated coconut (DC) FOB USA in May 2018 was US\$2,469/MT. This price was US\$6/MT lower than the previous month's price and US\$184/MT lower than the price of the same month last year. In Sri Lanka, the domestic price of desiccated coconut in May 2018 was US\$3,283/MT or US\$280 lower than the price in April 2018. Meanwhile, the price of DC in the domestic market in the Philippines was US\$1,557/MT, which was US\$108/MT higher than the previous month's price at US\$1,449/MT and US\$457 lower than the price in the same month last year. Indonesian price in May 2018 was US\$2,100/MT, decreased by US\$13/MT compared to the last month's, and decreased by US\$243/MT from last year's price.

**COCONUT SHELL CHARCOAL:** In Sri Lanka, the average price of the commodity in May 2018 was US\$497/MT which remained the same as previous month's price. The average price of charcoal in Indonesia for May 2018 was US\$570/MT, which was US\$103 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\$225/MT for mix fiber and US\$796 – 1,035 for bristle. The Indonesian price for mixed raw fiber was US\$328/MT in May 2018 which was lower compared to last month's price.

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

Products/Country	2018 May	2018 Apr.	2017 May	2018 (Annual Ave.)
<b>Fresh Coconut</b>				
Philippines (Dom. Husked)	163	175	239	186
<b>Copra</b>				
Philippines/Indonesia (CIF N.W. Europe)	692	756	1,113	794
Philippines (Dom. Manila)	638	669	1,044	715
Indonesia (Dom. Java)	508	576	904	619
Sri Lanka (Dom. Colombo)	1,586	1,470	1,475	1,532
<b>Coconut Oil</b>				
Philippines/Indonesia (CIF Rott.)	1,049	1,138	1,687	1,192
Philippines (Domestic)	1,010	1,090	1,600	1,161
Indonesia (Domestic)	1,014	1,107	1,627	1,165
Sri Lanka (Domestic)	2,444	2,471	2,556	2,541
<b>Desiccated Coconut</b>				
Philippines FOB (US), Seller	2,469	2,475	2,653	2,472
Philippines (Domestic)	1,557	1,449	2,014	1,619
Sri Lanka (Domestic)	3,283	3,563	2,952	3,622
Indonesia (Domestic)	2,100	2,113	2,343	2,201
<b>Copra Meal Exp. Pel.</b>				
Philippines (Domestic)	213	192	194	180
Sri Lanka (Domestic)	348	368	292	375
Indonesia (Domestic)	217	222	230	217
<b>Coconut Shell Charcoal</b>				
Philippines (Domestic), Visayas, Buyer	417	429	406	435
Sri Lanka (Domestic)	497	497	345	499
Indonesia (Domestic Java), Buyer	570	561	467	523
India (Domestic)	638	656	410	608
<b>Coir Fibre</b>				
Sri Lanka (Mattress/Short Fibre)	225	208	119	206
Sri Lanka (Bristle 1 tie)	796	796	552	759
Sri Lanka (Bristle 2 tie)	1,035	1,226	744	1,135
Indonesia (Mixed Raw Fibre)	328	333	250	339
<b>Other Oil</b>				
Palm Kernel Oil Mal/Indo (CIF Rott.)	937	1,009	1,097	1,075
Palm Oil, Mal/Indo (CIF Rott.)	660	664	727	669
Soybean Oil (Europe FOB Ex Mill)	793	827	827	832

Exchange Rate: May 31, 2018

1US\$= ₱ 52.62 or Indo.=Rp13.909 or India=Rs67.43 or SL=Rs158.26  
Euro=US\$1.17

## MARKET ANALYSIS OF DESICCATED COCONUT

In the period of January-December 2017, Philippines maintained its increasing trend of desiccated coconut (DC) export since previous year. The official figure from the Philippines Statistics Authority showed that the export of DC from January to December 2017 was 115,005 MT which was 26% higher than previous year's volume for the same period. The export volume has been even the highest since 2015. However, the latest data shows that in the first quarter of 2018, export volume of desiccated coconut (DC) declined by 11.6% from 22,410 MT to 19,806 MT. The figure was indicating a reverse trend of DC export from Philippines.

After experiencing a shortage in supply of raw material due to el nino in 2015 worsened by a series of typhoons, Philippines' DC production indicated a sign to recover following an improvement in coconut production as favorable weather came. This has enabled Philippines DC manufacturers to fulfill the global demands in international market. The ongoing high premium of Sri Lankan DC prices has also, to some extent, put Philippine's DC more competitive in the global market. In 2017, America and Europe were still major destinations for DC from the Philippines accounting for more than 82% of the total export. USA was the main destination for Philippines DC in America which absorbed 33,362 MT or 29% of the total export. In Europe, Netherlands was the main hub receiving 14% of Philippines DC. Meanwhile from Asian countries, China, Korea and Malaysia were amongst the largest importing countries of DC from the Philippines.

In the first quarter of 2018, export DC from Indonesia showed a positive growth of

26%. The growth was following an increasing trend in the previous year. In 2017, BPS-Statistics Indonesia recorded that export volume of DC from Indonesia during the period was 98,038 MT. This was higher by 23.7% compared to the volume of the same period in previous year. The export level was even higher than that of 2014's volume which was 86,797 MT. An upturn in raw material supply with a lower price compared to other competitors coupled with processing recovery have given a positive signal for Indonesian DC processors to boost their export. It is worth noting that export volume of DC from Indonesia declined from 86,797 MT in 2014 to 85,715 MT in 2015 and again dropped to 79,224 MT in 2016. The decrease was mainly due to a shortage in raw materials caused by unfavorable weather and competition with other coconut products.

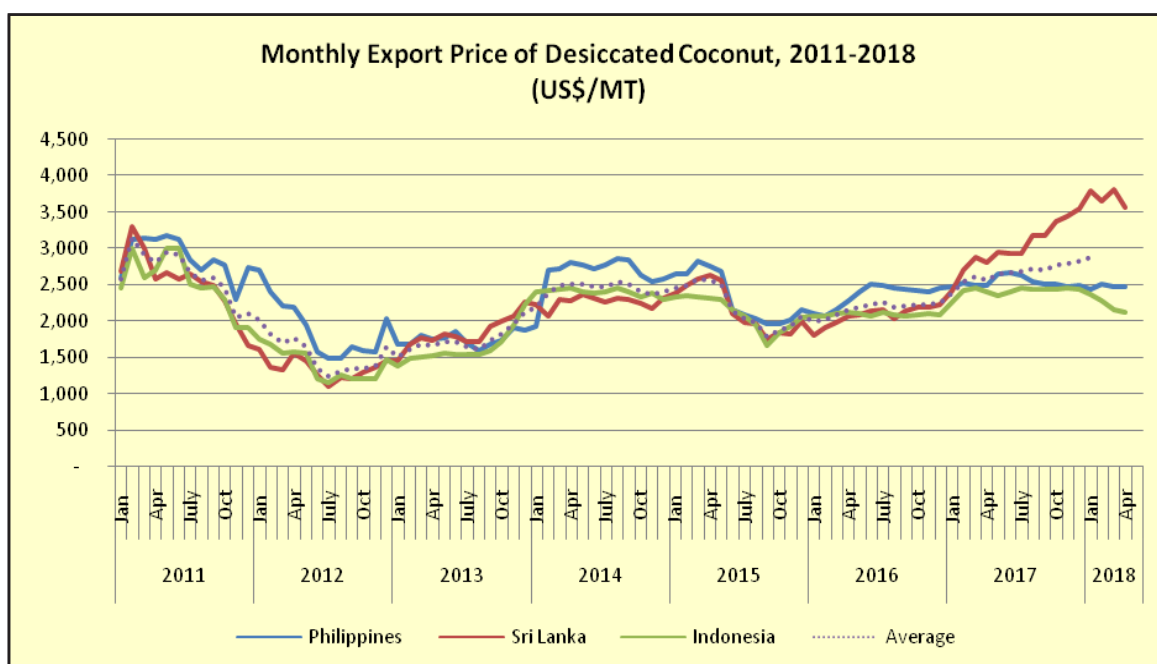
During January-April 2018, Asia and Europe was still the main market for DC from Indonesia. The two regions absorbed 81% of total export volume of DC from Indonesia. In Asia, Singapore is in the main hub for Indonesian DC manufacturers. More than 20% of total DC export sent to or via Singapore. UAE, Iran, Saudi Arabia, Pakistan and Iraq were the other major importing countries from Asia. Europe was the second largest market for DC from Indonesia in the period leading Germany, Russia, Poland, Netherlands, Turkey and UK. The region received 11,588 MT of DC from Indonesia. The third largest market was Africa. Its share of Indonesia's DC market was 9%. Amongst African countries, Egypt was recorded as the largest importing country. The country imported 4,570 MT of Indonesian DC constituting 6.7% of the total export.

Global demand on DC from Sri Lanka was slowing down following a significant increase in price of the product. In the period of January-December 2017, export volume of DC from Sri Lanka was 29,418 MT or dropped by 40% compared to last year's volume for the same period. The negative trend continued in the first quarter of 2018. During January-April 2018, export volume of DC from Sri Lanka was 5,362 MT or dropped by 52% compared to the previous year's volume for the same period. High price of coconut has pushed DC manufacturers to raise their prices and eventually restrain the global demand. Nevertheless, Sri Lanka was still a key player for DC in international market. Sri Lanka has gradually grown to be a competitor for Philippines and Indonesia as main producing country for DC. In 2016, export volume of DC from Sri Lanka recorded a notable growth of 36% compared to the export volume of the previous year.

Europe and the Middle East are traditional market for DC from Sri Lanka. In the period of January-April 2018, European countries and Middle East imported 1,802 MT and 1,164 MT of DC from Sri Lanka respectively. The imports of the two regions

amounted to more than 55% of the Sri Lanka's total export of DC. American continent has appeared to become an important destination for Sri Lankan DC. The continent absorbed 29% of Sri Lanka's total export in the period. USA was the main importing country demanding for 977 MT or 18% of the total export.

Price of DC in the first quarter of 2018 showed a relatively stable trend in Philippines at average of US\$2,472/MT. Meanwhile in Indonesia, price of DC was decreasing from US\$2,438/MT in December 2017 to US\$2,100/MT in April 2018. In Sri Lanka price of DC was still high at the average of US\$3,622/MT though showed an easing trend. A prolonged increase prevailed in Sri Lanka when the price soared by 47% from January to December 2017. The increase has put prices of Sri Lankan DC higher than those of Philippines and Indonesia which has made Sri Lankan DC less competitive in global market. Higher price of raw materials, coconut, in Sri Lanka has inevitably pushed DC processor to adjust their prices. In December 2017, domestic price of coconut in Sri Lanka was twice as much as that of domestic prices in Indonesia and Philippines.





## COMMUNITY NEWS

### COCONUT INDUSTRY'S FUTURE BRIGHT: PILLAY

The Assistant Minister for Agriculture, Viam Pillay (right) with Government officials celebrating World Coconut Day in Savusavu on March 22, 2018.

It's all about coconut and making it a viable commodity.

Yesterday was the World Coconut Day celebrations and it was celebrated in Savusavu with the theme Coconut the Tree of Life, Sustains Family Wellbeing. Assistant Minister for Agriculture, Viam Pillay said Government in all its effort is working towards addressing these various critical issues along the value chain to make coconut and its coconut products a lucrative business that can sustain family wellbeing. Mr. Pillay said: "Government through the Ministry of Agriculture is confident that the future of the coconut and the coconut industry is bright but first we must plant more trees.

"We will continue our support to all our coconut farmers and stakeholders including those in the supply chain, that all should greatly benefit from the crop in terms of livelihood, income and food security to 'Sustain Family Wellbeing.

"Total estimated whole nut production is 41 million nuts per year, of which about 35 per cent is used for household consumption; 35 per cent for copra and around 30 per cent projected un-harvested and germinate under bearing trees in the plantations.

"Due to its resilience and sustainability to supports an estimated 100,000 farmers around Fiji, Government has recognised and included coconut in its strategic development priority in the coming years as in the MoA SDP 2018-2022 and Crop and Livestock Strategy for Fiji."

Mr. Pillay highlighted the performance of coconut and the coconut industry has been declining since 1970s.

"This was caused by years of neglect due to changing Government policies, coupled with the impact of natural disasters, pests and diseases, increased coconut timber harvesting from senile palms, the shift to more lucrative shorter term crops like Yaqona and Dalo, high transportation costs, low yields and unfavourable market prices for coconut oil and copra.

"This is compounded by the lack of labour and high labour costs which has caused many farmers to lose interest and abandon coconut.

"Due to its importance, the current Government has developed initiatives and implemented policies to promote and maximise its potentials and benefits.

"This includes the - Merging of coconut agency (CIDA and MoA) to allow for a better co-ordinated effort that entails the overall coconut based crop diversification programme. "In 2010 a Coconut Industry Taskforce was formed to produce a Coconut Industry Reform Framework with the purpose of advancing the development of the coconut industry.

"For targeted rehabilitation and replanting programmes research facilities and laboratories were refurbished and renovated. "New nurseries were also set up around Fiji especially after TC Winston to provide seedlings to local communities."

The replanting programme was also extended to the Western Division where the 'One Million Coconut Tree Planting Programme' was launched at Yadua in Sigatoka, Nadroga in 2013. In terms of seedlings, TC Winston severely affected the main coconut growing areas in Vanua Levu, Northern Lau, Lomaiviti, Tailevu North and Ra areas.

"Given that most nuts fell after TC Winston, the Ministry managed to get seed nuts from Rotuma for our rehabilitation.

“We are still searching for seed nuts because we are also competing with other users’ in terms of products like virgin coconut oil, coconut water, copra, other bi-products or for local consumption.

“To date, over 40,000 seed nuts has been raised to seedling stage and supplied free including the TC Winston affected areas. “This programme will continue over the next three to four years not only to replace the fallen trees but also to replace the senile trees which is more than 35 per cent of the current stands.

“The Ministry will continues working on selecting and marking good mother palms for seeds; establish and manage nursery; raise and distribute seedlings to farmers and continue our research work on suitable varieties and pest and disease.

“This is to redress issues faced by the coconut industry on senile palms, low planting and replanting rate, unavailability of seedlings, farmers training, and the provision of technical support. This is all in our effort to address food security, creating employment and generating income for the rural people.”

### **Increased copra price**

Government in 2016/2017 has increased the minimum copra price from \$780 to \$1,000 per ton, to guarantee coconut farmers good return and to also regenerate farmer’s interest back to coconut.

However, apart from the usual, government has also identified a potential growth area within the coconut sector that when develop properly can provide both profitability as well as sustainability of the livelihood of the rural communities. It is ‘Value Addition and Downstream Processing’. “Government believes that apart from copra, value addition and downstream processing provides a viable and lucrative investment opportunities for many rural coconut communities.

“Major advances in value adding like virgin coconut oil, soap, gel, handicraft and coconut water has made coconut a valuable commodity.

“It is a lucrative markets that can generate greater benefits apart from copra and coconut oil. Some very good examples of these businesses are Pacific Green and Pure Fiji. Copra Millers opened its VCO facility here in Savusavu last year, while other entrepreneurs like the Lomaiviti Women’s Group and a Women’s Group in Cicia, Lau, are taking advantage of the high demand of VCO and are exporting their products overseas.

“To further develop this value addition segment, the Ministry will continues to facilitate training which involves the development of skills in small scale value addition of coconut products and by-products.

“The provision of assistance in this areas is very critical especially on small machines and equipment for processing. “Equally important is the enabling environment where private sectors can take the lead role in this development while at the same time encouraging partnership with government and local coconut communities.” (<https://www.pressreader.com>)

### **COPRA MILLERS URGES COCONUT FARMERS TO PRODUCE MORE**

Copra Millers Fiji Limited (CMFL) board Chairperson Raj Sharma will continue in his position.

This will be his fourth year of service at the company.

During the Annual General Meeting in Savusavu, Mr. Sharma said CMFL had already made a budget submission to the Government requesting for assistance.

“Government has been very supportive over the years and also to Fiji coconut industry as a whole and we are optimistic we will have a good year,” Mr. Sharma said.



“Despite the challenges brought by cyclone Winston, CMFL has progressed from 2016.

“We feel quite positive and plan to upgrade the mill and get new market for virgin coconut oil for this year,” he said.

“We also intend to sell our idle land which is situated near the company at Balaga Bay in Savusavu.

“We are encouraging copra farmers to continue their farming and supply us with coconuts as our company is very promising.”

One of the methods of assistance the company has provided to farmers is the access to free transportation every Tuesday and Thursday in Vanua Levu, he said. (<http://fijisun.com.fj>)

#### **CDB PARTICIPATED IN DUBAI GLOBAL CONVENTION, 2018**

Coconut Development Board participated in Dubai Global Convention held in Dubai during 17-19 April 2018. Coconut Development Board was represented by Dr. B N S Murthy, Chairman and Shri. E Aravazhi, Deputy Director.

Around 500 delegates, experts and participants from UAE, India, USA, UK, Bahrain, Japan, UAE, Ghana and Singapore participated in the Convention. The Ministry of Foreign Trade and Industry, Govt. of UAE & the Consulate General of India in Dubai were the official partners of the Convention. The Convention was held in partnership with Abu Dhabi Foreign Investment Office (ADIO), Sharjah Investment and Development Authority – Shurooq. Indian Business and Professional Council (IBPC) also partnered for the Convention. The Institute of Chartered Accountants of India, UAE (Dubai) and the Institute of Company Secretaries of India were the Institutional Partners of the Convention. The UAE-India Business Council (UIBC) was the Industry Partner.

His Highness Sheikh Nahyan bin Mubarak Al Nahyan, Hon'ble Cabinet

Member & Minister for Tolerance, Govt of UAE was the Chief Guest of the inaugural session. His Excellency Abdulla Al Saleh, Under Secretary- Foreign Trade & Industry, Ministry of Economy, UAE delivered the inaugural address. Dr. Tayeb Kamali, Director General, Education and Training Development, Ministry of Interior, UAE was the Guest of Honour. H E Navdeep Singh Suri, IFS, Ambassador of India to United Arab Emirates was the Special Guest of Honour. Mr. Vipul IFS, Consul General of India in Dubai delivered the Special Address. Ashok Chawla IAS, Chairman, National Stock Exchange of India and former Secretary, Ministry of Finance, Govt. of India, Vijay Karia, Chairman & Managing Director, Ravin Group of Companies, India, His Excellency Ahmed Sultan Bin Sulayem, Executive Chairman, Dubai Multi Commodities Centre (DMCC), Abdulla Bin Damithan, Chief Commercial Officer, DP World, UAE and Dr. B. R. Shetty, Founder and Chairman, NMC Healthcare, UAE delivered special addresses.

The Institute of Directors (IOD), India also organized the 28<sup>th</sup> World Congress on 'Business Excellence and Innovation' in Dubai alongwith the Dubai Global Convention. It was the 6<sup>th</sup> Annual Convention in Dubai. The theme of the Convention was Transformative Leadership for Fostering Creativity, Innovation and Business Excellence'. Around 500 delegates, experts and participants from UAE, India and abroad took part in the programme.

Along with Coconut Development Board, Coir Board and many other prominent leading Indian companies took part in the programme.

Some of the prominent and leading UAE companies that participated included JAFZA (DP World), Khalifa Industrial Zone Abu Dhabi (KIZAD), Dubai Multi Commodity Centre (DMCC), Emirates Airlines, Al Habtoor Group, Sharjah Investment & Development Authority – Shurooq, Protiviti, Shapoorji Pallonji, UAE, BRS Ventures,

GEMS Education, Aster Healthcare, Al Dobowi Group, ITNL International, Crowe Horwath etc

The Plenary Session II was a Special Presentation on KIZAD, 'Abu Dhabi Ports: The Emirate's first Industrial Free Zone', by Edwin Lammers, VP - Commercial, Khalifa Industrial Zone (KIZAD), Abu Dhabi Ports, UAE. The Plenary Session (III) was on the sub-theme "Boards to lead Business Excellence: Staying Ahead of the Curve". It was chaired by Dr. B.R. Shetty, Founder & Chairman, BRS Ventures, NMC Healthcare, UAE Exchange & Travelex, UAE.

The Plenary Session IV was on sub-theme "Sustaining Business Excellence in a Volatile, Uncertain, Complex and Ambiguous (VUCA) economic environment". The session was chaired by Arindam De, Country Head and Managing Director, Protiviti Middle East Member Firm, UAE.

The Plenary Session (VI, b) was on the sub-theme "Achieving Growth and Transformation through Quality & Business Excellence Frameworks". It was a case study presentation by the winners of the Golden Peacock Awards. The session was chaired by Dr. Mukesh Batra, Founder & Chairman Emeritus, Dr. Batra's™ Group. He briefed the history of his group and how they had grown from small beginnings to massive success today.

In the session on Indo-UAE Business Meet, Dr. B.N.S Murthy, Chairman, Coconut Development Board, Ministry of Agriculture & Farmer's Welfare, Govt. of India presented the history of coconut development in India and its positive benefits. He invited the participants to the Board's stall at the venue. He made a presentation of SWOT analysis of Indian coconut sector and the bright prospects of coconut exports to the UAE.

The second day's deliberations commenced with the Plenary Session on the theme Competitive Strategy in Pursuit of World Class Excellence chaired by Ms.

Samira Shaloh, Co- Founder, Brain Quest, UAE.

The Plenary Session was the Golden Peacock Awards presentation ceremony. His Highness Sheikh Nahyan bin Mubarak Al Nahyan Hon'ble Cabinet Member and Minister of Tolerance, Govt. of UAE conferred the famed 'Golden Peacock Awards for Business Excellence' and 'Innovative Product/Service-2018', to the winners amongst business and Industry from India and abroad. His Highness, in his keynote address highlighted that India and UAE are historic trading partners. He cited the example of late HRH Sheikh Zayed who is rightly regarded as the founder of modern UAE. HRH's vision integrated the various units and Emirates of UAE. His model was based on Connectivity, Innovation and Business Excellence. He stressed the importance of tolerance, which resulted in mutual benefit through shared ideas. Referring to the theme of the IOD Convention, he said, the company / boards should encourage three key policy initiatives which can lead to Business Excellence-Creativity, Innovation and Tolerance.

His Excellency Sultan Al Habtoor, President, Al Habtoor Motors and Vice President, Al Habtoor Group conferred the Golden Peacock Awards on the winners amongst Indian and Global business and industry for Quality and Training-2018 along with H.E. Mr Vipul IFS, Consul General of India in Dubai.

The Plenary Session on the sub-theme Reshaping Business Excellence through Technology was moderated by Abhishek Sen Gupta, Head of Videos, Khaleej Times. After the conclusion of second day sessions, an MoU was signed with Brain Quest, UAE headed by Ms. Samira Shaloh and the CEO, on behalf of IOD, India. The last Session was on the sub-theme Achieving Growth and transformation through Innovation.

Nimish Makvana, Director-UAE Chapter, IOD, India & Past Chairman, ICAI -Dubai and Partner, Crowe Horwath - UAE

delivered the vote of thanks on behalf of IOD to all the sponsors, institutional partners, speakers, and the participants from the UAE and other countries during the valedictory session. On the final day of the Convention, a study tour of KIZAD was organized by the IOD in collaboration with the authorities of Abu Dhabi Ports.

An exhibition was also held as part of the programme wherein Coconut Development Board displayed various coconut based value added products. M/s. KL Group, India had their display cum sales counter in Board's stall. Reliable export enquiries were received for various coconut based products especially virgin coconut oil. (*Indian Coconut Journal*)

#### **CDB PARTICIPATED IN NATIONAL SEMINAR ON ROAD MAP OF VEGETABLE OIL PRODUCTION**

CDB, State Centre, Vijayawada participated in the exhibition organized by the DAC & FW, Oilseeds Division, MOA & ICAR-IOR, Rajendranagar, Hyderabad during April 28-29, 2018 in connection with the National Seminar on Road Map of Vegetable Oil Production by 2022. Shri. Gajendra Singh Shekhawat, Hon'ble Minister of State for Agriculture & Farmers Welfare inaugurated the Exhibition on 28<sup>th</sup> April 2018. Dr Ashok Dalwai, Special Secretary & CEO, National Rainfed Area Authority, Dr. S.K Malhotra, Agricultural Commissioner, Dr A.K Singh, DDG, ICAR, Dr. A Vishnu Vardhan Reddy, Director, IOR and Senior Scientists of various organizations visited the exhibition. Dr. BNS Murthy, Horticulture Commissioner & Chairman, CDB welcomed the Hon'ble Minister to the Board's Stall.

Various organizations related to oilseeds production, State Agricultural University, Telangana and private organizations participated in the exhibition. CDB displayed various value added products of coconut including handicrafts. Posters & publications related to coconut and various programmes of CDB were

displayed in the stall. (*Indian Coconut Journal*)

#### **STUDY TEAM FROM TAMILNADU VISITED SCMS**

In order to have a first hand knowledge of the neera processing technology, a 14 member team of officials of Government of Tamilnadu visited SCMS, Kochi. The team visited the neera plant of SCMS, the first neera plant in private sector in India established with the financial assistance of Coconut Development Board. The team also explored the prospects of neera by products like neera sugar, honey, squash, biscuit, wine etc.

The team is planning to utilize the neera technology of SCMS which has a shelf life of more than three months. Prof. Pramod P Thevanoor, Vice Chairman, SCMS presided over the workshop on neera production which followed wherein Dr. C Mohankumar, Director, SCMS Bio Sciences and Bio Technology Institute briefed on the various steps in neera production. Office bearers of CPCs from Thanjavoor and Puthukottai and officials of CDB took part in the programme. (*Indian Coconut Journal*)

#### **ENTREPRENEURS AWARENESS PROGRAMME**

An 'Entrepreneurs Awareness Programme' was conducted by BJP Industries Cell in Kochi on May 5<sup>th</sup> 2018 to give information and exposure to entrepreneurs on the processing of high-value added coconut products, its market scope and sourcing of appropriate processing machineries and equipment from reputable companies with an objective to adopt low-cost and best technologies. The program provided trainings from various central governmental organizations such as Marine Products Export Development Authority (MPEDA), Khadi and Village Industries Commission (KVIC), Coir Board & Coconut Development Board.

During the session on value addition of coconuts and its market scope, Kum. Sharon Mariam Jacob, Food processing

Engineer, CDB, Kochi briefed on the Technology Mission on Coconut (TMO) Scheme, value addition of coconuts, scope and market opportunities of various coconut based foods and various training programmes conducted by the Board. The aim of the session was to give a broad spectrum of different food and non-food products that can be derived from coconut. The training session also provided details of training programs on various coconut based food products conducted at Coconut Development Board Institute of Technology (CIT), Keenpuram, South Vazhakulam P.O., Aluva – 683105.

Through the training programme, entrepreneurs were provided information on the scope of various value added products of coconuts. (*Indian Coconut Journal*)

#### **INDIA'S DESICCATED COCONUT POWDER FACTORIES SHUT DOWN**

Many desiccated coconut powder factories have shut down and owners are struggling to pay the interest on loans, reported The Hindu, datelined Karnataka, April 20. Coconut prices may have dropped 38% from the recent highs of Rs.40 (USD0.65) to around Rs.25 (USD0.37), but desiccated coconut powder factories in Tumakuru district are yet to recover from this price shock.

At the height of the crisis, the report said, around 90 desiccated coconut powder producing factories in Tumakuru district shut shop leaving around 20,000 workers unemployed. Many are slowly resuming production, but not at previous levels. Others are waiting to see if prices stabilize before resuming operations.

H.R. Annadana Rangaiah, President of Tiptur taluk Desiccated Coconut Powder Manufacturers' Association, said that he had to close his factory due to the sudden rise in price of coconuts. "I will incur losses if I continue to produce desiccated coconut powder in the absence of demand," he said adding that part of the problem was caused by adulterated desiccated coconut powder.

"We cannot compete with adulterated desiccated coconut powder and, hence, many of us closed down our factories." (*UCAP Bulletin*)

#### **COCOPEAT AS ALTERNATIVE TO SOIL-LESS CULTIVATION**

A news feature in The Hindu on April 28 describes the use of cocopeat as alternative to soil-less gardening. Cocopeat is a mixture of dust as well as the unuseable fibre ends, considered "waste" is coir fiber production. Coir fiber is primary product from coconut husk.

Several entrepreneurs are now eyeing an opportunity to use the cocopeat for a variety of products and it has come to be used in a big way for hydroponic (soil-less) cultivation. Home gardening enthusiasts see it as sustainable alternative to soil. Hydroponic plants grown in cocopeat grow 50% faster than they would in soil. It also eliminates the need for fertilizers, herbicides and pesticides as peat itself carries ample nutrients. Being porous, it provides better aeration for the roots. (*UCAP Bulletin*)

#### **COCONUT GROWERS GIVE UP FARMING**

In another development, still in Tumakuru district, The Hindu also reported coconut growers in the district are giving up coconut farming altogether and turning to dairy farming or the garment industry, despite candidates wooing them with promises of waiving off their loans and better prices for produce ahead of the Assembly elections.

A majority of farmers in Tumakuru district are dependent primarily on coconut farming for their livelihood. However, drought has seen a drastic change in fortunes over the past four years, as coconut trees have been hit by lack of water, diseases and pests. The 2017 rains were not sufficient to recharge the groundwater table, which had depleted due to continuous drought and drilling of borewells in previous years, the report said. B.S. Devaraj, State Secretary of Karnataka



Rajya Raitha Sanga, said 50% of coconut trees have dried up and the yield has decreased by 40%. "Around 15% of coconut trees have stopped yielding any fruit," he added. (*UCAP Bulletin*)

### **SUMMER HEAT DRIVES UP TENDER COCONUT PRICES**

The price of tender coconut is now Rs 30 to Rs 35 in the city. Though heavy rains lashed the city bringing much respite to citizens from the sultry weather, prices of tender coconut has remained at an all-time high.

As mercury levels are increasing day by day, people are exploring many ways to beat the heat. Tender coconuts come in handy for people to keep cool in hot summer. Vendors are finding it difficult to meet the growing demand. As a result, price of tender coconut has been increasing drastically.

According to sources, nearly 1,000 people sell tender coconut in Hubballi and Dharwad on the road side and from small shops and vehicles. Daily, 10 loads of tender coconuts reach the twin cities from Mandya, Maddur, Channarayapattana, Nanjangud, Davanagere and other areas. Each load contains 6,000 to 10,000 tender coconuts.

Arif Bashir, a tender coconut vendor on Gokul Road, said demand increased in the past one month. "The wholesale price has gone up from Rs 15 to 20 depending on the size and we sell it for Rs 25 to 30. I am selling nearly 200 tender coconuts a day. Earlier, I could sell 350-400 in the summer as prices were lower then," he said.

"I jumped into business in the year 1992. Then the wholesale price of tender coconut was Rs 2.25 to 2.50. We used to sell each coconut for Rs 5 and but now the wholesale price gone up to Rs 15 to 20. If the summer heat continues, then the price can shoot up further," he added.

Madhu Kulkarni, a retired bank employee said, "Since I was suffering from

kidney stones 10 years back, I am consuming two tender coconut every day. Day day the price of tender coconut is increasing. I prefer tender coconuts from Davangere, which are sweeter than those from other places in Karnataka. (<http://www.newstread.com>)

### **CHINA INTERESTED IN COIR FROM NORTH SULAWESI**

Coir from the province of North Sulawesi (North Sulawesi) attracted buyers from China. The head of the Foreign Trade Division of the Department of Industry and Trade of the Province of North Sulawesi, Darwin Muksin, said that the export of coir to China has been going on since the last few years. "China really likes the quality of our coconut husk, because it has a good texture and quality," said Muksin, yesterday.

According to him, demand for coir is quite high. Therefore, it is expected coir exports to China will be more in 2018. "We will encourage exporters in North Sulawesi to continue to provide products with good quality because international market expects the quality of goods is in accordance with the original contract," he explained. The previous year, the average volume of coir exported to China was 154.58 tons. This product is sent every two months generating foreign exchange of USD 41,308. The coir is used for industrial purposes. It can be used to produce a wide range of derivative products including organic fertilizers and even car seats.

Muksin said coir raw material is abundant in North Sulawesi, but they are not utilized and just abandoned, it turns out to have a high selling value. "Coconut coir was just thrown away now many companies are buying, hopefully coconut coir exports to give economic progress to this area," he said.

Head of Industry and Trade of the Provincial Office, Jenny Karouw said, China is one of the countries that is interested in importing products of North Sulawesi. In addition to coconut products, North

Sulawesi also exports fishery products. "Freshwater lobsters have been exported there, we expect this will be mainstay products to seize the international market," she explained. Interestingly, she said, lobster exports to China uses the air plane with direct flights from Manado to China. "Our exporters have taken advantage of the cargo of chartered aircraft to introduce lobsters to China, especially to Guangzho and Changsha," she explained. In the future, he said, her Office will invite other exporters to find new markets in China by exploiting the potential of crops and fishery products from North Sulawesi. "China is a large country with the highest population in the world. This is a big market we have to explore further," she added. (<https://sindomanado.com>)

#### **GUYANA IS PART OF A SELECTED GROUP BENEFITTING FROM REGIONAL COCONUT PROJECT**

Guyana is part of a selected group of Caribbean territories participating in the Coconut Industry Development for the Caribbean (CIDC) Project.

The project was designed to help provide support to the growing coconut industry in the Region with international support from European Commission. The European Commission has been providing financial support to the project and designated the International Trade Centre (ITC) to be Chief Executors with CARDI as Implementing Partners.

The first Phase runs from 2015 to 2018 after which a second Phase should begin. As the first Phase comes to an end, the Project Administrators will be delivering a review of the Project's performance in terms of Industry trends and Solutions based on experiences across the Caribbean.

Representatives of the implementation team spoke of the programme during a meeting held at the Ministry of Agriculture Boardroom.

During the engagement, ITC International Consultant, Ben Morrison, said that the work has been progressing in nine countries across the Caribbean since 2015. Among the territories that have been targeted for support are the Dominican Republic, Belize, and Jamaica in the North and Trinidad, Guyana, and Suriname in the South with Dominica, St. Lucia, and St. Vincent in between.

He explained that in each territory, the Project Administrators have established National Stakeholder Platforms (NSPs) in keeping with the principle of a Participatory Approach involving both Public Sector and Private Sector Agencies.

During his presentation, Morrison spoke of developing a regional roadmap, following a workshop held in Trinidad and Tobago in November 2014.

The workshop was hosted by CARDI in collaboration with the International Trade Centre (ITC) and was attended by stakeholders from Belize, Dominican Republic, Jamaica, Dominica, St Lucia, St Vincent and the Grenadines, Trinidad and Tobago, Guyana, and Suriname. At that meeting, European Commission representatives announced a preliminary funding of €3.5 million to prepare the industry for resuscitation.

In early 2015, a five-member Caribbean delegation attended the 51<sup>st</sup> APCC conference held in Cochin, Kerala, South India. The opportunity was taken to tour the Indian coconut industry in Kerala and Tamil Nadu and to visit the Indian Coconut board.

By the second quarter of 2015, the ITC and CARDI had held a series of workshops with stakeholders in participating countries. These meetings demonstrated a policy of participatory approaches aimed at ensuring that stakeholders become intimately involved in the development and implementation of plans to develop their industry. The emphasis was that ownership of, and consequently responsibility for,



development of the industry must reside with its stakeholders.

Stakeholders included not only producers of primary and value-added products but also providers of support services such as banking, marketing, suppliers of inputs, regulatory agencies, and technical service providers.

This led to the development of a Project aimed at four outcomes, namely Market opportunities identified; value chain development plans agreed; synergies and continuity developed with existing regional and national programmes to enhance regional integration of markets.

This Project has its genesis in a series of efforts arising from a study presented at the 12<sup>th</sup> Caribbean Week of Agriculture (CWA) held in Guyana for a week from October 7, 2013.

The study was funded by the European Commission on behalf of the Africa, Caribbean and Pacific Group of States (ACP) Secretariat and the Caribbean Forum (CariForum) and may be seen in the context of Economic Partnership Agreements (EPA) following the withdrawal of preferential treatment for traditional plantation crops in European markets.

([www.kaieteurnewsonline.com](http://www.kaieteurnewsonline.com))

#### **JAMAICA: AGRICULTURE MINISTER CALLS FOR EXPANSION OF COCONUT INDUSTRY**

Minister of Industry, Commerce, Agriculture and Fisheries, the Hon. Audley Shaw, is urging coconut growers to “start the planting programme now” in order to rebuild Jamaica’s coconut industry and return it to, or even surpass peak production levels formerly attained.

“Our focus now,” Minister Shaw told the growers at their AGM held Saturday May 5 at the Jamaica Conference in downtown Kingston, “should now be squarely turned on demanding how we will move our coconut industry forward, given the noted increase in global demand.”

Lamenting the fact that while global demand for coconuts have increased, Jamaican production has declined, Minister Shaw said that his job and his mission was to lead production back to its peak. “We are going to build back coconut!”, he declared.

With reference to the current impasse regarding the determination of the ownership of the Coconut Industry Board’s shares in Seprod, Minister Shaw told the coconut growers, that his focus was not on how to get a part of the value of those shares, but rather on how to use those shares to create a more vibrant and expanded industry.

He reported that his Ministry and the Coconut Board had agreed on a three-pronged formula for the way forward, with the first call on the resources of the Board being to build a strong platform for expansion of the industry, involving increased production of seedlings and a strong research and extension programme. The strategy also includes the acquisition of over 1,700 acres of farm lands in Water Valley and Unity Valley in St Mary. Subject to Cabinet approval, the Coconut Board also plans to acquire the Richmond Cocoa Fermentry also in St Mary.

In order to give effect to the three-pronged strategy, Minister Shaw said, he will seek Cabinet approval to retain the CIB as a statutory body with the primary mandate for crop development; allow the Board to form a commercial subsidiary to undertake the commercial development of the properties, while JACRA, the Jamaica Agricultural Commodities Regulatory Authority, will retain responsibility for the regulation of the industry. (<http://www.micaf.gov.jm>)

#### **COCONUT BOARD TARGETTING PROPERTY ACQUISITIONS IN ST MARY**

Industry, Commerce, Agriculture and Fisheries Minister, Audley Shaw, says Cabinet approval is being sought for the Coconut Industry Board's (CIB) acquisition

of two properties and one facility in St Mary, to enable further expansion of the entity's commercial activities.

These, he says, are: the 1,028-acre Water Valley Farm; the 700-acre Unity Valley Farm; and the Richmond cocoa fermentery.

It is expected, among other things, that a nursery and factory will be established at Water Valley to facilitate value added coconut processing, while trees will also be planted on the property.

"The Board, through these acquisitions and along with their existing properties, will be demonstrating on a mother/satellite farm basis, best practices in the growing of coconuts, intercropped with cocoa and banana, along with the processing of coconut water and other coconut products," Shaw explained.

He was speaking at the Coconut Growers Association's Annual General Meeting at the Jamaica Conference Centre, downtown Kingston today.

Meanwhile, Shaw said Cabinet approval is also being sought for the CIB to establish a subsidiary to spearhead the properties' commercial development.

This is part of measures to be jointly implemented by the Ministry and CIB to position Jamaica to tap into the US\$2 billion global coconut industry.

Shaw said that as part of the industry's capacity building and expansion, greater emphasis will be placed on increased production of seedlings, developing a strong research programme and extension activities. These inputs, he argued, are vital, particularly for smaller growers.

Meanwhile, the Minister said the Government welcomes and continues to court significant local and overseas stakeholder investments in the cultivation and value added aspects of the coconut industry.

"Already we are engaging a large investor who has acquired some 2,000 acres of land to grow coconuts in Jamaica to support a major processing facility here, which will also receive raw material from the Caribbean to support it. This is a game changer," he stated.

Shaw also advised that he will be seeking Cabinet approval to have the CIB remain a statutory body of the Ministry, with its primary and immediate mandate being the development of nurseries, expansion of research and development activities and extension services to drive the industry's expansion.

Cabinet approval is also being sought for the Jamaica Agricultural Commodities Regulatory Authority (JACRA) to retain responsibility for the industry's regulation.

JACRA provides oversight for the development, regulation, and standardisation of the agricultural commodities industry primarily incorporating coffee, cocoa, coconut and spices. (<http://www.jamaicaobserver.com>)

## **COCONUT GROWERS EXPECT GOOD NEWS FROM SHAW AT AGM TODAY**

Anticipation is high ahead of today's annual general meeting (AGM) of the Coconut Industry Board (CIB) at the Jamaica Conference Centre in downtown Kingston where Minister of Industry, Commerce, Agriculture and Fisheries Audley Shaw is expected to share with coconut growers his take on their business plan for growing the industry.

"I think he's going to make some major pronouncements, which includes some tweaks to our business development plan, actually, two modifications. One of them will refer to the costing and shaping of the CIB, for which the original idea was to repeal the Coconut Industry Act.

"Now they are giving new thought as to how that will be dealt with, with a view to retaining the law in its current state and

retaining the board, minus its regulatory powers, to effect the long-term development mandate of the country," an insider told *The Gleaner* yesterday.

Granville Marsh, a long-standing coconut grower-Director, was equally optimistic about today's proceedings, based on a briefing Shaw held with CIB directors this week in which he promised to get the requisite go-ahead from Cabinet to put the plan into action.

"It was a good meeting and he (Shaw) sounded positive. So he is supposed to come back with some good things for us tomorrow (today). Everything is going down the right road. The Minister is more responsive," Marsh said.

This represents the first positive development in the relationship between the Government and coconut growers since last year's AGM when then Agriculture Minister Karl Samuda went public with his hard-line stance that the Seprod shares owned by the CIB were the property of the State. He subsequently refused to sign off on the strategic business and capital expenditure plan of the CIB and also initiated court proceedings in order to have his way.

Shaw, who has declared that he has no intention of standing in the way of the CIB's plans for promotion and rebranding of the industry will, however, seek concessions from the coconut growers on at least two key areas today. (<http://jamaica-gleaner.com>)

#### **NEW VCOP OFFICERS FOR THE 2018/2020 TERM**

The Virgin Coconut Oil Producers and Traders Association of the Philippines (VCOP) at a special board meeting held last May 4, 2018 at the office of Hancole Corp. has chosen the following officers to serve the association for the period 2018/2020: President - Marco Reyes, Hancole Corp.; Executive Director - Agnes Cristobal; Treasurer Antonio Magcase, The Churner Group Inc.; Secretary Arleth Mendoza, CIIF

Oil Mills Group. Ms. Tess Santos of Prosource International remains as Chair.

Apart from the officers above, also elected directors at an earlier meeting held on April 16 at the PCA R&D Bldg. were: Angel Arias of Franklin Baker Co. of the Philippines; Jeraldine Bautista, Cocoplus Aquarian Development Corp.; Gloria Morales, Wellnesscare International; Maureen Pasciolco, Pasciolco Agriventures; Francis Rubio, Green Life Coco Products. (*UCAP Bulletin*)

#### **POTENTIAL OF COCONUT NOT MAXIMIZED**

The United Coconut Associations of the Philippines (UCAP) said the country's coconut industry is yet to maximize its potential particularly in the production of coconut oil and value-added materials.

"(Coconut) is the biggest agricultural export yet there is way more we can do especially in higher value products... Local demand for coconut oil can also be bolstered to help augment revenues lost by farmers due to external market forces," said Dean Lao Jr., UCAP Chairman.

UCAP said the country remains the world's top exporter of the commodity but already lags in terms of production, compared to India and Indonesia.

The group said Philippines coconut oil exports generated over \$1.461 billion in total revenues last year, a 30 percent jump from 2016's \$1.05 billion.

"Coconut oil can be used to produce countless products -- from cooking oil to food ingredients, medicines and natural consumer goods like soaps and detergents," Lao said.

He said UCAP is hopeful the proposal to increase the share of coco-biodiesel blend in automotive fuel from the current 2 percent to 5 percent will push through as this will create new demand, increase coconut farmers' revenues while improving fuel emissions.

UCAP cited the inclusive benefits of being less dependence on oil importation: less foreign exchange outflow and mileage improvement for motorists.

Citing data from the Philippine Statistics Authority (PSA), UCAP said in 2016, the country had around 3.6 million hectares of land planted with about 338.7 million fruit-bearing coconut trees nationwide, accounting for about 26 percent of total agricultural land in the country. Of the 81 provinces in the country, 68 are considered as coconut producing areas.

UCAP said the Philippines produces 4,000 nuts per hectare annually against world leader India, which produces 10,000 nuts.

UCAP will host in August the first ever World Coconut Congress which will tackle export and free-trade agreements, integrated coconut processing, the latest trends and product innovations, among others. (<http://malaya.com.ph>)

#### **WORLD COCONUT CONGRESS UPDATE**

The 1<sup>st</sup> World Coconut Congress (WCC) is taking place on August 14-16 this year at the SMX Convention Center Manila. Campaign has come into high gear via print and social media. On-line registration of delegates overseas and local has been taking place and has availed of the Early Bird Discount (EBD). The EBD continues up to the end of this month, May 31 and registrations thereafter will be charged the full registration rate.

All speakers at the conference have already confirmed their participation. Reservations for booths at the Exhibition are also on the rise and so with interests to participate at the Business Matching event which happens during the 3-day event. Sponsorship, however, is still open.

WCC is this year's highlight of the 32<sup>nd</sup> National Coconut Week Celebration being held yearly. The event is organized jointly by the United Coconut Associations of the Philippines, Philippine Coconut Authority,

and the Department of Trade and Industry. The World Expos & Concepts was engaged as Event Managers for WCC. For details, please visit the event website at [www.worldcoconutcongress.com](http://www.worldcoconutcongress.com). (*UCAP Bulletin*)

#### **VIETNAM MAKES VIRGIN COCONUT OIL WITH NON-HEATING TECHNOLOGY**

For the first time in Vietnam, virgin coconut oil (VCO) from fresh coconuts on an industrial scale has been produced by a local company.

With a centrifugal method, no high temperatures, and no chemicals used in the production process, the product quality meets strict standards of the Asia Pacific Coconut Community (APCC) and the Philippines.

Ben Tre Province is home to many enterprises which process products of different kinds from coconut, including coconut milk powder, coconut candy, coconut oil and activated carbon.

However, the coconut production and processing is mainly carried out on a small scale, with old technology and outdated equipment. As a result, productivity and quality are low, while products cannot be preserved for a long time.

Ben Tre Province wants a modern VCO production technology that makes standard products for export. That is why a project on extracting coconut oil with non-heating technology was implemented as part of the national program on technology renovation.

According to Nguyen Phuong from the Biology Center belonging to the Technology Application Institute, scientists, after analyzing physical properties and chemical composition of two coconut varieties grown on a large scale in Ben Tre and Phu Yen provinces, found that Vietnam's coconuts are not inferior to other countries' products.

The percentage of copra (dried meat of the coconut) is 29-30 percent, and the fat content is quite high 35.52 - 38.12 percent,



while the free fatty acid content in copra is 0.12 - 0.13 percent (for the first 10 days of storage).

The analyses allowed scientists to create a copra extraction process without using heat. The VCO created by the process can be preserved for three years in brown glass packs, or 0.5 mm thick PET bottles at a temperature of 15-27°C. The VCO humidity is 0.037 percent.

A VCO production line with the capacity of 1,000 liters per hour has been designed and installed at the Luong Quoi Coconut Processing Company in Ben Tre.

With the production line's capacity of 5 million VCO liters and the consumption of 75 million coconuts a year, the technology has helped increase the value of the company's purified coconut oil by 25 percent, according to Luong Quoi's Deputy Director.

Luong Quoi's VCO can meet APCC quality, requirements of the US FDA to enter the US market and BRC Food to enter the EU market.

According to the Ben Tre Coconut Association, in 2016 Vietnam exported 193 tons of VCO (cold pressing technology). Now with the production capacity of 5,000 tons per annum, the export capacity can increase by 26 times.

According to the Asia Pacific Coconut Association (APCC), world demand for VCO is 3 million tons a year. (<http://english.vietnamnet.vn>)

### **OBRIGADO COCONUT WATER BRAND PLUGS SUSTAINABILITY TO PUSH GROWTH IN WORLD MARKET**

Obrigado hopes its barcoded trees, patented extraction method, and zero-waste goal will buoy strong global growth as it cracks deeper into the increasingly competitive coconut water category, BeverageDaily.com reported on April 30. The Obrigado coconut water brand, established by Brazilian coconut producer Grupo Aurantiaca in 2014, is currently

stocked across more than 46,000 points of sale in Brazil and exported to a large part of the US and UK. The brand also recently finalized another distribution deal to the United States with Hudson Distributors, securing expansion across the U.S. East Coast.

Grupo Aurantiaca plans to increase its planted area, expand operation to international market, and launch new products with higher added value. It currently worked across 6,000 hectares of land in Bahia state of Brazil but plans to expand area by another 524 hectare this year. By 2020, the company targets 450,000 coconut trees, producing an estimated 108 million liters in beverages. The company also prides itself on being 100% traceable with its "unique farming method" with barcoded trees and high-precision irrigation system. (*UCAP Bulletin*)

### **WHO URGES BAN ON INDUSTRIAL TRANS-FATS BY 2023**

The World Health Organization (WHO) has called on governments to eliminate industrially produced trans-fatty acids from the food supply by 2023. The agency estimates that every year trans-fat intake leads to more than 500,000 deaths from cardiovascular disease. Industrially produced trans-fats are found in hardened vegetable fats, such as margarine, and often in snacks, baked and fried foods. Manufacturers use them as they have a longer shelf life than other fats. Trans fatty acids can also occur naturally in meat and dairy products from ruminant animals (e.g. cattle, sheep, goats, etc).

The six-step guide, called REPLACE, comes after WHO opened a consultation until 1 June to review draft guidelines on intake of trans-fats and saturated fats for adults and children. REPLACE means: Review dietary sources of industrially-produced trans fats and the landscape for required policy change; Promote replacement of industrially-produced trans fats with healthier fats and oils; Legislate or enact regulatory actions to eliminate

industrially-produced trans fats; Assess and monitor trans fats content in food supply and changes in trans-fat consumption in the population; Create awareness of negative health impact of trans-fats among policy makers, producers, suppliers and the public, and Enforce compliance of policies and regulations.

WHO Director-General, Dr. Tedros Adhanom Ghebreyesus, said: "Implementing the six strategic actions in the REPLACE package will help achieve the elimination of trans-fat, and represent a major victory in the global fight against cardiovascular disease." WHO recommends total trans-fat intake be limited to less than 1% of total energy intake, which is less than 2.2g/day with a 2,000 calorie diet. It said diets high in trans-fat increase heart disease risk by 21% and deaths by 28%. (*UCAP Bulletin*)

#### **EUROPEAN COMMISSION PLANS REVAMP OF EFSA RISK ASSESSMENT PROCESS**

The European Commission has published a draft regulation that would revamp the European Food Safety Authority (EFSA) risk assessment process so that it could publish confidential data deemed essential to protecting public health, according to Oil & Fats International report last month. The draft regulation, aimed at increasing transparency and public trust in science, would create a common European register of commissioned studies to guarantee that firms applying for product authorisation were not withholding studies with unfavourable results.

The studies would be made publicly accessible at the EFSA's website, where the public including scientists could search download and print them. The new regulation would revise eight pieces of legislation to conform with the EU's general food rules and to boost transparency regarding GMOs, feed additives, smoke flavourings, food contact materials, food additives, food enzymes and flavourings, plant protection products and novel foods.

In addition, the proposal would increase the EFSA's budget by US\$77.3 million/year. It would now have to receive approval from members of the European Parliament and member states, but the Commission hoped that the draft would become law by mid-2019. (*UCAP Bulletin*)

#### **DAIRY GROUPS URGE EU TO STOP THE USE OF DAIRY TERMS IN PLANT-BASED PRODUCTS**

Three European dairy groups, European Dairy Association (EDA), Eurolait, and Copa-Cogeca are urging the EU to block companies producing plant-based dairy alternatives from using words associated with dairy products such as 'milk' and 'butter' in their marketing. The three groups were asking the EU to protect dairy products from "misleading sales descriptions" in legislation and the European Common Agricultural Policy, reported just-food on 27 April.

EDA Secretary General Alexander Anton said that it was misleading to market products as, for example, soya milk or tofu butter when they were "absolutely different" from dairy products with different nutritional characteristics, including macro- and micronutrients. The three bodies were calling for the EU to protect dairy terms and marketing standards in its legislation and to ensure that they were respected throughout the supply chain. (*UCAP Bulletin*)

#### **LIMIT TRANS-FATS AND SATURATED FATS TO REDUCE HEART DISEASE RISK - WHO**

The World Health Organization (WHO) has launched a public consultation on draft guidelines for intake of saturated fats and trans-fats. The guidelines aim to reduce the risk of cardiovascular diseases (CVDs) in adults and children. The consultation, open until 1 June, will allow interested parties to comment on the draft guidelines before they are finalised towards the end of 2018. WHO recommends that 10% or less of calories come from saturated fats and 1% or less from trans-fats. It advises



polyunsaturated fatty acids can be used as a replacement.

Cardiovascular diseases are the leading cause of death globally and were responsible for more than 17 million deaths in 2016. High intakes of saturated fatty acids and trans-fatty acids have been identified as major causes of CVD and death. Dr. Francesco Branca, Director at WHO Department of Nutrition for Health and Development, said CVDs are largely preventable by adopting a healthy diet, being physically active and eliminating tobacco and alcohol use. "Generally healthy diets are mainly based on plant foods, are high in unrefined carbohydrates, low in free sugars and salt, high in fruits and vegetable sources. Dietary saturated fatty acid and trans fatty acids are of particular concern because high levels of intake are correlated with the increased risk of CVDs."

"We are talking about 250 calories coming from saturated fat and that is approximately a bit less than 30 grams of saturated fat," he added. This amount of fat could be reached by 50 g. of butter, 130-150 g. of cheese with 30% fat or 1L of full fat milk or 50 g. of palm oil, he said. (*UCAP Bulletin*)

## **NANOLLOSE DEVELOPS FABRIC FROM COCONUTS**

Australian technology company Nanollose has developed a sustainable fabric from Nullarbor, a fibre created using natural coconut by-products. This fabric is the first of its kind marking a breakthrough for an industry that is urgently seeking sustainable alternatives to rayon and cotton, both of which cause significant environmental issues.

There is an increasing demand from both consumers and clothing manufacturers, for fibres that do not rely on or damage the environment, said Nanollose CEO Alfie Germano adding that these fibres were synthesised into microbial cellulose and then converted into fibre using our unique technology.

"To create the rayon fibres that are currently used in clothing and textiles, countless trees have to be cut down, chipped and then treated with hazardous chemicals, and to make enough cotton for a single t-shirt it takes 2,700 litres of water," Germano said.

By contrast, no trees or plants are impacted in the production of Nanollose's Nullarbor fibre and fabric, and the process requires very little water. The result is a fibre that can be used to make clothing and textiles, but with a dramatically reduced environmental footprint.

Germano added that the company is initially tapping into the established coconut industry to secure pilot-scale supply of the raw material, but when operating on a larger scale, waste streams from bigger industries will come into play. "Our process has the potential to convert a number of biomass waste products from the beer, wine and liquid food industries into fibres using very little land, water or energy in the process."

Consumers are demanding more environmental responsibility from their favourite brands and retailers. With an increasing consciousness around 'how we make things' and issues like water wastage and toxicity of pollutants increasingly on consumers' minds, Germano said the industry is now at an inflection point.

"It's very evident that consumers are going to reward progressive fashion brands and companies who facilitate this eco change, as they are increasingly seeking knowledge around how their clothing is made and what effects its production is having on the planet," said Germano.

"My 30-year history in the textile and apparel industry has opened my eyes to the environmental concerns that plague the industry. My vision is for Nanollose to be at the forefront of offering fashion and textile groups a viable alternative, and decreasing the industry's reliance on environmentally burdensome, raw materials," he concluded. (<http://www.fibre2fashion.com>)

## TRADE NEWS

### HIGH COCONUT PRICES SCALED BACK INDIA'S EXPORTS OF VALUE-ADDED PRODUCTS

The high price of raw coconuts seems to have made a dent on India's coconut product exports and the figures are unlikely to cross the Rs2,000-crore (\$301 million) mark this year against Rs2,300 crore (\$346 million) registered in FY17, according to BusinessLine datelined Cochin, May 09. Export of value-added coconut products as on February was only Rs 1,600 crore (\$241 million) a 20 per cent drop, Coconut Development Board officials said, citing the rising price of raw coconuts in the domestic market as reason for the decline in export competitiveness.

Though the higher prices of raw nuts were remunerative for farmers, low production across the growing regions have dampened their hopes. The high prices also hit exports of desiccated coconut products and coconut oil. Coconut oil exports last year was around 35,000 tons but this year it was reduced by one-fourth. The export of DC powder, which was around 15,000 tons in 2016-17, has also come down considerably. Overall, there has been a 50 percent drop in export quantity of all products except coconut shell based activated carbon. The loss of competitiveness in the export market also affected several coconut based industries and only a select few who are concentrating in coconut oil shipments have taken advantage through copra imports under Advance Authorisation Scheme.

Pinning hopes on a policy change, oil millers sought permission to import copra on actual user condition (for industrial purpose). However, a meeting at the secretary level in New Delhi came with a rider to get feedback from producing States before moving ahead. As such a move could hit farmers, it would be a challenging

task for governments to take a favourable decision due to political compulsions, felt those associated with the industry. (*UCAP Bulletin*)

### PHILIPPINE EXPORT OF COCONUT PRODUCTS DOWN IN MARCH

UCAP preliminary data show Philippine export of coconut products in March was 143,167 MT in copra terms, a reduction by 6.9% from same month last year at 153,728 MT. The figure represents a marked recovery by 61.5% from last month unofficial total at 88,672 MT and exceeded the average of the last two months (January-February) at 117,804 MT by 21.5%.

Export of coconut oil modestly declined by 7.3% year-on-year to 78,170 MT from 84,355 MT. However, this pronouncedly surpassed the January-February average (monthly average) at 63,937 MT by 22.3%. Almost two-thirds (66.2%) of the month's shipment or 51,720 MT went to the European market. The US took in 22,800 MT representing 29.2% of total trade while Japan handled 3,650 MT (4.7%).

Shipment of copra meal was 31,800 MT. Last year in March, there was no reported export of copra meal. This month data though depicted a 13.8% shortfall from the monthly average at 36,902 MT. India fortified its leading position in the market with uptake at 12,900 MT (40.6%), closely followed by South Korea at 12,300 MT (38.7%) and Vietnam 6,600 MT (20.8%).

Desiccated coconut export materially grew by 28.4% to 9,791 MT from 7,628 MT last year and also bested the monthly average at 8,634 MT by 13.4%. On the other hand, outbound load of oleochemicals at 3,950 MT as copra halved last year total at 8,038 MT (-50.9%) but beat the average at 2,969 MT by an appreciable 33.0%. There was no reported export of copra since the start of the year, a similar development from last year.

Total export during the first quarter of this year stood at 378,774 MT in copra terms, trimming by 28.0% same period last year data at 525,741 MT. Breakdown is as follows, in MT: coconut oil 206,043 (298,838), copra meal 105,604 (29,457), desiccated coconut 27,059 (22,410), oleochemicals as copra 9,887 (16,747). (*UCAP Bulletin*)

### **DESTINATIONS OF COCONUT OIL EXPORT IN FEBRUARY**

Export of coconut oil in February consisted largely of cochin (refined, bleach) oil at 22,237 MT, besting consistent leader crude coconut oil at 11,484 MT, and RBD (refined, bleached, deodorized) oil at 2,022 MT. Total revenue from the three commodities amounted to USD52.139 million. The US was primary buyer of coconut oil during the month with combined volume of the three types of oil at 27,917 MT (78.1%). The European market took in 6,570 MT (18.4%) and China 1,007 MT (3.4%). Others had market shares of less than 1%.

However, Europe was still leading destination of crude coconut oil at 6,417 MT (Spain 6,000, Netherlands 417), while the US held 5,067 MT. On the other hand, the US was almost an exclusive market for cochin oil with uptake at 21,901 MT. Other markets were Sri Lanka 165 MT, China 162 MT and Hong Kong 9 MT. The US was also major buyer of RBD oil responsible for 949 MT, followed by China at 844 MT, Europe 153 MT (Netherlands 117, Germany 21, Italy 16), Canada 48 MT, Australia 18 MT, Chile 9 MT.

### **...OF COPRA MEAL**

Outbound load of copra meal at 28,348 MT generated USD4.907 million in February. Market has expanded and now included Europe. Top buyer was still India at 16,447 MT (58.0%), trailed by South Korea at 6,000 MT (21.2%), Vietnam 5,567 MT (19.6%). Other markets were Taiwan 161 MT, Sweden 150 MT, Spain 11 MT, and Japan 11 MT.

### **...OF DESICCATED COCONUT**

Delivery of desiccated coconut in February totaled 6,251 MT and was valued USD13.873 million. There were 29 destinations recorded during the month thereof 14 had purchases of at least 100 MT and jointly accounted for 91.3%. The Netherlands lead the pack this time with 1,756 MT (28.1%), dislodging consistent leader the US with 1,435 MT (23.0%). The next set of importers made up of Australia 644 MT, France 237 MT, Canada 219 MT, Japan 217 MT, Malaysia 210 MT, Germany 204 MT, collectively was responsible for 27.8%.

On the other hand, countries that bought between 103 MT and 189 MT together accounted for 12.5%, namely China, Russia, Taiwan, Argentina, United Kingdom, Belgium; while 15 countries with uptake ranging 10-99 MT comprised 8.6%. The latter group consisted of: Spain, Israel, Sweden, South Africa, Uruguay, Turkey, South Korea, New Zealand, Estonia, Switzerland, Ecuador, Fiji, Italy, Hong Kong, Mexico.

### **...OF COCO SHELL PRODUCTS**

Coconut shell charcoal export in February at 4,556 MT turned in USD2.620 million. Major importer during the month was Sri Lanka at 2,496 MT (54.8%), followed by Japan at 1,150 MT (25.2%), Vietnam 690 MT (15.1%). Much lesser volumes went to South Korea at 142 MT (3.1%) and China at 78 MT (1.7%).

On the other hand, shipment of activated carbon in the same month at 4,702 MT earned USD8.687 million. Key markets was led by Germany at 683 MT (14.5%), trailed by Japan 616 MT (13.1%), US 563 MT (12.0%),

Sri Lanka 536 MT (11.4%), China 477 (10.1%). Other big buyers such as Taiwan 322 MT, South Korea 289 MT, Canada 205 MT, Netherlands 172 MT, Russia 166 MT, and Indonesia 105 MT, jointly contributed 26.7% to total trade. On the other hand, 18 countries with uptake ranging 3-73 MT

together made up 12.1%: Finland, Vietnam, France, Italy, Mali, South Africa, Ivory Coast, Belgium, Congo, Ghana, Malaysia, Austria, Spain, Estonia, United Kingdom, Peru, Hong Kong, Singapore. (*UCAP Bulletin*)

### **PHILIPPINE EXPORT OF COCONUT PRODUCTS UP IN APRIL**

UCAP preliminary data reveal Philippine export of coconut products in April jumped 45.2% year-on-year to 151,748 MT in copra terms from 104,530 MT and likewise spiked 6.0% from prior month unofficial total at 143,167 MT. Moreover, the figure bested by 27.5% the monthly average during the first quarter (January-March average) at 118,975 MT. All products in review but copra meal likewise exceeded their respective monthly average data.

Export of coconut oil at 84,828 MT represented a magnified increase by 47.5% from last year at 57,530 MT and beat the monthly average at 65,829 MT by 28.9%. This month preliminary data is by far the highest this year. Bulk of the month's shipment (62.5%) was destined for the European market at 53,028 MT. The US uptake at 24,200 MT comprised 28.5% of total trade. Other destinations were Indonesia and Japan with respective volume at 5,000 MT (5.9%) and 2,600 MT (3.1%).

Delivery of copra meal totaled 32,880 MT. However, at the same time last year, there was no reported export of the commodity. This month data is only 0.9% shy of the monthly average at 33,184 MT. Korea took in more than one-half (57.5%) of the month's aggregate shipment with 18,900 MT, while Vietnam held 9,480 MT (28.8%) and China 4,500 MT (13.7%). India, the top buyer in the last two months was conspicuously absent this month.

Desiccated coconut export shot up 51.8% to 8,441 MT from 5,560 MT last year and likewise improved on the monthly average at 8,116 MT by 4.0%. This contrasted with oleochemicals which

reduced shipment by 11.4% at 4,050 MT as copra from 4,570 MT. Nevertheless, current month tonnage massively outstripped the monthly average at 1,937 MT by a whopping 109.1%. There was no reported export of copra since the start of the year, although last year, record showed a shipment of 47 MT in April.

January-April export reached 508,674 MT in copra terms, still behind last year at 630,271 MT by 19.3%. Breakdown is as follows, in MT: copra nil (47 last year), coconut oil 282,315 (356,368), copra meal 132,432 (29,457), desiccated coconut 32,789 (27,970), oleochemicals as copra 9,860 (21,317). (*UCAP Bulletin*)

### **SRI LANKA DESICCATED COCONUT EXPORT DOWN IN JANUARY THIS YEAR**

Figures from Sri Lanka's Coconut Development Authority show the country's export of desiccated coconut was sharply down in January this year. Total stood at 928 MT, a sharp drop by 68.4% from January last year at 2,941 MT. The shipment was worth USD3.386 million, likewise sharply declining by 52.1% from prior year at USD7.069 million. Average traded price was calculated at USD3,649.23/MT FOB, an increase by 51.8% from prior year at USD2,403.54/MT.

Export in January went to at least 27 countries. The top two importers held volume above 100 MT and collectively accounted for 30% of total trade. The United States was market leader with 156 MT (16.8% share) while Japan's uptake was 123 MT (13.2%). The remaining 25 other countries which aggregately accounted for 70% took in volume ranging from a low of 1 MT to a high of 99 MT. (*UCAP Bulletin*)

### **SRI LANKA ACTIVATED CARBON EXPORT DOWN IN JANUARY**

Figures from Sri Lanka's Coconut Development Authority show the country's export of activated carbon slid by 8.2% to 3,310 MT in January this year from 3,606 MT in a similar period year-ago. The shipment valued at USD7.092 million was



higher by 8.8% from previous year at USD6.522 million. Average traded price calculated at USD2,142.74/MT FOB was higher by 18.5% from prior year at USD1,808.55/MT.

Export during the month went to at least 32 countries. The top eight importers held volumes above 100 MT and collectively accounted for 69.3% of total trade. Leading the pack was United States with 886 MT (26.8% share), followed far behind by China with 308 MT (9.3%), India with 260 MT (7.8%), Japan 235 MT (7.1%), Germany 165 MT (5.0%), Taiwan 156 MT (4.7%), Turkey 154 MT (4.6%) and Estonia at 130 MT (3.9%). Twenty-four other countries took in limited volume ranging 1-97 MT and jointly contributed 30.7%. (*UCAP Bulletin*)

#### **...VIRGIN COCONUT OIL EXPORT LIKEWISE DOWN**

Figures from Sri Lanka's Coconut Development Authority also show the country's export of virgin coconut oil was 872 MT in January this year, sharply down by 29.5% from 1,238 MT in a similar period year-ago. Shipment value at USD4.742 million slid by 18.1% from the previous year at USD5.791 million. Average traded price computed at USD5,437.68/MT FOB hiked by 16.2% over prior year at USD4,678.06/MT.

Export during the month went to at least 33 countries. The top three country destinations consisted of Germany with 217 MT (24.9%), United States with 161 MT (18.5%) and Australia with 153 MT (17.5%). The remaining 30 countries which aggregately accounted for 39.1% took in volume ranging 1-58 MT. (*UCAP Bulletin*)

#### **U.S. IMPORT OF LAURIC OILS DOWN IN MARCH**

Oil World figures reveal U.S. import of lauric oils in March this year at 80,900 MT slid by 5.0% from 85,200 MT in the same month year-ago. Coconut oil comprised 60.1% of the total with 48,600 MT (50,000 MT year-ago) while palm kernel oil

accounted for 39.9% with 32,300 MT (35,200 MT year-ago).

Indonesia was top supplier of lauric oil to the U.S. during the month with shipment of 37,100 MT (48,600 MT), the equivalent of 45.8% of total lauric oil import. This consisted of palm kernel oil at 27,300 MT (30,200 MT) and coconut at 9,800 MT (18,400 MT). The Philippines shared 40.7% or 32,900 MT (30,400 MT) of coconut oil only. Malaysia contributed 5.4% or 4,400 MT (4,600 MT) of palm kernel oil only. Purchases from other countries totaled 6,500 MT (1,600 MT) of which 5,800 MT (1,200 MT) was coconut oil and 700 MT (400 MT) was palm kernel oil.

January-March total at 257,100 MT was 13.4% above same time last year figure at 226,600 MT. Coconut oil was 154,100 MT (134,800 MT) of which 67.3% or 103,700 MT (95,800 MT) came from the Philippines. Palm kernel oil was 103,000 MT (90,800 MT) of which 76.4% or 78,700 MT (74,000 MT) originated from Indonesia. (*UCAP Bulletin*)

### **COCONUT TECHNOLOGY NEWS**

#### **NOVEL TECHNIQUE TO DETECT PARAFFIN OIL CONTAMINATION IN COCONUT OIL**

The Indian Institute of Technology (IIT) Madras team found paraffin oil contamination in coconut oil was as high as 10%, according to a news report in The Hindu on April 29. Using a novel approach, researchers at IIT Madras have for the first time been able use mass spectrometry to analyse various saturated and unsaturated hydrocarbons directly from solutions. Ionising the constituent molecules of a hydrocarbon sample for detection using mass spectrometry has not been easy till date as hydrocarbons do not tend to lose or gain electrons to form ions.

Using the novel technique, laser assisted paper spray ionisation mass spectrometry, the research team led by

Prof. T. Pradeep from the institute's Department of Chemistry could detect various hydrocarbons, importantly, paraffin oil contamination in coconut oil samples. Though it is common knowledge that vegetable oils are adulterated, the extent of contamination with paraffin oil was as much as 10%. "It was shocking to see such high levels of mineral oil contamination in coconut oil meant for cooking," says Prof. Pradeep. "We could detect down to 1% paraffin oil present in coconut oil. (*UCAP Bulletin*)

## BIO-DIESEL NEWS

### MALAYSIA IN NEED OF EFFICIENT TECHNOLOGY TO DEVELOP BIOFUEL

Malaysia's research and development into biofuels may have started way back in the 1980's but it has not made much headway in developing viable alternative energy sources, according to a news report in Bernama on April 24. Biofuel researcher Prof. Dr. Masjuki Hassan said to date Malaysia has not succeeded in developing a technology that can be widely applied to produce biodiesel as an effective replacement for petroleum-based products. "We are still looking for an efficient and cost-effective technology that can yield high-quality biodiesel with (improved) oxidative stability," he told Bernama in an interview recently.

Biodiesel is a relatively clean-burning, renewable fuel produced from new and used animal and vegetable oil. Biodiesel is more environmentally-friendly than conventional diesel, which is derived from petroleum, as the former has more oxygen in its molecules. The presence of oxygen enables biodiesel to emit lower levels of environmentally-hazardous greenhouse gasses like carbon dioxide, carbon monoxide and hydrocarbons during combustion. (*UCAP Bulletin*)

### PCA WANTS TO RAISE BIODIESEL BLEND BY AUGUST THIS YEAR

The Philippine Coconut Authority (PCA) wants the National Biofuels Board (NBB) to finally raise the Coco Methyl Ester (CME) content of biodiesel blend currently sold in the domestic market starting August, a move that has been stalled for several years. The objective is to help coconut farmers currently suffering from low copra prices. "The higher CME content in our biodiesel blend could significantly increase the demand for copra and coconut oil, making their prices more buoyant," PCA Administrator Romulo dela Rosa said.

Under the Philippine Energy Plan 2012 to 2030, the biodiesel blend should by now be at 5 percent; currently it is still at 2 percent. The blend should increase to 10 percent in 2020 and to 20 percent in 2030. The PCA Administrator is urging NBB to "act fast" before copra and coconut oil prices further plummet to crisis level, suggesting a staggered basis increase starting August. "The first increase can be from 2 percent to 3 percent starting August 1 this year," he said, adding NBB should decide before end of this year whether to further increase the blend to 5 percent CME content or maintain the 3 percent until 2020.

It will be recalled that in 2012 the Department of Energy (DOE) said it was looking to review the impact of a possible increase in the biodiesel blend to five percent (B5) requested by the Department of Agriculture (DA). In 2015, NBB tapped an institution within the University of the Philippines Los Baños (UPLB) to study the impact of B5 implementation. DBB is composed of representatives from the DOE, DA, PCA, Department of Agrarian Reform, Department of Science and Technology, Department of Environment and Natural Resources, and Sugar Regulatory Administration. (*UCAP Bulletin*)



## **U.S. RENDERED FAT NOW MOSTLY USED FOR BIODIESEL AND RENEWABLE FUEL PRODUCTION**

A National Renderers Association (NRA) U.S. market report says the use of U.S. rendered fat in the world is now mostly for biodiesel and renewable fuel, as well as for the oleochemical industry. Some 40% of all U.S. rendered fat exports are utilised for biodiesel and renewable diesel production. While U.S. fat exports have fallen 30% in the last five years, Singapore had become the second largest export market for U.S. tallow, importing about 120,000 tons for renewable fuel production.

The United States is a leading producer of rendered products, followed by the EU and leading livestock and meat processing countries such as Argentina, Australia, Brazil and New Zealand. Rendered fat exports from the U.S. in 2017 totalled 736,700 tons, up slightly from 2016, the report said. The NRA forecasts a rise in U.S. production of rendered products with increased livestock production. While global demand for fat as a biodiesel/renewable energy source would offset the added supply, additional international demand was needed to take up the increased amount of animal protein meals, in a market already awash with an oversupply of soyabean meal. (*UCAP Bulletin*)

## **OTHER VEGEOIL NEWS**

### **INDONESIA WARNS NORWAY OVER CPO BAN**

Indonesian Trade Minister Enggartiasto Lukita has warned Norway over the proposed ban of import of crude palm oil (CPO) and its derivative products from Indonesia by the country's parliament, The Jakarta Post last month reported. Enggartiasto delivered his warning when he met with Norway Fisheries Minister Per Sandburg at Enggartiasto's office in Jakarta.

"If the ban on CPO and its derivatives is implemented, Indonesia will reject fish imports from Norway," he said, as reported by [kontan.co.id](http://kontan.co.id), saying Indonesia would consider it a declaration of trade war. Sandburg, however, assured Enggartiasto during their meeting that the Norwegian government had rejected the proposal from the country's parliament which is dominated by opposition parties. Nevertheless, the Indonesian official said his ministry would still monitor the matter due to an intensive negative campaign on CPO in the Scandinavian country. (*UCAP Bulletin*)

### **INDONESIAN PRESIDENT LAUNCHES OIL PALM REPLANTING PROGRAM IN RIAU**

President Joko Widodo (Jokowi) launched an oil palm replanting program in Rokan Hilir district, Riau, marking the start of the program in the Sumatran province, covering 25,423 hectares for this year, reported the Antara News on May 09.

His arrival at the village of Kepenghuluan Pelita, Bakan Sinembah, marked the start of the replanting program in eight districts in the province. The same program was earlier launched in Musi Banyuasin, South Sumatra, on October 13, 2017 and Serdang Bedagai in North Sumatra on November 27, 2017 and so Riau becomes the third province undergoing the program. The president said the program was urgent as most oil palm plantations out of a total of 1.58 million hectares in the province are very old. He said the government is conducting the program so that the people's plantations would be more productive and increase harvest to double or three times per hectare. (*UCAP Bulletin*)

### **CHINA TO PURCHASE MORE INDONESIAN PALM OIL**

Chinese Premier Li Keqiang said at a China-Indonesia business summit recently that his country will buy 500,000 tons more of palm oil annually. Boosting palm oil imports was aimed at helping smallholder

farmers in Indonesia, Li said. China is one of the top buyers of Indonesian palm oil accounting for around 12% of Indonesian palm oil exports.

The expected higher demand from China could counter a potential fall in Indonesia's export to the EU states. It will be recalled that in January this year, the European Parliament had approved a number of draft measures to meet climate goals, which included a ban on the use of palm oil in motor fuels from 2021.

Late last month, the Indonesia Palm Oil Association had already expected local palm oil exports to China to rise, since China had introduced higher tariffs on soybeans from the US. Indonesia's palm oil exports to China had been on a steady rise recently. Last year, palm oil export by Indonesia alone was 3.73 million tons. This is more than 70% of palm oil consumption in China of 5 million tons and an improvement from prior year total at 3.23 million tons. (*UCAP Bulletin*)

#### **INDONESIA TO PRIORITIZE TRADE DIPLOMACY FOR PALM OIL**

Coordinating Minister for Maritime Affairs, Luhut Binsar Pandjaitan, stated that the government would prioritize trade diplomacy that puts forward dialogue and lobbies, especially regarding the EU Parliament's decision discriminating palm oil products, reported the Antara News on May 09. Palm oil has become an activator of the country's economy, as it has provided jobs for some 17.5 million Indonesians, with majority being small-scale farmers.

A resolution of the EU Parliament proposed the exclusion of palm oil as material source for biodiesel. Currently, the resolution is yet to receive legal binding, and Indonesia would continue to prevent it from becoming an EU joint decision. Palm oil has been a strategic industry for the country. With the increased productivity of palm oil reaching 4-6 tons per hectare from 12 million hectares of land, the country's palm oil production is expected to reach 40 to 45 million tons.

In another development, the Indonesian government plans to expand an oil palm replanting program it launched last year to cover 185,000 hectare of plantations in 2018. The ultimate goal is to replace oil palm trees older than 25 years on a total of 5.61 million hectare of plantations over the entire country. The program is especially intended to help smallholders, whose plantations yields only 2-3 tons of palm oil/ha, as opposed to large corporation-owned plantations with yields of as high as 20 tons/ha. According to the government, smallholder yields could be boosted to 8 tons/ha annually if old palm trees were replaced with new and better seedlings that could start production within two years of planting. (*UCAP Bulletin*)

#### **MALAYSIA PROJECTS EXPORT OF PALM OIL AND PRODUCTS TO REACH RM80 BILLION THIS YEAR**

Malaysia's export earnings from palm oil and related products could reach the RM80 billion (USD20.4 billion) target this year compared with RM78.8 billion in 2017. Plantation Industries and Commodities Ministry Secretary General Datuk K Yogeessvaran said this was on the back of aggressive marketing and promotional activities, including venturing into new markets such as Iran, the Philippines and Vietnam, as well as some African and Middle East countries.

"We also expect crude palm oil (CPO) futures prices to possibly increase to about RM2,700 per ton in the second half of this year following a dip in production and the coming festive season," he told reporters after attending a public forum entitled, "The Future of Malaysian Palm Oil: Integrating Independent Growers into the Global Supply Chain" held in Kuala Lumpur.

He said that so far 2,500 independent smallholders had obtained the Malaysian Sustainable Palm Oil (MSPO) certification. "Aggressive efforts are being taken to ensure that all 250,000 smallholders will be certified by end-2019. This also means that by the end of next year, we would have fully

complied with the EU ruling to certify our palm oil industry for sustainability and good practices,” he added. (*UCAP Bulletin*)

### **DAVAO ORIENTAL AIMS TO BECOME LEADING PALM OIL PRODUCER IN MINDANAO**

Davao Oriental targets to become one of the leading suppliers of palm oil in the island of Mindanao with the establishment of its palm oil mill and plantation in the municipality of Cateel, according to the province’s Sunstar Newspaper. Out of the 45,000 hectares ancestral domain of the Mandayas in Cateel, a total of 5,000 hectares will be allotted for the development of the palm oil industry in the province.

Funding for the project would come from the Development Bank of the Philippines (DBP), which had agreed to loan 500 million pesos (US\$9.62 million) for the construction of the mills and 1.1 billion pesos (US\$21.1 million) for planting and maintaining the palms. Ednar Dayanghirang, Chief of staff of the provincial governor Nelson Dayanghirang, said DBP was happy to provide the loan due to it having previously provided funding for three other successful palm oil programmes in Mindanao.

This project would be carried out in collaboration between the provincial government of Davao Oriental, vice president of Davao Oriental State College Roy Ponce, and the unnamed Chinese-Malaysian palm oil expert. Dayanghirang said two types of palm oil mills would be established in Cateel, including one crude oil mill, funded by the DBP loan, and one refinery mill for which additional budget was still pending. He added that Mindanao currently imported approximately 80% of its palm oil consumption. (*UCAP Bulletin*)

### **SPANISH OLIVE OIL BOTTLER TO BOOST ITS OLIVE OIL BRANDS**

Spanish multinational olive oil bottler and processing firm Deoleo is investing USD\$61.4 million to implement its growth plan and boost several of its leading brands.

The investment would focus on international markets with high growth potential and on establishing strategic business agreements with providers, the company said in a statement last month. Deoleo holds 10.4% share in total world olive oil market, according to Euromonitor.

The company intended to strengthen its globally renowned brands such as Bertolli, Carbonell and Carapelli, with the Bertolli brand set to undergo a global refresh. Deoleo also said it would launch a premium product range under the Carapelli and Hojiblanca brands in Spain, a renewed product range for Carbonell and another premium line under the Bertolli and Carapelli brands, which would include table olives. (*UCAP Bulletin*)

### **PAKISTAN FEDERAL BOARD OF REVENUE PROPOSES 30% INCREASE IN IMPORT DUTY FOR SOYA AND PALM OILS**

Pakistan’s federal taxation watchdog, the Federal Board of Revenue (FBR), has proposed a more than 30% increase in the import duty for soyabean and palm cooking oil for the 2018-19 financial year. The FBR had asked the government to raise the customs duty on soybean oil from the current Rs9,050/ton (US\$77.8) to Rs12,000 (US\$103.2), an increase of 32.5%. For palm oil, the proposal would raise the import duties from Rs10,200/ton (US\$87.7) to Rs13,200 (US\$113.5), an increase of 29.5%.

If approved, the duty hikes would impact imports of the oils and industry sources believed that it could increase cooking oil prices by Rs55/kg (US\$0.47), making it more expensive for some consumers to buy. The current soyabean import price in Pakistan was US\$790/ton, but this could jump up to Rs131,637 (US\$1,132) if the changes went through, said Pakistan Today.

The proposal had caused some internal friction in Pakistan, as sources within FBR claimed the pressure to

recommend the higher taxes had come from a Punjab province-based federal minister whose relatives operated cooking oil extraction plants. On the other hand, other sources said the government, which had the final say on the matter, was considering scrapping the duty change. (*UCAP Bulletin*)

### **PALM OIL SALES STILL STRONG DESPITE WANTING SUSTAINABILITY ISSUE**

Sales across South East Asia's palm oil sector remain strong, despite a regulatory and retail backlash in Europe, according to Peter Van Deursen, CEO of Cargill Asia Pacific. Van Deursen, in an interview with FoodNavigatorAsia during the Food for the Future Summit, said that the palm oil market is growing regionally, citing exponential growth in palm oil producing countries of South East Asia.

In Europe, the European Parliament has voted overwhelmingly to ban the use of palm oil in all European biofuels by 2020 while, Iceland, a UK supermarket chain announced last month that it will stop using palm oil in its products by the end of this year. It said that it would replace palm oil with oils and fats that "do not destroy the rainforest".

Despite retailers shunning its sales, Van Deursen believes that palm oil will remain important, given its economic efficiency, which he believes is often overlooked amid discussions tainted with "a lot of emotions". He added that with the world population growing, substituting palm oil with alternatives, such as soy or sunflower, will be unsustainable. It is the rules of supply and demand that will determine the place of palm oil in the market. (*UCAP Bulletin*)

### **BASF TO SWITCH TO CERTIFIED SUSTAINABLE PO, PKO**

Chemicals firm BASF announced last month of its plans to switch some 330 palm-oil based products to Roundtable on Sustainable Palm Oil (RSPO) Mass Balance (MB) standard this year for the cosmetics industry. MB is a traceable form of certified sustainable palm oil in which sustainable palm oil and conventional palm oil are

mixed for the purposes of manufacturing and transport but the original proportions are maintained. It is a stepping stone to segregated supply.

BASF had also committed to sourcing only RSPO certified PKO by 2020 to combat issues linked to oil palm cultivation, namely deforestation, loss of biodiversity and social conflicts, the company said. The company produces ingredients for cosmetics products, detergents, cleaning agents and foodstuffs from mostly palm kernel oil (PKO) and its derivatives, with a secondary focus on palm oil. In 2017, the firm purchased 153,000 tons of RSPO certified PKO and was able to trace nearly 80% of its total palm oil consumption of more than 500,000 tons. (*UCAP Bulletin*)

## **COCONUT RECIPE**

### **"Taste Fiji Chocolate Brownie"**

#### **Ingredient:**

- 250 g butter
- 500 g (2 ¼ cups) brown sugar
- 125 g (1 cup) cocoa, preferably good quality
- 4 Henergy Cage Free eggs
- 1 teaspoon vanilla extract
- 100g (1 rounded cup) desiccated coconut

#### **Method:**

- Line a 24 cm square cake tin with baking paper. Preheat the oven to 180°C. In a small saucepan gently melt the butter with the sugar. Add the cocoa and mix well. In the bowl of an electric mixer beat the eggs and vanilla until light and fluffy. Pour the chocolate mixture and coconut into the eggs, mix until well combined. Turn the batter into the prepared cake tin. Bake for 40 minutes, the centre will still be a little soft which is as it should be. Allow to cool and then cut into 16 pieces. (<http://www.foodlovers.co.nz>)

## STATISTICS

**Table 1. Indonesia's Monthly Exports of Desiccated Coconut, 2016 - 2018**

Month	2016		2017		2018	
	Volume (MT)	Value (FOB) US\$'000	Volume (MT)	Value (FOB) US\$'000	Volume (MT)	Value (FOB) US\$'000
January	5,150	7,230	5,872	9,170	8,453	16,165
February	4,697	6,805	7,595	12,327	8,464	16,408
March	8,327	10,945	7,494	12,807	9,517	18,292
April	7,484	10,887	6,583	11,432		
May	7,484	10,216	8,270	14,542		
June	7,986	12,064	6,837	11,994		
July	3,810	6,015	7,139	13,524		
August	6,813	10,724	10,854	20,647		
September	6,779	10,512	8,544	16,375		
October	7,020	10,704	9,350	18,180		
November	6,771	10,209	10,749	20,944		
December	6,903	10,263	8,751	17,031		
<b>Total</b>	<b>79,224</b>	<b>116,574</b>	<b>98,038</b>	<b>178,973</b>	<b>26,434</b>	<b>50,864</b>

Source: BPS-Statistics Indonesia

**Table 2. Philippines' Monthly Exports of Desiccated Coconut (in MT), 2015 - 2018**

Month	2015	2016	2017	2018
January	6,092	4,849	6,107	8,307
February	7,107	4,079	8,675	6,251
March	5,894	4,897	7,628	
April	3,734	4,554	5,560	
May	4,842	4,387	9,029	
June	4,026	6,234	8,023	
July	8,469	12,636	12,844	
August	6,583	8,268	13,858	
September	6,061	15,384	12,907	
October	4,883	7,964	16,187	
November	4,474	7,939	7,743	
December	5,094	10,029	6,444	
<b>Total</b>	<b>67,259</b>	<b>91,220</b>	<b>115,005</b>	<b>14,558</b>

Source: Philippines Statistics Authority



**Table 3. Sri Lanka's Monthly Exports of Desiccated Coconut (in MT), 2016 - 2018**

Month	2016		2017		2018	
	Volume (MT)	Value (FOB) US\$'000	Volume (MT)	Value (FOB) US\$'000	Volume (MT)	Value (FOB) US\$'000
January	2,970	6,345	2,941	7,069	928	3,387
February	3,494	7,102	2,655	7,271	1,122	3,899
March	4,487	9,192	3,515	9,724	1,830	6,614
April	3,926	8,145	2,039	5,855		
May	4,210	8,972	2,413	7,048		
June	4,354	9,428	2,401	7,127		
July	4,393	9,410	2,521	7,636		
August	4,669	9,758	2,619	8,547		
September	4,604	9,876	2,907	9,691		
October	4,580	10,048	2,468	8,733		
November	3,972	9,004	1,953	6,825		
December	3,541	8,,309	986	3,279		
<b>Total</b>	<b>49,200</b>	<b>97,280</b>	<b>29,418</b>	<b>88,804</b>	<b>3,880</b>	<b>13,900</b>

Source: Coconut Development Authority, Sri Lanka

**Table 4. Export Volume of Desiccated Coconut by Country of Origin, 2017 (MT)**

Month	Malaysia	Thailand	India	Mexico
January	1,182	50	892	375
February	1,105	70	823	479
March	1,644	107	769	472
April	1,388	82	841	329
May	1,677	85	955	489
June	1,099	107	1,006	314
July	1,300	57	1,422	377
August	1,625	229	1,144	369
September	1,818	145	1,001	303
October	1,842	77	594	386
November	1,868	96	462	259
December	1,403	106	269	300
<b>Total</b>	<b>17,951</b>	<b>1,211</b>	<b>10,178</b>	<b>4,452</b>

Source: ITC