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## EXECUTIVE DIRECTOR SPEAKS .....

### ***“Non-Edible Products Contribute Toward Value Addition Initiatives in the Coconut Industry”***



**I**t is to be noted with interest the increasing importance of non-edible products that are processed from the Coconut husk, shell, wood and other parts. The efforts in utilization of Coconut shell in Indonesia has received attention from the neighboring Pacific countries. Recent visits by senior officials from Fiji, Samoa, Solomon Islands and Papua New Guinea to a number of processors of coconut shell charcoal and by products in Indonesia has prompted intense interest by industry and private sector at small to medium enterprise level to explore its related opportunities. In most of the Pacific the coconut shell is not utilized for commercial gain hence the move to activate this opportunity toward increasing farm income. This interest has recently led to a field training visit by the Coconut Development Officers of PNG through the Kokonas Industri Kopereser during April 2019.

Market price for Coconut Shell Charcoal is at USD550 per Mt in Indonesia whilst market price for Activated Carbon in Sri Lanka peaked at USD2,400 per Mt in December 2018. India continues to be largest exporter followed by Sri Lanka, Philippines and Indonesia. USA is largest importer of Activated Carbon. Whilst volumes of production and export are still low the supply of Charcoal Briquettes are in very high demand therefore selling price is USD1,200-1,400 per Mt.

Coconut husk utilization is an increasing activity in Indonesia, Philippines and Sri Lanka where many farmers and farmer groups process and sell in bulk form as Raw Fiber for sale to processors of final higher value products and by products. Maximizing such opportunities is essential to the increase viability as well as income for village farmers.

Copra production is shifting slowing but increasingly to improved quality for the White Copra market. The price premium over low quality copra ranges from 40% to 60% hence the attraction to make the change with investment in facilities and improved post-harvest practices to ensure the best quality in moisture content of 5% and with clean appearance of the copra.

Coconut water harvested from the copra making process is now fully utilized for production of Nata de Coco which has become a very popular food and refreshment item in South East Asia. The initial processing to raw material at points of origin and sold to major food processing organizations who develop for end use consumers under their respective brands.

Issues and challenges relating to addressing sustainability are being considered in most countries so that the present trends indicating lowering supply of raw material does not threaten the ability to supply the increasing demands of the market place. Fiji Government has announced increased commitment to the replanting of coconut by the recent allocation of significant funding, unlike previous years, towards the program.

Countries such as Malaysia and a number of Latin American Caribbean countries have stepped up their efforts to revitalize the coconut industry and are addressing important in-country policies to provide the enabling environment and partner with the industry for sustainable development.



URON N. SALUM  
Executive Director, ICC

## PREVAILING MARKET PRICES OF SELECTED COCONUT PRODUCTS AND OILS

*Price of CNO decreased in Indonesia, and Philippines but increased in Sri Lanka. Price of DC increased in Indonesia and Sri Lanka but decreased in Philippines.*

**COPRA:** The price of copra in Indonesia was US\$390/MT in March 2019, which was lower than last month's price of US\$422/MT. When compared to last year's data for the same month the price was US\$220/MT lower.

In the domestic market of the Philippines (Manila), the price decreased by US\$9/MT compared to the price in February 2019, and about US\$220/MT lower compared to the price of US\$649/MT in March 2018.

**COCONUT OIL:** The average price of coconut oil in Europe (C.I.F. Rotterdam) for the month of March 2019 decreased by US\$28/MT to US\$682/MT from US\$710/MT in February 2019. This price was lower by 39% when compared to the price of March 2018 accounting for US\$1,124/MT.

The average local price of coconut oil in the Philippines in March 2019 was US\$679/MT. This was US\$34/MT lower than the price in February 2019, and it was US\$415/MT lower if compared to the last year price for the same month which was US\$1,094/MT.

The average domestic price of coconut oil in Indonesia in March 2019 decreased by US\$13/MT compared to the previous month from US\$697/MT to US\$684/MT. March 2019 price was US\$404/MT lower than the price of the same month of 2018 which was US\$1,088/MT.

**COPRA MEAL:** The average domestic price of the commodity in the Philippines at selling points was quoted at US\$222/MT. The price was US\$14/MT higher compared to the

previous month and was US\$47/MT higher than the last year price for the same month.

The average domestic price of copra meal in Sri Lanka increased by US\$15 compared to the last month price of US\$226/MT and was lower than last year price of US\$390/MT for the same month.

**DESICCATED COCONUT:** The average price of desiccated coconut (DC) FOB USA in March 2019 was US\$1,720/MT. This price was US\$11/MT lower than the previous month's price and US\$757/MT lower than the price of the same month last year. In Sri Lanka, the domestic price of desiccated coconut in March 2019 was US\$1,897/MT or US\$65 higher than the price in February 2019. Meanwhile, the price of DC in the domestic market in the Philippines was US\$875/MT, which was US\$41/MT lower than the previous month's price at US\$916/MT and US\$812 lower than the price in the same month last year. Indonesian price in March 2019 was US\$1,435/MT, increased by US\$35/MT compared to the last month's, and decreased by US\$715/MT from last year's price.

**COCONUT SHELL CHARCOAL:** In Sri Lanka, the average price of the commodity in March 2019 was US\$392/MT which was US\$1/MT higher than previous month's price. The average price of charcoal in Indonesia for March 2019 was US\$491/MT, which was US\$18/MT lower 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\$185/MT for mix fiber and US\$617/MT-US\$1,010/MT for bristle. The Indonesian price for mixed raw fiber was US\$311/MT in March 2019 which was lower by US\$2/MT compared to last month's price.

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

<b>Products/Country</b>	<b>2019 Mar.</b>	<b>2019 Feb.</b>	<b>2018 Mar.</b>	<b>2019 (Annual Ave.)</b>
<b>Dehusked Coconut</b>				
Philippines (Domestic)	116	120	184	120
Indonesia (Domestic, Industry Use)	142	141	178	142
Sri Lanka (Domestic, Industry Use)	169	171	427	168
India (Domestic Kerala)	542	583	617	577
<b>Copra</b>				
Philippines (Dom. Manila)	415	424	649	439
Indonesia (Dom. Java)	390	422	610	413
Sri Lanka (Dom. Colombo)	1,000	997	1,532	970
India (Dom. Kochi)	1,507	1,612	1,894	1,617
<b>Coconut Oil</b>				
Philippines/Indonesia (CIF Rott.)	682	710	1,124	722
Philippines (Domestic)	679	713	1,094	718
Indonesia (Domestic)	684	697	1,088	714
Sri Lanka (Domestic)	1,822	1,810	2,572	1,805
India (Domestic, Kerala)	2,414	2,482	2,914	2,500
<b>Desiccated Coconut</b>				
Philippines FOB (US), Seller	1,720	1,731	2,477	1,810
Philippines (Domestic)	875	916	1,687	937
Sri Lanka (Domestic)	1,897	1,832	3,816	1,826
Indonesia (FOB)	1,435	1,400	2,150	1,345
India (Domestic)	2,044	2,055	2,721	2,083
<b>Copra Meal Exp. Pel.</b>				
Philippines (Domestic)	222	208	175	211
Sri Lanka (Domestic)	241	226	390	232
Indonesia (Domestic)	211	209	220	208
<b>Coconut Shell Charcoal</b>				
Philippines (Domestic), Buyer	321	335	434	331
Sri Lanka (Domestic)	392	391	502	389
Indonesia (Domestic Java), Buyer	491	461	509	501
India (Domestic)	426	431	601	433
<b>Coir Fibre</b>				
Sri Lanka (Mattress/Short Fibre)	185	197	207	204
Sri Lanka (Bristle 1 tie)	617	630	795	635
Sri Lanka (Bristle 2 tie)	1,010	1,008	1,176	1,002
Indonesia (Mixed Raw Fibre)	311	313	350	309
<b>Other Oil</b>				
Palm Kernel Oil Mal/Indo (CIF Rott.)	655	695	1,022	705
Palm Oil Crude, Mal/Indo (CIF Rott.)	573	603	681	587
Soybean Oil (Europe FOB Ex Mill)	750	773	834	757

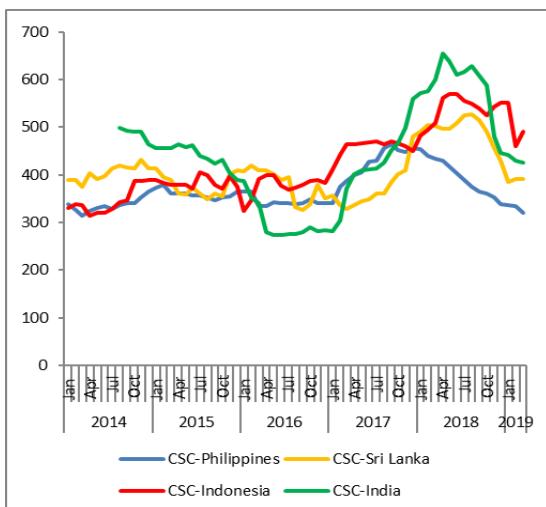
**Exchange Rate: March 31, 2019**

1US\$= ₦ 52.68 or Indo.=Rp14,240 or India=Rs69.28 or SL=Rs175.47  
 Euro=US\$1.12 n.q. = no quote

## MARKET REVIEW OF ACTIVATED CARBON

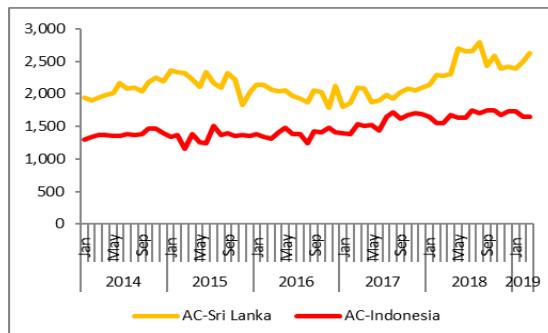
An increase in supply has brought price of coconut shell charcoal to go down. In the second half of 2018, the price showed an easing trend after enjoying a positive trend over the last two years. Price of coconut shell charcoal in Indonesia was US\$483/MT in January 2018 and reached US\$555/MT in July 2018 and then eased to US\$552/MT in December 2018. Meanwhile, in Sri Lanka price of the product was US\$491/MT in January 2018 and rose to US\$525/MT in July 2018 and then went down to US\$447/MT in December 2018. In India, after reaching US\$616/MT in July 2018, the price moved downward to US\$447/MT in December 2018.

**Average Monthly Price of Coconut Shell Charcoal, January 2014 - March 2019**



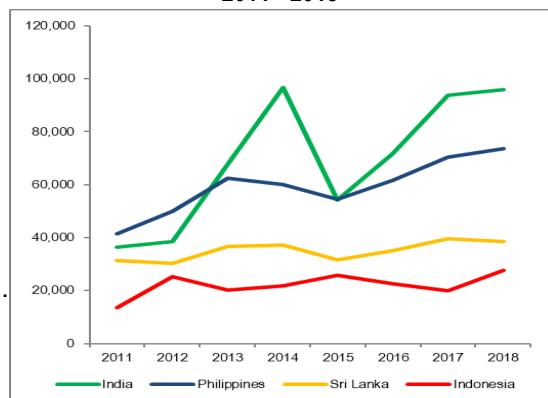
Price of activated carbon showed an increasing trend until second half of 2018. Price of the product in Sri Lanka for January 2018 was US\$2,143/MT and gradually increased to reach US\$2,420/MT in December 2018. Meanwhile in Indonesia, the price reached US\$1,733/MT in December 2018 from US\$1,652/MT in January 2018 with the monthly average of US\$1,671/MT.

**Average Monthly Price of Activated Carbon January 2014 - March 2019 (US\$/MT)**



India, Philippines, Sri Lanka and Indonesia sent 235,551 MT of coconut shell charcoal based activated carbon to the global market in 2018. In the period of January-December 2018, India sent 95,806 MT of activated carbon to the global market followed by Philippines which shipped 73,486 MT of activated carbon to various countries. Meanwhile, Sri Lanka and Indonesia sent 38,566 MT and 27,693 MT to the global market respectively.

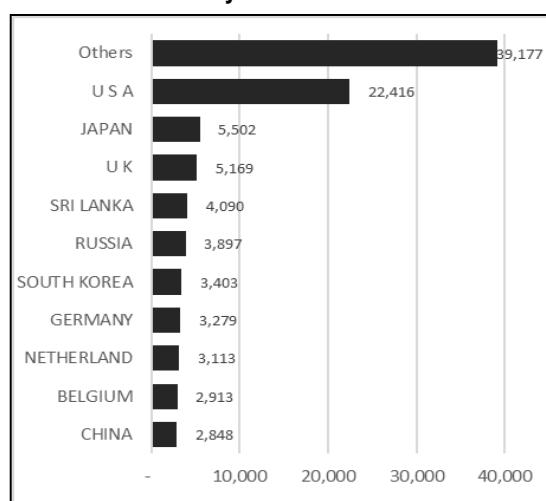
**Export Volume (MT) of Activated Carbon, 2011 - 2018**



USA was still major destination of activated carbon from India. USA absorbed 23.4% of the total export of the product. Other major destinations include Japan, UK, Sri Lanka, Russia and South Korea. It is worth noting that India exported 93,868 MT of activated carbon valued at US\$140.6 million in 2017. The export increased by 21.6% compared to the previous period.

Meanwhile, Germany, Japan, Sri Lanka and USA were major importing countries for activated carbon from Philippines which absorbed 13.9%, 13.7% 11.8% and 11.4% respectively of the total Philippines' export of the product over the period of January-December 2018. Accumulated export volume to those countries was 90.3% of the total export. In 2017, the Philippines shipped 70,353 MT of activated carbon to the global market, 14.5% higher than previous year.

**Export Destination of Activated Carbon from India, January - December 2018**



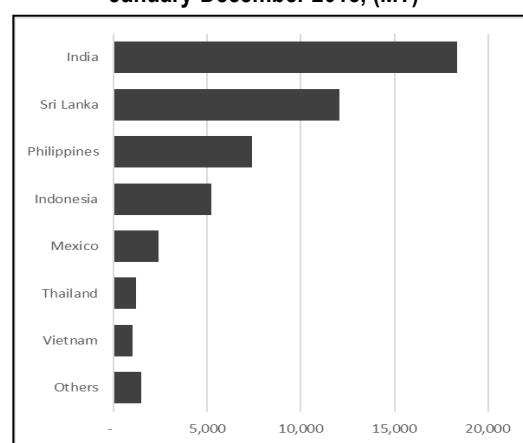
Sri Lanka experienced a slight decrease in demand for the product over the period January-December 2018. Over the period, accumulated export volume of coconut shell based activated carbon from Sri Lanka was 38,566 MT or slightly lower by 0.01% against previous year's volume for the same period. USA was still major destination of the product followed by China, Japan and Estonia. USA absorbed more than 30.9% of export of Sri Lankan activated carbon.

After experiencing an easing trend in the last two years, Indonesian export of activated carbon in 2018 showed an increasing trend. Export of the product from Indonesia was 27,693 MT which was higher by 37.9% compared to last year's volume for the same period. It is worth noting that export volume of the product from Indonesia dropped by 11.3% in 2017 and 12% in 2016. USA was the main destination of activated carbon from Indonesia.

Indonesian activated carbon mainly shipped to USA. In 2018, 18.9% of the total export was sent to the US. Indonesia generated an export earning of the commodity trade in the observed period at US\$46.39 million.

Japan import of activated carbon in the period of January-December 2018 was 89,676 MT. The import volume was higher than that of previous year's volume at 86,181 MT. This increase was following the increasing trend in the last three years. In 2017, Japan import of activated carbon was 86,181 MT in 2017 which increased by 7.9% opposed to that of previous year's volume. Meanwhile, US import of activated carbon derived from coconut shell charcoal showed an increasing trend in the last 4 years. In 2014, US import of the product was 18,835 MT and jumped to 43,767 MT in 2015. The positive trend continued in 2016 when import of the activated carbon reached 45,358 MT. US import of the product went up in 2017. In 2017, 53,721 MT of activated carbon was shipped to the US. According to the latest data, import of the product was easing in 2018. In the period of January-December 2018, import of coconut shell based activated carbon by US was 49,112 MT or went down by 8.6% against last year's volume for the same period. During the period, India remained the major supplier for the commodity accounting for 37.4% of the total US import. Other exporting countries were Sri Lanka, Philippines, Indonesia and Mexico contributing 24.6%, 15%, 10.6% and 4.9% of the total.

**US Import of Activated Carbon by Origin, January-December 2018, (MT)**



## COMMUNITY NEWS

### THE INTERNATIONAL COCONUT COMMUNITY TEAM AND DELEGATION FROM PAPUA NEW GUINEA AND PHILIPPINES VISIT SOUTH LAMPUNG

The International Coconut Community (ICC) Team and Delegation from the Papua New Guinea and the Philippines visit South Lampung Regency. Mr. Syahlani, the South Lampung Regent's Expert Staff for Economic Development welcome the group led by Mr. Uron N. Salum, Executive Director of the ICC with Kris Magaya as Chair of the Papua New Guinea Delegation at the Krakatau Hall of the regent's office.

Also present were a number of Heads of Regency Organizations of South Lampung Regency Government in charge of agriculture, plantations, livestock, sheries, food, industry, small and medium enterprises, and tourism.

The purpose of the visit of the ICC Team and Delegation from Papua New Guinea and Philippines is to increase the understanding and capacity building of employees of some ICC member countries in processing coconut derivative products, especially those in South Lampung.

In addition, the arrival of the ICC Team was also to provide support, promote, coordinate and harmonize all coconut industry activities that support the lives of small farmers and those involved in the production, processing and marketing of coconut products.

In his welcome remarks, Mr. Syahlani explained the general information on South Lampung Regency. Where he mentioned that the South Lampung Regency consists of 17 sub-districts with 260 villages and had a population of 1,261,393 people.

Mr. Syahlani further revealed that plantation commodities that can be developed in the South Lampung Regency are tall coconut, oil palm, cacao, rubber,

cloves, tobacco and *kopyor* coconut which are popular commodities in South Lampung Regency. "South Lampung Regency is also the largest coconut producer in Lampung Province with a production of 126,618 tons per year," said Syahlani, who delivered a welcome speech on behalf of Acting South Lampung Regent, Mr. Nanang Ermanto.

Mr. Syahlani also said that in the past few years, South Lampung District has always held a commemoration of World Coconut Day, also known as World Coconut Day. According to him, this is a form of the government's commitment together with the community, coconut farmers and processors, to rebuild the glorious commodities of South Lampung, namely coconut as the tree of life.

"For some people in South Lampung, coconut is still a mainstay commodity as a source of income in both fresh coconuts and processed products. With an area of coconut plantation covering an area of 23,133 hectares and the potential for copra production to reach 126,618 tons per year, South Lampung is the supplier of fresh coconuts for Bandar Lampung and Java and coconut processing industries," Syahlani said.

Syahlani added, in addition to coconut farmers that produce fresh coconut commodities, in South Lampung Regency there are also a number of coconut processors who earn income by producing coconut sugar, *nata de coco*, coconut shell charcoal and coconut seedlings. "Coconut Processors in South Lampung can be individuals, groups and companies. They are located in sub-districts of Kalianda, Palas, Candipuro, Sidomulyo, and Natar. And almost all sub-districts have coconut processing industries," he concluded. <https://www.medinaslampungnews.co.id/>

### FIJI GOVERNMENT TO REVIVE COCONUT INDUSTRY

The Fijian government has allocated USD750,000 to a coconut development program this year in a bid to revive the

country's struggling coconut industry. According to a report in the Fiji Sun last month, the this year's allocation represents an increase of 103% from 2014. At that time, the Ministry of Agriculture set aside US\$370,000 to the program, Minister for Agriculture, Rural and Maritime Development and Waterways and Environment Mahendra Reddy said.

Fiji has around 10 M coconut trees planted in about 65,000 hectares and copra remains the most traded coconut commodity in the island nation, according to a Xinhua News Agency report. "Through its Crop Extension Services and Research Division, the ministry promotes the overall development of coconut as part of a farming system, whilst focusing on the rehabilitation of existing fields and plantations," Reddy said. "The government, through the Ministry of Agriculture, will focus on providing aggressive intervention in the coming 10 years."

About 120,000 of Fiji's rural population depended on the coconut industry as their main source of food and livelihood, Reddy added. However, production of coconut in the country is low due to senile palms, with 40% of trees unproductive, Reddy said. Other factors affecting the industry are fluctuating copra prices, high production costs, a shortage of copra cutters, frequent cyclones and other catastrophic weather events, and competition from other lucrative cash crops. (*UCAP Bulletin*)

#### **AGGRESSIVE INTERVENTION GEARED TOWARDS COCONUT INDUSTRY**

An aggressive 10-year intervention program will be implemented by the Agriculture Ministry in an effort to develop the coconut industry.

This will be done through strategically placed schemes.

Minister responsible Dr. Mahendra Reddy has advised farmers, stakeholders

and the public that the government intends to realize the industry's full potential.

Dr. Reddy says the ministry will focus on providing aggressive intervention in the coming 10 years through strategies.

Strategy 1 will involve a strengthened and coordinated aggressive replanting campaign (1.5 million trees in the next 10 years with 150,000 trees planted per year) in order to address 50% of the current 40% senile trees.

The second strategy will focus on the continuous provision of skills-training on Virgin Coconut Oil (VCO) and other high-value by-products to Farmers/Entrepreneurs /Small Micro-Enterprises (SME's)

The third strategy will involve the strengthening of extension work on Coconuts through the recruitment of Commodity officers, which has seen the appointment of one officer already, strengthened awareness campaigns on Coconut, providing a conducive policy environment to encourage joint ventures and promote local and foreign investment. (<https://www.fbcnews.com.fj>)

#### **CALL MADE TO REPLANT COCONUT TREES TO ENSURE HIGH PRODUCTIVITY**

Agriculture Minister Dr. Mahendra Reddy says there's an immediate need to address shortfalls that exist within the coconut industry.

He highlighted this while officiating at the Coconut Day Celebrations in Taveuni yesterday.

The Minister says the trees around us are tall but are also widely unproductive and there's a need to replant to ensure the future generation can enjoy these fruits.

This low production has been attributed but is not exclusive to existing senile plantations where 40% of trees are senile and unproductive.

It also include fluctuation in copra prices, high production costs, shortage of

copra cutters, lack of interest amongst the younger generation, frequent cyclones and other catastrophic weather events, and competition from other lucrative cash crops such as dalo and yaqona.

Dr. Reddy adds, the production of Virgin coconut oil is rapidly gaining popularity amongst the rural and maritime communities.

He says Copra remains the most traded coconut commodity in the country as Fiji has around 10 million coconut trees scattered around an area of approximately 65,000ha of land; with the majority, 70% of which, are in the Northern Division.

The Minister says this is the silver lining but still requires immediate addressing if efforts are to succeed.

Meanwhile, the Ministry of Agriculture was allocated a budget of \$750,000 for the Coconut Development Program during this financial year. (<https://www.fbcnews.com.fj>)

#### **INDIAN MASTER CLIMBERS EXTENDED FOCT TRAINING TO JAMAICAN FARMERS**

As part of bilateral cooperation, Coconut Development Board facilitated FoCT training to Jamaican coconut farmers. The training programme was conducted on receiving the request from Coconut Industry Board, Jamaica through the International Coconut Community, Jakarta, Indonesia. Shri. Lee Gopinadhan and Shri. Unnikrishnan Nair from Kollam district, Kerala were the master trainers from India who went to Jamaica on 24th February 2019 and gave practical training in coconut harvesting, crown cleaning, plant protection operation etc. Trainings were conducted across the coconut growing areas in the island. Earlier Board had arranged to purchase and send 20 palm climbing machines from India to Coconut Industry Board, Jamaica. (*Indian Coconut Journal*)

#### **INDIAN FARMERS, REFINERS TAKE A MASSIVE BLOW ON SURGE IN EBIDLE OIL IMPORTS**

A surge in the import of vegetable oils in India has prompted the domestic oilseed crushing and refining industry to cut operating capacity to a historic low in order to sustain in the business for future, reports the Business Standard on April 16. The apex industry body, Solvent Extractors' Association (SEA) India, reported 26 percent jump in the country's import of vegetable oils (both crude palm oil or CPO and refined, bleached and deodorized palm oil or RBD) to 1.45 million tons in March 2019 from 1.15 million tons in the corresponding month last year. In February also, import of vegetable oil had risen by 7.4 percent to 1.24 million tons from 1.16 million tons in the comparable month a year ago.

Despite being a deficit country with around 60 percent of India's demand being met through imports primarily from Malaysia, Indonesia and Argentina, sustained growth in import has caused a major worry for domestic oilseed crushing and refining units. Since the imported refined oil is cheaper than the domestic counterpart, packaging units prefer to buy refined oil from overseas suppliers and pack in local units for a safe profit margin. Consequently, domestic refineries have been forced to reduce their operating capacity to a historic low of below 30 percent in the absence of viability.

Indian vegetable oil processing units are facing two major fundamental issues. First, is the suspension by the European Union of the use of CPO in biofuel to which major producing countries Indonesia and Malaysia are now focusing on supply of refined oil. This eventually diverts supply of both oils to alternate major consumers like India and China. As such this has made India a dumping ground for these oils. Second, the bilateral treaty between India and Malaysia reduced effective import duty on

RBD and CPO to 49.5 percent and 44 percent respectively effective January 01 this year. Similarly, import duties of these oils from Indonesia were reduced to 44 percent on CPO and 55 percent on RBD effective January 01. (*UCAP Bulletin*)

#### **PRE MONSOON RAIN IN KERALA TO CONTINUE FOR NEXT 2 TO 3 DAYS, COCONUT FARMERS REJOICE**

During the last 24 hours, the state of Kerala has experienced light to moderate rain and thundershower activities. One or two places also experienced heavy showers. While the state capital of Thiruvananthapuram recorded a meagre 0.2mm, Alapuzha received a whopping 34.8 mm, Kottayam 7.4 mm, Kozhikode 20.9 mm and Punalur recorded 19.2 mm of rains.

According to weathermen at Skymet, these weather activities are occurring due to the presence of an upper air trough which is extending from North Interior Karnataka to Comorin area.

Weathermen predict that these weather conditions are likely to continue during the next 48 to 72 hours i.e. for the next 2 to 3 days. Thereafter, the weather activity is likely to decrease.

Places like Palghat, Punalur, Kochi, Tirrasur, Kozhikode, and Kottayam are likely to experience these rains and be the most affected places.

However, the state is yet not to receive any relief from the ongoing warm and humid weather conditions despite the rains. As these are pre-Monsoon showers, these activities usually happen during the later part of the day. By then, maximum temperatures have already peaked, leading to sultry weather conditions.

Kerala is a major coconut growing pocket. These rain and thundershower activities will definitely bring a wave of cheer to the local farmers as rains at this time of the year are very useful for the coconut crops grown in majority over the state. (<https://www.skymetweather.com>)

#### **MODI MEETS MOM; GETS SHAWL, SWEETS, COCONUT WITH BLESSINGS**

A shawl, coconut and sweets was what Prime Minister Narendra Modi got from his mother Hiraba as he met her Tuesday before casting his vote at a polling booth near Gandhinagar.

Modi spent 20 minutes with Hiraba, a nonagenarian, who lives with her younger son Pankaj Modi at Raisan village near the state capital.

She gave him a shawl, sweets and a coconut and blessed him for his victory in the ongoing Lok Sabha polls. He touched her feet in reverence.

Modi spent the night at the Raj Bhavan in Gandhinagar and early morning, went to seek his mother's blessings, travelling the distance with a limited SPG security cover of just one vehicle.

After meeting his mother, Modi briefly interacted with the society residents and even allowed kids in the locality to take 'selfies' with him, before leaving for a school at Ranip to cast his vote.

Before leaving, Modi asked people in the locality to go out and vote in order to strengthen democracy, a local said.

Polling in all the 26 Lok Sabha seats in Gujarat is being held in a single phase Tuesday. (<https://www.dailyexcelsior.com>)

#### **CLIMBING THE COCONUT VALUE CHAIN IN THE PACIFIC**

In the Pacific, coconut is king. Known as the 'tree of life', locals make use of every part of the tree to survive – the fruit for eating, husks for fuelling fires, fronds for making multiuse baskets, and the trunk for building houses.

Coconuts also drive economic growth, with Pacific Island countries supplying 50 per cent of the world's copra trade. Papua New Guinea is the world's largest exporter of copra - the dried coconut flesh from which oil is extracted - followed by Vanuatu.

However, fluctuating global copra prices can leave small Pacific economies very vulnerable.

Opening a Commonwealth workshop on micro, small and medium enterprises in Port Vila last week, Vanuatu's Deputy Prime Minister Bob Loughman explained: "In 2017, Vanuatu exported 1.8 billion worth of copra (roughly USD 18 million). In 2018, the global price plummeted, and as a result the value of our copra exports fell by 75 per cent.

"My question is, why is Vanuatu still producing copra? Why can our farmers and communities not produce coconut oil instead?"

Learning from experience, the island nation of 280,000 people set out to transform the way it trades with others. The aim is to move up the 'global value chain' – the production cycle from the field to the final product – to target higher value exports.

These aspirations have been backed by EUR 20million from the European Development Fund for the Vanuatu Value Chain Programme. But as for many other small island states, there are several key hurdles to overcome.

### Challenges and opportunities

In Port Vila, Commonwealth acting head of trade competitiveness, Sujeevan Perera, told delegates about a cruise ship which once docked at a Caribbean destination and exhausted the country's beer supply. It took a month before stocks were refilled.

He said: "Pacific suppliers are mostly micro, small and medium sized enterprises (MSMEs). Would they be able to fill the demands of, say, a large supermarket that needs several 50ft containers of a product each week?"

"If they do not have the capacity, buyers and investors can move elsewhere."

There are possible solutions: one is having a regional hub, supplied by other

smaller countries for export to a bigger client. Otherwise, businesses could focus on high value niche markets.

The latter is a path local business owners are already actively pursuing.

Sandrine Wallez, CEO of Alternative Communities Trade in Vanuatu (ACTIV) Ltd, is looking to export highly specialised goods such as vegan chocolate, virgin coconut oil and coconut jam.

She said: "Nowadays, people are looking for more organic products. Pacific products are already organic by default, so we should take advantage of this."

"However, we're all facing the same problem in the Pacific: we are small, which is very difficult in this world market of bulk commodity and big volume."

"We have niche market products which have high value, but low volume, so to get out of the country is very expensive. Sometimes it's quite difficult to access some markets."

She urged development partners to support Pacific businesses in finding the right customers, networking, and developing a Pacific-wide brand that competes with others across the globe.

### Enhancing connectivity

The meeting in Port Vila on 10-11 April was the first to drill down into the issues faced by micro, small and medium enterprises in agribusiness, since the Commonwealth adopted its flagship programme on trade and investment. Known as the Commonwealth Connectivity Agenda (CCA), it aims to unlock \$2 trillion worth of intra-Commonwealth trade by 2030.

Delegates agreed the coconut sector in the Pacific has great potential. However, it needs commitment and coordination from a range of players, including government and businesses.

CCA lead Kirk Haywood said: "This first meeting of the supply side connectivity

'cluster', or working group, acted as a platform for members to share experiences, forge networks, and exchange solutions for common problems.

"This will be backed by further research and strategies under the CCA that would help Commonwealth countries, especially small states, benefit more from global trade."

The meeting agreed on an action plan that will outline opportunities and challenges for small and medium agribusinesses, explore financing options, and look at harnessing technology for business development.

(<http://thecommonwealth.org>)

#### **TO IMPROVE COFFEE AND BANANA EXPORTS, INDONESIA IMPORTS COCONUT FROM THE PHILIPPINES**

The Ministry of Trade (Kemendag) signed a cooperation contract with the Philippines to import coconut and its derivative products, in order to increase the opportunity to export Cavendish bananas and instant coffee from Indonesia.

Enggartiasto Lukita, Minister of Trade, instant coffee from Indonesia is the fourth largest export product, with a total export value of US\$ 367.4 million in 2018. "For this reason, our task is to secure market access for superior Indonesian products, including instant coffee to export destination countries" Lukita explained through a written statement earlier this week.

In addition to enlarging the export potential of instant coffee products, the Ministry of Trade has also asked the Philippines to revoke anti-dumping duties on Cavendish bananas from Indonesia. To compensate the Philippines, Indonesia through Mayora Group has signed an MoU to purchase coconuts and its derivative products from the Philippines.

"This trade agreement is expected to further strengthen trade and investment relations between the two countries," Lukita explained. (<https://www.idnfinancials.com>)

#### **SWITCHING TO BUKO JUICE FROM SOFT DRINKS TO HELP COCONUT FARMERS**

The Philippine Coconut Authority (PCA) is urging national agencies and local government units (LGU) to serve buko (green coconut) juice in their events and seminars instead of soft drinks to help coconut farmers affected by dropping copra prices. PCA Eastern Visayas Manager Jeffrey De Los Reyes said serving buko juice is one way of focusing attention on 3.5 million people in the country who are dependent on the coconut industry.

"If one-half of our population will drink buko juice everyday, it will be a big help to our farmers. With the help of LGUs, let's make buko available even in subdivisions," De Los Reyes said during the Summer Buko Fest held at the PCA regional office last week.

He said the price of copra has shrunk by 60 percent, from P38 to P12 per kilo since January last year, adding that the crisis the industry is facing an awakening to explore other opportunities apart from copra. Aside from fresh buko juice, PCA is also pushing for other value-added products such as coconut sugar, coconut wine (tuba), vinegar, coco coir and pastries. (*UCAP Bulletin*)

#### **FARMERS ENCOURAGED TO GROW COCONUTS**

Minister of Industry, Commerce, Agriculture and Fisheries, Hon. Audley Shaw, is encouraging Jamaicans to invest more in coconut farming, as there are opportunities to earn from the product.

Speaking at the 32<sup>nd</sup> annual St. Mary Agricultural Show at Gray's Inn Sports complex on Monday (April 2), the Minister said local manufacturers who depend on coconuts are going to other nations for raw materials, as the local supply is below the demand.

He cited Grace Kennedy, which has to import coconut raw material because the company cannot get enough in Jamaica.

Mr. Shaw said the Government is taking action to change this situation, by rationalising a number of agencies, including the Cocoa Board, the Coffee Board and the Coconut Board into one, where there will be a focus on how to increase the production of these products.

"We are going to have to find a solution to build back production in all of these areas," he added.

The Minister said farmers, including the nation's youth, need to get more serious about coconut production.

"We are going to talk about how we can transform Jamaica into a major coconut-producing country once again, and it can be done," Mr. Shaw said.

The St. Mary Agricultural Show was held under the theme 'Climate Smart Agriculture, the Key to Food Security'.

Annually, the event is hosted to bring farmers from the parish of St. Mary, neighbouring parishes and other stakeholders together, where ideas for innovation are shared along with the introduction of new technology that they can incorporate into their practices. (<https://jis.gov.jm>)

## **COCONUT BOARD ATTEMPTING TO GROW INDUSTRY**

The Coconut Industry Board (CIB) will be undertaking measures in the new financial year aimed at expanding the industry.

The entity is looking to acquire property at Water Valley in St Mary or in another location to establish a new seed garden, nursery and farm that will facilitate the construction of coconut water and oil factories.

In addition, the organisation will set 400,000 coconut seeds, with an anticipated germination rate of 50 per cent (200,000),

distribute 100,000 coconut seedlings to qualified farmers, and plant at least 20 acres of coconut trees from approximately 4,000 seedlings.

In addition, the CIB aims to export a minimum of 60,000 seed coconuts at an estimated gross revenue of \$24.57 million, up from earnings of \$22.88 million from 57,500 seed coconuts in 2018.

Meanwhile, the board's research department will seek to create high-yield and disease-resistant coconut palm varieties through the use of molecular techniques and tissue culture.

This is in response to operational and environmental challenges facing the industry, such as disease and pest infestation of the trees and nuts, unpredictable weather and natural disasters, increased price inputs, and praedial larceny. (<http://my.jamaica-star.com>)

## **MINISTER: COCONUT EXPORTS NETTED RM974M IN 2018**

Malaysia earned RM974 million from export of coconuts and coconut products last year.

Agriculture and Agro-based Industry Minister Datuk Salahuddin Ayub, who disclosed this after officiating a "Gerak Kerja Tanam Kelapa" programme in Kampung Siliau here today, said, meanwhile, the ministry reduced the import quota for coconuts by 38 per cent to enable local produce to compete with imports (coconuts).

He said the local coconut industry now was a vital one as it contributed to the socio-economy of the country.

However, he said Malaysia still had to import 192,800 tonnes of mature coconuts valued at RM96.4 million last year to meet domestic needs.

Also present was Federal Agricultural Marketing Authority Director-General Datuk Ahmad Ishak. (<https://www.malaymail.com>)

## **IB PROJECTS TO SOURCE P3 BILLION FROM SMALL, MICRO ENTERPRISES**

Some P3 billion of goods and services will be sourced from micro and small enterprises (MSEs) by five projects approved by the Board of Investments (BOI) under the Inclusive Business (IB) model listing of the agency in 2018, the first full year of implementation of the policy. These five projects are in agriculture and in tourism. The sourcing deal will reach P3 billion third year of these projects commercial operations.

IB is looked at as one of the most viable options in the development of a dynamic and more inclusive agricultural sector. Three of the first five BOI approved IB projects are in agriculture. These are by Cargill Joy Poultry Meats Production Inc. which invested on a P2.08 billion integrated dressed chicken processing plant; Millennium Specialty Coco Products, Inc. for a P994-million integrated coconut processing facility located in Panabo, Davao City which can process around 200 metric tons of fresh coconut daily and; Biotech Farms Inc's P1.1 billion rice milling facility in Tantangan, South Cotabato which plans to source rice paddy for its milling operation from farmers in SOCCSKSARGEN, Maguindanao and North Cotabato. (*UCAP Bulletin*)

## **PHILIPPINES EXCEEDS SALES GOAL AT JAPAN FOODEX**

Philippine firms generated \$45.5 million from its participation at Japan's premiere food trade show, the International Food and Beverage Exhibition or FOODEX, exceeding the \$17.9 million target set by the Department of Trade and Industry (DTI). DTI said 16 local companies, including firms engaged in coconut processing, participated in FOODEX Japan held last March 5-8.

Among the local companies that participated at the exhibit were: Agriculture Inc.; Amley Food Corp.;

Avante Agri-Products Philippines Inc.; Celebes Coconut Corp.; CJ Uniworld Corp.; Coconut Cures Inc./Mindanao Pacific Coconut Coop.; Grand Asia Integrated Natural Coco Products Corp; GSL Premium Food Export Corp.; Leonie Agri Corp.; Prime Fruits International Inc.; Profood International Corp.; Seabest Food and Beverage Corp; and See's International Food Mfg. Corp. Tropical fruits featured by Philippine firms include coconut. (*UCAP Bulletin*)

## **BUKO JUICE IS OFFICIAL ENERGY DRINK OF 2019 PALARONG PAMBANSA**

Fresh coconut juice will be the "official energy" drink in the upcoming Davao City hosted national sports event, the 2019 Palarong Pambansa, in support of intensified efforts to help Filipino coconut farmers surmount odds caused by sharp decline in copra prices, according to Department of Agriculture (DA) Secretary Manny Piñol.

In his Facebook post on Sunday, April 14, Piñol said coconut farmer leader Laureano Callao Jr. has concluded talks with the Palarong Pambansa organizing committee for the launching of the "Buko Vida Kiosk" on April 29 at the University of the Philippines (UP) Mindanao Campus in Mintal District, Davao City.

In support of coconut farmers' efforts to introduce coconut water as the official energy drink, Piñol said, his agency will be "extending a loan fund to be used in buying fresh young coconuts from farmers." The Department of Agriculture and the Philippine Coconut Authority have embarked on promoting fresh buko water or juice as a health drink and food and as part of the program to provide additional income for the country's millions of coconut farmers. (*UCAP Bulletin*)

## **COPRA PRICES CONTINUE SLIDE AS GLOBAL DEMAND FOR COCONUT OIL REMAINS SOFT**

Local copra prices plunged by 45 percent last week from year-ago levels despite government intervention due mainly to a glut in the supply of coconut oil in the world market.

The April 16 price watch from the Philippine Coconut Authority (PCA) showed that the average farm-gate price of copra fell to P13.71 a kilogram, which was below the breakeven price, against P25.13 a kilo a year ago.

The downward trend, which began last year, has affected the profitability of the industry, which is heavily dependent on export markets.

According to the Philippine Statistics Authority, the volume of the country's coconut exports in 2018 increased by 43.6 percent in 2017. However, gross export income from the commodity dropped by 9.9 percent to P7.3 billion from P8.07 billion.

As international demand for coconut products remains soft, the Department of Agriculture (DA) and the PCA have been looking for ways to boost domestic demand while also limiting the entry of alternative products.

Programs included the diversification of coconut products being sold in the market, the creation of a "coconut diversified farming system" where farmers would be taught to grow other crops under coconut trees, and the provision of additional capital through loans to support the farmers in developing their lands.

A tripartite agreement was also reached by the governments of Philippines, Indonesia and Malaysia to stand up against the lobby of vegetable oil producers in Western countries who were waging a campaign against the use of palm and coconut oil.

However, United Coconut Association of the Philippines (UCAP) Chair Dean Lao

said the decline in farm-gate prices would continue unless the government approved the increase in the coco methyl ester (CME) content in local biodiesel, which could absorb the majority of the country's coconut supply and boost current prices.

The DA, PCA and various industry groups have argued that increasing the CME content of local fuel to 5 percent (B5) from 2 percent (B2) would not only help the coconut industry, but would also improve the mileage of diesel.

PCA Administrator Romulo dela Rosa also said that the use of B5 would make more economic sense when world prices of petroleum went up.

The proposal has yet to gain traction and be supported by the Department of Energy despite the measure being part of a government mandate under the Philippine Energy Plan.

Sen. Miguel Zubiri earlier said this was largely due to the lobbying of huge oil companies against the measure's implementation. (<https://theworldnews.net>)

## **PH, INDONESIA STRENGTHEN TRADE, INVESTMENT TIES**

Indonesia has agreed to allow more Philippine agricultural products, particularly bananas and coconut-based products, to penetrate its huge market, as the two countries work to enhance bilateral trade and investment, and reduce trade gaps between them.

The Indonesian delegation led by its visiting Trade Minister Enggartiasto Lukita and Indonesia Ambassador to the Philippines Sinyo Harry Sarundajang, and Philippine key officials on Monday signed memorandum of understanding (MOU) emphasizing the importance of opening each other's market.

Lukita said both sides signed three MOUs on the procurement of desiccated coconut and coconut oil from the Philippines; and another one on the investment expansion on coffee

manufacturing and processing operations in the Philippines.

"Congratulations to all the documents, all the agreements that we have signed. These are several memorandum of understanding that will open up the Indonesia market to some of the agriculture products, on bananas, and hopefully we can include further later on other agriculture products....," Trade Secretary Ramon Lopez said in a press briefing after the signing of the MOUs.

Lopez pointed out the USD5.6 billion to USD5.8 billion trade deficit between the Philippines and Indonesia is not limited to agriculture products.

He said they are thus seeking the inclusion of non-agricultural products to be able to enter the Indonesian market.

"Our request really boils down to allowing export from the Philippines to grow faster because right now, we are already in the deficit. That means that we have to increase our supply of both agriculture and non-agriculture products," he added.

The trade chief cited examples of these non-agriculture products as cosmetics, smart cards, electronic integrated circuits, parts and accessories of motor vehicles and office machines, copper cathodes, transmission shafts, ignition wirings and other industrial products.

To balance trade between the two countries especially in agriculture, Agriculture Secretary Manny Piñol said Indonesia just needs to allow more Philippine goods to enter its market, which is the fourth most populous country in the world today.

Piñol said Indonesia has conveyed that Philippines can start exporting shallots and bananas immediately.

He cited a signed document indicating that Indonesia acknowledges that bananas from Mindanao are free from pests and diseases thus, opening their market to Philippine exports.

He bared that Trade Minister Lukita has also assured the Philippines that its traditional export to Indonesia, tobacco, would be "given space" in the Indonesian market.

He said Lukita also favorably granted the country's request to allow entry of poultry products to Indonesia, and facilitate the access of Pilmico Foods Corp. to its feed mill market.

Meanwhile, business-to-business MOUs signed include PT Mayora Indah Thk's purchase of 1,000 metric tons of desiccated coconut from Franklin Baker, and PT Mayora's USD80-million investments on coffee manufacturing and processing facility in the next five years.

PT Mayora President Andre Atmadja said: "In recognition of Kopiko's strong Philippine base, along with our growing business in the ASEAN region, we are expanding our manufacturing and processing operations beyond Indonesia — into the Philippines. We look forward to the many opportunities that this landmark project will deliver particularly in the area of job creation and in enabling greater contribution to the Philippine economy."

Once completed, the manufacturing and processing plant in Batangas will help meet increasing demand for local consumption and exports.

It is projected to generate some 3,000 new jobs on top of the 4,500 jobs that Mayora's Philippine-based businesses currently employ.

As part of the plan to help boost local business, Mayora will source desiccated coconut and refined, bleached and deodorized (RBD) coconut oil from several Philippine producers. (<https://ptvnews.ph>)

#### **TROPICOIR LANKA PROMOTES GROW MORE COCONUT CONCEPT COUNTRYWIDE**

With the aim of contributing their share to meet the growing demand for value added coconut products, Tropicoir Lanka

Group along with its subsidiaries Tropicoir Lanka (Pvt) Ltd. Euro substrates (Pvt) Ltd is implementing 100,000 coconut tree planting programme countrywide.

Tropicoir Lanka has taken this initiative of distributing coconut seedlings among small growers to grow at-least three coconut trees in a home garden depending on availability of land, Managing Director of the company Dinesh Fernando said.

The company has started this programme initially by distributing seedlings among its employees; he said adding that it is a part of a sustainable solution to the current coconut cultivation crisis.

The focus is on inculcating the coconut growing habit among children through this programme grooming them as responsible global citizens for tomorrow's world who nature and protect trees and environment, he added.

Tropicoir Lanka has been able to plant over 12,000 coconut seedlings in home gardens of workers of its factories and small lands of villages living in surrounding villages, Mr. Fernando revealed.

As major step towards this initiative, 1000 seedlings were handed over to the center commandant military Intelligence cops Col Dinesh Nanayakkara recently, at Intelligent Regimental headquarters, Sri Lanka Army in support of their efforts to grow coconuts in Army lands.

The company not only provides seedlings, but also monitors the progress while offering technical assistance for the success of this nationally significant initiative, he observed.  
(<https://lankanewsweb.net>)

## **GHANAIAN ENTREPRENEUR FINDS SUCCESS BY GROWING AND SELLING COCONUTS**

### **How did this all start?**

For most young students being at university is the ideal time to enjoy your life, lounge around with friends, watch movies

and socialise. Some would argue that this time in your life is the most appropriate for some self-indulgence.

Not for Adowarim Lugu-zuri. A self-starter, ambitious 24-year-old Ghanaian woman, she remembers the day when the entrepreneur in her was forced into action... out of boredom.

"I realised my life was boring and empty because my routine was simply to go train and play basketball, watch movies, eat and sleep," she says. "And attend lectures, of which most times I wasn't going. I got tired of living that way so I needed to do something that will get me busy or productive."

And this is how, at the age of 18, Lugu-zuri started doing what all good entrepreneurs do – evaluate the environment to spot an opportunity. Her first market was her university residence building in Accra. It was a five-storey building, with Lugu-zuri residing on the first floor, and the only place where bagged water was sold was on the ground floor.

"Even on the first floor, going to the ground floor to carry a bag of water was a lot of work for me," she remembers. "How much more for those on the fifth floor? I also realised the price that we were paying was a lot more than what I would pay back at home."

Lugu-zuri immediately called the local supplier and procured her product. Even at this micro-level she struggled with cash flow – having started with only US\$5. Slowly but surely the small business started growing.

When she had to return home at the end of the semester, the concern that her source of income would stop for the duration that she wasn't at school, prompted her to start another venture – selling clothing procured from a friend.

But one thing that is clear about Lugu-zuri and her business career thus far, is that she is not easily satisfied with small successes. "I needed to do something big or

worthwhile," she says. This principled basis of making a contribution and adding value is most likely the results of growing up as one of a family of six children, born in Paga in the Upper East region of Ghana, and with a father who is a naturopathic physician.

Her journey from start-up entrepreneur to being the CEO of Wazuri Ghana Limited, a company providing employment to more than 30 direct and indirect staff through the growing and large-scale commercial sales of coconut, is one underpinned by constant research, investigation and swift action. This becomes clear when she tells the story of how coconut became the focus of her business vision.

Out on an excursion with friends, and being a coconut lover herself, she met a seller and started enquiring about his business. She engaged with various other coconut sellers as well, asking questions. Three days later she was on her way to Nsawam, in the southern part of Ghana, to acquire her first stock. Three days from conceptualisation to being in business: this is definitely speed-to-market in action.

#### **How did the business grow into what it is today?**

Look for #zuricoconut on Facebook today and you will see a vibrant community page with regular updates portraying customers enjoying the products and clearly showing that an agricultural industry in essence, can be merged with a lifestyle brand.

Lugu-zuri states that it took four years to get the business profitable and to a point where they today provide on a retail and wholesale basis to the corporate, professional and working classes. The aim is to make Zuri Coconut a product of choice for these target markets.

She says her first two entrepreneurial ventures taught her lessons in how to take her business to the next level.

"The experience helps you avoid certain petty mistakes. In business, the

basic process you go through is the same even though you might be dealing with a different product. Today we grow our business by always trying to get something different done. Different in the sense of solving problems using our product," she explains.

The social media approach is deliberate and focused. It puts the name of the brand and product out there in order to become a supplier of choice. She says the most significant thing that she has done to grow the business is to partner with corporate institutions.

"You should be willing to listen and learn. You need to always look out for the long-term. And above all – you need to be focused," she shares her lessons learnt. (<https://businessdayghana.com>)

#### **WHOLE COCONUT SMOOTHIES WAS 'GENIUS' IDEA**

California-based company, Genius, utilizes the entire coconut in its ready-to-drink smoothies by blending the coconut water and meat together. The company sources the coconuts in Thailand where they setup a vertically integrated facility that extracts, blends and bottles the smoothies before shipping and distributing them in the United States. Alex Bayer describes the drink as more of a meal replacement or supplement as compared to traditional coconut water. His smoothies also have half the sugar content of coconut water because the coconut meat balances it out.

Bayer finds the lighter and less pungent taste and texture are winning over customers that were previously averse to coconut water. They are thicker and more filling, containing potassium, electrolytes, good fats and 4.3g of MCTs per bottle. The smoothies are now sold in more than 1,100 stores in seven regions throughout the U.S., including select Whole Foods. (*UCAP Bulletin*)

## **WILMAR BECOMES SOLE OWNER OF AUSTRALASIA FOOD MANUFACTURER GOODMAN FIELDER**

Singapore-based palm oil giant Wilmar International will become the sole owner of Australasia food manufacturer Goodman Fielder in a deal announced earlier this month. Wilmar will acquire the 50% of Goodman Fielder it does not already own from co-shareholder First Pacific, the Hong Kong-based investment fund, for US\$275M. The acquisition is expected to be completed in the fourth quarter of this year.

Goodman Fielder manufactures, markets, and distributes a wide range of food products across Australia, New Zealand and Asia Pacific including bread, milk, cheese, chicken, flour, cooking oils, spreads, baking ingredients, ice cream and snacks. Its brands include Meadow Lea spreads, Crisco oils and Gold'n Canola spreads and cooking oils. Wilmar's business activities include oil palm cultivation, oilseed crushing, edible oil refining, sugar milling and refining, and the manufacturing of consumer products, speciality fats, oleochemicals, biodiesel and fertilizers. (*UCAP Bulletin*)

## **CHOSEN FOODS EXPANDS INTO NEW CATEGORIES OUTSIDE OF AVOCADO COOKING OIL**

Exhibiting at the Natural Products Expo West show in Anaheim last March, Chosen Foods CEO Gabriel Perez told FoodNavigator-USA that avocados are just the beginning of what he hopes is a very fruitful future for the company as it extends into new uses for the fruit and explores other superfood ingredients. Chosen Foods recently launched its line of certified non-GMO avocado oil sprays (highlighted at Expo West) infused with herbs, spices, citrus, and roots.

Chosen Foods, the second largest producer of avocado oil in the world according to a market research report published last month, began with avocado

cooking oil products (in spray and liquid form) as well as condiments and salad dressings incorporating the oil. The company then expanded to working with snack brands that use the avocado oil as a replacement for other oils in chips and popcorn products. The brand is also working with snack brands that use the avocado oil as a replacement for other oils in chips and popcorn products as well as with hummus companies on replacing safflower and sunflower oils with avocado oil.

Consumers seem to be gravitating towards avocado oil as go-to cooking oil according to SPINS data showing sharp rise in sales of avocado oil as opposed to decline in coconut oil during a 52-week period ending April last year. Perez said the decline of coconut oil, due to bad press and health organizations like the American Heart Association discounting its health benefits, has helped grow the avocado oil category. (*UCAP Bulletin*)

## **GUANGZHOU FIRM INTRODUCES COCONUT PLANT-BASED PROTEIN BEVERAGE**

Guangzhou supplier Topwell Coconut is seeking a breakthrough in the sports nutrition market with its 100% coconut plant-based protein beverage and coconut sparkling water, reports the Nutraingredients-Asia last week. The firm introduced its coconut plant-based protein beverage prototype, which contains 2% of protein, higher than the national requirement of 0.5%, during the new product technical seminar at Food Ingredients China exhibition.

Developed in December last year, Stephen Li, process engineer and R&D Manager said the protein comes purely from coconut, without any addition of soy or casein, making it suitable for vegans and consumers suffering from food allergies. Besides protein, the beverage is also high in potassium at 384mg/100 ml, higher than that of banana at 256mg/100g. The company sources its

coconut and manufacturers its products in Vietnam. Apart from China, it also exports to the US and Europe. And to meet the demands of these markets, it is also certified halal, kosher, and organic by the US Department of Agriculture (USDA).

The firm's offerings of other related products include coconut powder, coconut oil, coconut juice, and coconut water. Other than the coconut protein beverage, the firm also plans to sell its expertise in making coconut sparkling water to end-product manufacturers. Asked the reasons for interest in coconut sparkling water, Li said that such beverages were popular in the US and Europe, thus, the firm thought it might also gain traction in China. (*UCAP Bulletin*)

#### **MORE FATS BURNED BY MALE ATHLETES ON KETO DIET BUT EFFECT MUTED IN WOMEN – STUDY**

Researchers from the University of Poznan in western Poland reported on the results of a study, "Effect of a four-week ketogenic diet on exercise metabolism in CrossFit-trained athletes," published online earlier this month in the Journal of the International Society of Sports Nutrition. A ketogenic diet is one in which the majority of calories come from fat, with a lesser fraction of protein and very little in the way of carbohydrates. The researchers noted that the ketogenic diet was first researched in the 1930s as a potential treatment for epilepsy and more recently has been associated with positive effects on weight loss, insulin resistance, diabetes and high blood pressure. In addition, one of the major components of many ketogenic diets and products, coconut oil has been associated with neuroprotective effects via its ketone content.

The theory behind the diet is that, despite the high exogenous fat intake, because of the paucity of glucose circulating in the blood, the body is forced to convert to mainly burning fat, and thus there is less endogenous fat buildup. The

diet also has been postulated to have performance enhancing effect, because of the way the diet shifts the molecular mechanism of cellular signalling. To test this hypothesis the researchers recruited 30 adult CrossFit participants 18-40 years old who were actively training at two clubs in Poznan. Crossfit is a training regimen which is gaining increasing popularity that features rapid, short bursts of activity at high power outputs and includes weight lifting and plyometric exercises.

After baseline measurements, the participants shifted to the ketogenic style of eating for four weeks. The ketogenic diets provided about the same caloric intakes as what the subjects had been consuming. The diets consisted of 15% protein in the form of meats, fish and dairy, and 75% fat in the form of coconut, rapeseed and olive oils, butter and nuts. The remaining 5% consisted of carbohydrates. At the end of the study, only 22 participants remained after eight dropped out for reasons of not being able to adapt well to the diet, drowsiness, irritability, and injury during the cycling tests. Among the 22 remaining participants, the researchers found that they all shifted their energy utilization to some degree toward burning more fat. But only the men showed statistically significant shifts in this direction at all ranges of VO<sub>2</sub> max (maximum oxygen uptake), whereas for the women this change was significant only at around 65% of VO<sub>2</sub> max, which equates to a moderately hard, but sustainable effort. (*UCAP Bulletin*)

#### **TRADE NEWS**

#### **PHILIPPINE EXPORT OF COCONUT PRODUCTS DOWN IN JANUARY**

Official data from the Philippine Statistics Authority show Philippine export of coconut products slightly dropped in January this year. Total was 139,459 MT in copra terms, a decline by 5.3% from

January last year at 147,299 MT. Gross export receipts, however, declined sharply by 35.0% at USD123.253 million from USD189.631 million dragged for the most part by reduced coconut oil income.

Export of coconut oil fell 8.4% to 76,557 MT from 83,573 MT and copra meal plunged 18.6% to 32,060 MT from 39,404 MT. On the other hand, shipment of desiccated coconut climbed 19.3% to 9,912 MT from 8,307 MT and oleochemicals leaped 45.3% to 2,616 MT as copra from 1,801 MT.

Other products performed as follows, in MT: coco shell charcoal 2,864 (-34.3% from 4,359 last year), activated carbon 6,216 (-5.2% from 6,560), virgin coconut oil 1,466 (-17.5% from 1,776), coco water 5,082 million liters (-18.4% from 6,228 million), fresh coconuts 138,765 nuts (-8.1% from 169,465), Others 10,963 (+35.4% from 8,096). (*UCAP Bulletin*)

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

Export of coconut oil in January consisted of 45,354 MT crude coconut oil, 28,285 MT cochin (refined, bleached) oil, and 2,919 MT RBD (refined, bleached and deodorized) oil. Aggregate revenue from these oils amounted to USD64.483 million. Europe remained a top destination for Philippine coconut oil with combined uptake of the three types of oil during the month at 40,990 MT (55.1% of total). Following behind were the US with 27,152 MT (36.5%), Japan 2,605 MT (3.5%), Indonesia 2,000 MT (2.7%), and China 904 MT (1.2%).

Crude coconut oil export went to three destinations, bulk of which went to Europe at 39,354 MT (Netherlands 20,204, Spain 9,150, Italy 8,000, Germany 2,000). The other two outlets were the US which held 4,000 MT and Indonesia with 2,000 MT. Cochin oil registered five markets with the US as market leader at 21,806 MT, trailed by Europe at 3,302 MT (Netherlands),

Japan 2,517 MT, China 643 MT, and Canada 16 MT.

RBD coconut oil recorded the most number of country buyers with the US leading the charge at 1,346 MT, tracked by Europe 501 MT (Netherlands 335, Belgium 60, Germany 42, Poland 42, France 22), China 261 MT, Bangladesh 221 MT, Pakistan 154 MT, Japan 88 MT, Malaysia 84 MT, Taiwan 58 MT, Panama 41 MT, New Zealand 40 MT, Vietnam 22 MT, Israel 20 MT, South Africa 19 MT, Hong Kong 18 MT, Australia 17 MT, United Arab Emirates 17 MT, South Korea 7 MT, Singapore 2 MT, Thailand 2 MT.

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

Export of copra meal in January at 32,060 MT turned in USD5.495 million and went to five countries. Primary destination was India with 18,457 MT (57.6%), followed by South Korea with 6,406 MT (20.0%), Vietnam 3,707 MT (11.6%), Japan 3,000 MT (9.4%) and Taiwan 491 MT (1.5%).

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

External trade of desiccated coconut in January at 9,912 MT was valued USD18.811 million. There were 41 importing countries reported, almost half of which took in volume above 100 MT. The US maintained its position at the top with purchases of 2,747 MT during the month (27.7%), trailed by Netherlands with 1,902 MT (19.2%). The next seven major buying countries collectively accounted for 26.9% namely Turkey 477 MT, Australia 459 MT, Brazil 426 MT, Germany 362 MT, Israel 325 MT, Canada 321 MT, Japan 301 MT.

Eleven countries held volume ranging 106-277 MT for a total of 1,961 MT and jointly shared 19.8%: United Kingdom, China, South Korea, Russia, Belgium, Spain, France, South Africa, Taiwan, New Zealand, Malaysia; while 21 others took in much smaller volume ranging 100 grams-79 MT for a total of 633 MT. The latter group was responsible for 6.4% and consisted of: Argentina, Chile, Thailand, Czech Republic, Sweden, Guatemala, Ireland, Uruguay,

Italy, Colombia, Paraguay, Hong Kong, Ecuador, Saudi Arabia, Honduras, Serbia, Costa Rica, Indonesia, Finland, United Arab Emirates, Singapore.

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

Overseas purchases of coconut shell charcoal in January amounted to 2,864 MT worth USD1.598 million. There were only three country buyers reported. Leading the pack was Japan with 1,685 MT (58.8%), trailed by China with 1,087 MT (38.0%) and South Korea 92 MT (3.2%).

Activated carbon export, in contrast, had diverse market. In the same month, export was placed at 6,216 MT with proceeds amounting to USD11.005 million. Key markets were Japan with 988 MT (15.9%) and the US with 986 MT (15.9%) with Germany and South Korea holding the third and fourth slots at 708 MT (11.4%) and 501 MT (8.1%), respectively.

A dozen countries took in volume ranging 115-323 MT for a total of 2,427 MT equivalent to 39% market share, namely China, Russia, Sri Lanka, Taiwan, Indonesia, Canada, Australia, Netherlands, Ivory Coast, Italy, Mali, Ghana. A dozen more took in much lower volume ranging 7-91 MT for a total of 610 MT and market share of 9.8%: South Africa, Spain, Belgium, Peru, Sweden, Thailand, Finland, Romania, France, Egypt, Chile, Singapore. (*UCAP Bulletin*)

### **PHILIPPINE EXPORT OF COCONUT PRODUCTS UP SHARPLY IN FEBRUARY**

Export of coconut products in February shot up 56.3% to 104,953 MT in copra terms, according to UCAP estimates, from 67,167 MT in a similar month a year earlier. The figure, however, showed a 29.1% shortfall from the unofficial total in January at 147,926 MT and was 28.5% behind the monthly average in 2018 at 146,743 MT. Except for copra meal, all export products reflected year-on-year increments.

Coconut oil export spiked 61.4% at 57,678 MT from 35,744 MT of the preceding year but was 27.2% below the monthly average last year at 79,279 MT. Almost three-fourths (73.9%) of total shipment at 42,638 MT went to the European market. The US took in nearly one-fourth (21.0%) at 12,140 MT and Japan was responsible for 5.0% at 2,900 MT.

Overseas delivery of copra meal was slightly trimmed by 5.7% to 26,730 MT from 28,348 MT. The figure lagged behind the monthly average last year at 33,397 MT by 20%. Top destination was India which accounted for over one-half (51.6%) of total at 13,800 MT. South Korea held nearly one-fourth (23.6%) at 6,300 MT while China and Japan absorbed 3,630 MT (13.6%) and 3,000 MT (11.2%), respectively.

Outbound load of desiccated coconut climbed 9.7% to 6,855 MT from 6,251 MT but was 35.7% off last year monthly average at 10,657 MT. Oleochemicals rocketed 265.8% at 2,802 MT as copra from 766 MT but fared below last year average at 4,420 MT by 36.6%. There was no export of copra on record during the month, as of this report, as last year.

Total export in January-February, however, dropped 32% to 252,879MT in copra terms from 372,013 MT at the same time last year. Breakdown is as follows, in MT: coconut oil 142,876 (214,483 last year), copra meal 45,330 (29,457), desiccated coconut 13,770 (14,782), oleochemicals 4,802 as copra (8,709). (*UCAP Bulletin*)

### **ANALYSIS ON VEGETABLE OILS**

Prices were generally softer this week than they were a week ago.

In Rotterdam market, coconut oil continued to see limited dealings. Business reported consisted only of two parcels done earlier during the week at \$660 and \$700/MT CIF. Last week, traded level ranged \$630-682.50/MT CIF. Market opened mixed with deferred last quarter positions weaker and earlier positions unchanged or higher. Levels stood at \$680-

745/MT CIF covering positions from June/July through to November/December. Prices saw their peak midweek but after that tracked lower to end the week in the negative territory with levels at \$675-740/MT CIF. Gains in palm oil supported the upside while cautious buyers held back prices.

The palm kernel oil market likewise saw light trading though four parcels were reported changing hands at \$625685/MT CIF compared to \$645-670/MT CIF a week ago. Market was off to a bearish start with levels at \$630-700/ MT CIF. Prices thereafter eased further, except during the middle of the week when levels exceeded opening rates, and settled at close lower at \$625-690/MT CIF.

The price premium of coconut oil vis-à-vis palm kernel oil thus increased this week across the board. The average price premium across all positions was \$49 compared to week-ago at \$32.43. Spreads per position are shown following: May/June \$41.75 (\$23.75 last week); June/July \$43.50 (\$21.00); July/August \$38.75 (\$24.00); August/ September \$53.00 (\$32.00); September/October \$45.50 (\$36.75); October/November \$58.00 (\$40.00); November/December \$53.82 (\$49.50); December/January 2020 \$57.50 (new position).

At the CBOT soya complex market, soybean futures started the week in the upside supported by adverse weather and new purchases, but shortly eased discounting the weather issue amid the still unresolved US-China trade talks. However, market managed to bounce back at the last trading day tied to the WTO decision that China's agricultural tariff-rate quotas violate WTO rules.

At the palm oil section, market stayed mostly higher this week after a weak start influenced by declines in crude mineral oil prices. Market recovery was fueled by news the El Niño event may affect harvest and reduce supply as well as expectations demand will improve following reports by a cargo surveyor that Malaysian palm oil

exports were 6.7% higher at 744,200 MT for first half April vs. same period in prior month at 697,500 MT. Recovery in crude mineral oil price midweek also helped sustain gains.

Prices of tropical oils for nearest forward shipment fell across all sectors this week. After advances in prior weeks, coconut oil this week shed \$7.25 at \$673.75/MT CIF from \$681.00 week-ago. Palm oil similarly eased from earlier gains, losing \$2.75 at \$533.50/MT CIF from \$536.25. Palm kernel oil slid further by \$21.25 to \$632/ MT CIF from \$653.25. As a result, the price premium of coconut oil over palm kernel oil expanded anew to \$41.75/ MT CIF from week-ago at \$27.75 while spread over palm oil narrowed to \$140.25/MT CIF from \$144.75.

The local copra complex market remained subdued amid shortened sessions due to the Lenten holiday break.

In Quezon, prices eased with sellers in the range P2,200-2,250/100 kilos from P2,200-2,300 a week earlier; against buyers at P2,100-2,150/100 kilos from P2,100-2,200 in prior week.

In Bicol, Visayas and Mindanao, however, prices were unchanged for the fourth successive week this week with sellers at P1,900-1,950/100 kilos vs. buyers at P1,800- 1,850/100 kilos, mill site basis.

In the coconut oil section, market remained one-sided without participation from buyers. Crude coconut oil was offered at close at P45-64/kilo, off from last week closing level. On the other hand, sellers for RBD coconut oil closed at P68-79.50/kilo, shade higher than same time last week. Values exclude the 12% Value Added Tax. (UCAP Bulletin)

#### **U.S. IMPORT OF LAURIC OILS UP IN DECEMBER 2018**

Data from Oil World show the U.S. imported 77,800 MT of lauric oils in December 2018, a hefty climb by 172% from December year-ago at 28,600 MT. Of this total, coconut oil accounted for 54.0%

or 42,000 MT (12,500 MT year-ago) while palm kernel oil contributed the remaining 46.0% or 35,800 MT (16,100 MT).

The Philippines was top supplier of lauric oil to the U.S. during the month with shipment of 40,500 MT (11,600 MT) of coconut oil, the equivalent of 52.1% of total lauric oil import. Indonesia contributed 40.9% at 31,800 MT (14,300 MT) of which 300 MT (100 MT) was coconut oil and 31,500 MT (14,200 MT) was palm kernel oil. Malaysia shared 5.4% or 4,200 MT (2,000 MT) of which 100 MT (200 MT) was coconut oil and 4,100 MT (1,800 MT) was palm kernel oil. Purchases from other countries totaled 1,200 MT (700 MT), of which 1,100 MT (600 MT) was coconut oil and 100 MT (100 MT) was palm kernel oil. Total import for calendar year 2018 stood at 836,600 MT, a flattish growth (+0.3%) from last year. Current volume exceeded only by 2,600 MT prior year period total at 833,600 MT. Coconut oil uptake was 482,900 MT (434,900 MT) of which 72.1% or 348,300 MT (282,800 MT) came from the Philippines. Palm kernel oil was 353,300 MT (398,700 MT) of which 76.6% or 270,500 MT (304,700 MT) came from Indonesia. (*UCAP Bulletin*)

#### **COMBINED VCO EXPORT BY THE PHILIPPINES AND SRI LANKA DOWN IN 2018**

According to collated country data from the Philippines Statistics Authority and Sri Lanka's Coconut Development Authority, the combined export of virgin coconut oil in calendar year 2018 of the Philippines and Sri Lanka declined by 9.3% to 36,903 MT from 40,676 MT in the same period a year earlier.

Both countries posted decline in volume traded during the year. Export from the Philippines at 24,897 MT dropped by 7.3% from prior year at 26,860 MT, while delivery from Sri Lanka at 12,006 MT recorded a shortfall of 13.1% from 13,816 MT. In terms of market share, the Philippines was responsible for 67.5% and Sri Lanka 32.5%.

Both countries' top buyer was the US with the Philippines shipping 12,182 MT and Sri Lanka 3,267 MT to that destination. Germany was second biggest importer of the Philippines with uptake at 3,417 MT and Canada was third at 1,701 MT. On the other hand, Sri Lanka's second and third major buyers were Australia with 1,983 MT and Germany with 1,793 MT, respectively. However, Sri Lanka covered more country markets across the globe numbering 79 while the Philippines counted 32. (*UCAP Bulletin*)

#### **UK ASSURES COMMITMENT UNDER GSP+ TO PHILIPPINES EXPORTERS POST BREXIT**

The Philippines has secured the commitment of the British government to allow exporters to continue enjoying similar trade preferences under the European Union Generalized Scheme of Preference Plus (EU GSP+) even after the UK leaves the trade bloc, the Department of Trade and Industry (DTI) said in a statement. This includes a scenario of the UK leaving the EU without a deal reached with other members of the trade bloc. At present, as a beneficiary country of the EU GSP+, the Philippines enjoys duty free entry of 6,274 products to the trade bloc.

Trade Secretary Ramon Lopez said any post-Brexit scenario would not have a significant effect on the Philippines. This even as a study from the United Nations Conference on Trade and Development said the Philippines would be the 12th trading partner to be most affected in a postBrexit scenario. "Philippines has taken a more proactive stance in its promotion as an investment destination for UK companies during the London Investor's Roadshow in September 2018. These series of high-level exchanges and visits signal Philippines' close engagement with UK on improving bilateral economic relations as UK exits the EU," he said.

Of the Philippines total exports to the EU, the UK accounted for less than 10 percent in 2017. However, in terms of

Philippines exports to the EU enjoying the benefits under the GSP+ in the same year, almost 11 percent went to the UK. "The retention of the Philippines GSP+ level preferential market access to the UK is a huge assurance for Philippine exporters. For products that are not covered by the GSP+, Most Favored Nation (MFN) rates will apply; on this front, Philippines is also actively engaged in negotiations in the WTO (World Trade Organization) for the final MFN bound rates that UK will apply after Brexit to ensure that products of interest for the Philippines will not be prejudiced by any changes," Lopez said. (*UCAP Bulletin*)

#### **BARRY CALLEBAUT BACKS EFFORTS TO MAKE COCONUT MORE SUSTAINABLE**

Giant cocoa producer, Barry Callebaut, commits to including coconut a 100% sustainable ingredient by 2025, as it announces major investment in its cocoa processing capabilities in Abidjan, the FoodNavigator.com reported last week. As part of Barry Callebaut's Forever Chocolate commitment for 100% sustainable ingredients by 2025, the company has announced it is transferring some of the practices successfully adopted in its cocoa supply chain to establish a sustainable coconut and coconut oil value chain.

Coconut oil is an important ingredient and is used in ice cream applications and confectionery fillings supplied by Barry Callebaut, the world's leading manufacturer of high-quality cocoa and chocolate products. Last month, the company and the US Agency for International Development (USAID), Green Invest Asia, brought together buyers, processors and other actors actively involved in the coconut supply chain for a roundtable on Sustainable Coconut and Coconut Oil, which was attended by companies representing over 50% of the global coconut oil supply and included some of the largest buyers and processors in the sector. (*UCAP Bulletin*)

#### **BIO-DIESEL NEWS**

##### **B100 IS KEY TO INDONESIAN PALM OIL DISCRIMINATION IN EU**

Indonesia's Minister of Agriculture Amran Sulaiman had affirmed that B100 Biodiesel from crude palm oil (CPO) that was recently tested earlier this month was the key to fighting the European Union (EU)'s discrimination against palm oil, according to news report in The Jakarta Post on April 15. He stated that with the EU claiming palm oil was environmentally unfriendly, palm oil exports could be diverted to new and renewable energy by using it for domestic needs. Sulaiman added that Indonesia exports CPO to around 140 countries, including India, the European countries, China, Pakistan, Bangladesh, and several other major countries.

During the soft launch and first trial of B100, the Minister filled up a four-wheeler tractor with B100 while demonstrating its eco-friendly advantages, such as not producing smoke, to the media. B100 products are one of the innovations introduced by the Ministry of Agriculture through the Agricultural Research and Development Agency (Balitbangtan). The agency's researchers developed a multifunctional biodiesel reactor that had reached its 7th generation. This machine can process 1,600 liters of raw material every day. All this time, biodiesel was being mixed with petroleum fuels in certain amounts. However, with this new technology, the B100 contains 100 percent natural ingredients, without being mixed with other substances.

Previously, the EU had considered palm oil as a risky commodity through the issuance of a "Delegated Regulation" which is derived from the "Renewable Energy Directive (RED) II". This regulation will be applied if it is approved by the European Parliament for a maximum period of two

months since the draft regulation was submitted on March 13, 2019. The palm oil discrimination by the EU had invited strong criticism from the Indonesian government, including Vice President Jusuf Kalla who threatened retaliation if the region boycotted Indonesian palm oil products. (*UCAP Bulletin*)

#### **THAILAND'S STATE-OWNED PTT TO BUY PALM OIL FOR BIODIESEL**

Thailand's state-owned oil and gas company PTT Plc has agreed to buy 100,000 MT of crude palm oil (CPO) to be used as feedstock for biodiesel for export. The move aimed to shore up prices and use up surplus stock, the Bangkok Post reported on March 14. The government initiative was being introduced to use 400,000 MT of existing CPO stocks. The country normally maintains a CPO stock of 250,000 MT/year and the Commerce Ministry had estimated that some 3 million MT of CPO would hit the market this year, up from 2.5 million MT in 2018, the report said.

Last year's volume had a left a surplus of 500,000 MT and the government had increased the methyl ester content of biodiesel to 20% or B20, as well as using CPO to generate electricity. Jariya Sutthichaiya, Secretary General of the Office of Agricultural Economics said the National Oil Palm Policy Committee had also authorized the Electricity Generating Authority of Thailand (Egat) to increase the use of CPO for power generation at the Bang Pakong plant to 1,500 MT/month from 1,000 MT/month. (*UCAP Bulletin*)

#### **USED COOKING OIL IN MARITIME BIOFUEL PILOT PROJECT**

Used cooking oil (UCO) is being utilized in a maritime biofuel pilot project involving a group of Dutch multinationals and Denmark's AP Moller-Maersk, the world's largest container ship and supply vessel operator, *Oils & Fats International* reported last week. A large triple-E ocean vessel, using up to 20% second-generation biofuels, will sail 25,000 nautical miles from

Rotterdam to Shanghai and back between March and June, a world's first at this scale, saving 1.5M kg of carbon dioxide and 20,000 kg of sulphur, Maersk said on 22 March. The Dutch companies involved such as Friesland Campina, Heineken, Philips, DSM, Shell and Unilever, are all members of the Dutch Sustainable Growth Coalition (DSGC).

"Shipping accounts for 90% of transported goods and 3% of total global CO2 emissions, and is set to rise to 15% by 2050 if left unchecked," Maersk said. "DSGC members and Maersk all agree that tackling harmful emissions related to shipping is urgently needed, and that cross-industry collaboration is required to develop, test and implement new solutions. Sustainably sourced second-generation biofuels are just one possible solution for the decarbonisation of ocean shipping. Longer term, breakthroughs in fuel and technical development (e-fuels) and the investment into commercial supply chains are needed to achieve significant emissions reductions," the company said. (*UCAP Bulletin*)

#### **OTHER VEGEOIL NEWS**

#### **INDIA'S PALM OIL IMPORT MAY REACH RECORD HIGH AS PRICES BECOME COMPETITIVE VIS-À-VIS RIVAL OILS**

India's palm oil imports in 2018/19 are likely to jump by a tenth from a year earlier to record high, as a sharp fall in the prices made the tropical oil more attractive for buyers than rival soybean oil and sunflower oil, industry officials told Reuters last week. Higher purchases by the world's biggest edible oil importer could support palm oil prices that are trading near their lowest level in three months.

"Palm oil imports are going to rise in the coming months. At current price level, it is very competitive compared to soyoil and sunflower oil," said Govindbhai Patel, managing director of trading firm G.G. Patel

& Nikhil Research Company. The country's palm oil imports in the 2018/19 marketing year that started on Nov.1 could jump 10.3 percent from the previous year to 9.6 million tons, he said. Palm oil's discount to rival soyoil has widened to over \$200 per ton from \$133 in March 2018, according to data compiled by the Solvent Extractors' Association of India (SEA), a Mumbai-based trade body.

India's sunflower oil imports are likely to remain steady at around 2.5 million tons, while soyoil could be lower than previous year's 3.05 million tons as local supplies have increased, Patel said. India primarily imports palm oil from Indonesia and Malaysia and soyoil from Argentina and Brazil. It also buys small volumes of sunflower oil from Ukraine and canola from Canada. (*UCAP Bulletin*)

#### **INDONESIAN TRADE MINISTRY SIMPLIFIES EXPORTS OF PALM OIL AND DERIVATIVES**

Indonesia's Trade Ministry simplified exports of palm oil and derivative products by revoking Trade Ministerial Regulation No. 54 of 2015 on Verification/Technical Tracking of Palm Oil, Crude Palm Oil (CPO) and Derivative Products Exports, the Antara news, Jakarta reported on March 18. The revocation of the Trade Ministerial Decree aims to simplify the process and increase the effectiveness of the exports of commodities of palm oil products and their derivatives.

Earlier, according to Minister of Trade Regulation Number 54 of 2015, the Trade Ministerial Decree 90 of 2015, every export of palm oil, CPO, and derivative products was required to be verified or technically tracked by surveyors before loading goods. Verification by surveyors includes administrative and physical verification, determination of types and technical specifications and quality of goods through laboratory analysis. Furthermore, the exports of these commodities will follow the provisions of Minister of Finance Regulation No. 22 of 2019 concerning the Export of

Palm Oil, CPO, and Derivative Products. This Finance Minister's regulation shall take effect seven days after promulgation on March 1, 2019. (*UCAP Bulletin*)

#### **INDONESIA MAY REFER EU'S DISCRIMINATORY POLICY ON PALM OIL TO WTO**

The Antara news also reported on March 20 the Indonesian government may refer the European Union's (EU) discriminatory policy on palm oil to the World Trade Organization (WTO). "Soon after the European Union Parliament adopts it, it becomes formal. Therefore, Indonesia is determined to refer it to the WTO," Coordinating Minister for Economic Affairs Darmin Nasution said at a press briefing on the EU discriminatory policy on palm oil at the Foreign Ministry.

The government will likely take other steps to respond to the EU policy, he said without elaborating. The Indonesian government will challenge the discriminatory policy as part of efforts to defend the Indonesian people's interests. The European Commission has reportedly issued a Delegated Regulation Supplementing Directive 2018/2001 of the EU Renewable Energy Directive II. The draft will scrap palm oil from EU's biofuel sector in favor of other vegetable oils. (*UCAP Bulletin*)

#### **MALAYSIA'S B10 IMPLEMENTATION HAS POSITIVE IMPACT ON PALM OIL PRICES**

The implementation of B10 program, a mixture of 10 percent palm oil biodiesel and 90 percent petro diesel for transportation sectors, has given a positive impact towards increasing the prices of palm oil, the Bernama news reported on March 21. Primary Industries Minister Teresa Kok said the average price of palm oil for January and February this year had increased to RM2,037 a ton and RM2,122.60 a ton respectively, compared to RM1,794.50 a ton recorded in December last year.

The Minister also mentioned of efforts by the Ministry to help smallholders impacted by the lower price of agro products such as oil palm and rubber. This included the government's agreement signed with Chinese companies to export 1.62 million tons of palm oil, involving four Malaysian companies; and the ministry's efforts to reinforce the country's palm oil market in India, its top palm oil buyers, and in other potential markets such as Iran, Egypt and African countries through trade mission. (*UCAP Bulletin*)

#### **MALAYSIA HOPES PAKISTAN WILL BUY MORE PALM OIL**

Malaysia has expressed hope that Pakistan will continue to import more Malaysian palm oil and palm oil-based products as well as remove any non-tariff barriers on Malaysian goods. Malaysia is also ready to share its experience and expertise in the halal industry with Pakistan, with both countries noting the growing momentum for halal products among consumers worldwide.

In a joint statement on the occasion of the three-day official visit recently of Malaysian Prime Minister Tun Dr. Mahathir Mohamad to Pakistan, Dr. Mahathir and his Pakistan counterpart Imran Khan stated their shared desire to strengthen bilateral economic ties, expand trade and investment, and create favorable conditions for commerce and business in both countries.

"Both leaders agreed that the existing relations between Pakistan and Malaysia be elevated to a strategic partnership. It marked a new level of the bilateral cooperation between both countries in various fields, namely trade in palm oil, agricultural products, food retail, halal products, automotive parts, energy, science and technology, and telecommunication investment," the statement said. (*UCAP Bulletin*)

#### **MIDA TO BOOST INVESTMENTS IN VALUE-ADDED PALM OIL-BASED PRODUCTS**

The Malaysian Investment Development Authority (MIDA) will continue to intensify promotional efforts at boosting investments into the production of higher value-added palm oil-based products, the Bernama news agency reported on March 20. These include the production of food substances, food ingredients, food additives and nutraceutical products, MIDA said in the Malaysia Investment Performance Report 2018 released recently. The government agency noted that being the second-largest palm oil producer and exporter globally, Malaysia assumes an important role to sustainably fulfill the global need for edible oils and fats.

In the report, MIDA said for 2018, a total of 12 projects with investments totaling RM384 million were approved in the oil palm products industry. Five were new and seven expansion/diversification projects. Domestic investments dominated the industry, totaling RM332.7 million, with foreign direct investments amounting to RM51.3 million.

According to the Malaysian Palm Oil Board, Malaysia exported 24.8 million tons of oil palm products in 2018, contributing RM67.7 billion (USD16.2 billion) in revenue to the country's overall economy. This was a slight drop compared to 2017, with exports valued at RM77.8 billion (USD18.7 billion), but a slight increase from 2017's export volume of 24 million tons. India emerged as the largest importer of Malaysian palm oil, followed by the European Union and China. (*UCAP Bulletin*)

#### **26<sup>TH</sup> SESSION OF CODEX COMMITTEE ON FATS AND OILS**

The 26<sup>th</sup> Session of the Codex Committee on Fats and Oils (CCFO26) met in Kuala Lumpur, Malaysia on February 25-March 1, 2019. Dr. Noraini Mohd Othman, Senior Director for Food Safety, Ministry of Health Malaysia chaired the meeting. Held

on every odd-number years, the Session was attended by participants from 40 Member countries, one Member organization (the European Union) and five observer organizations.

The 26<sup>th</sup> Session resulted in a number of items to be forwarded to the Codex Alimentarius Commission (CAC) for final adoption its July 2019 session (CAC42), including the following revisions to the Standard for Named Vegetable Oils: 1) Addition of Palm Oil with a Higher Content of Oleic Acid; 2) Amendment to the values of the Refractive Index and Apparent Density of Palm Superolein; 3) Replacement of Acid Value with Free Fatty Acid for Virgin Palm Oil and Inclusion of Free Fatty Acid for Crude Palm Kernel Oil; and 4) Inclusion of Almond Oil, Flaxseed (linseed) Oil, Hazelnut Oil, Pistachio Oil, and Walnut Oil. The full report of the 26th Session of the CCFO can be found in REP 26/FO, posted on the Codex website. (*UCAP Bulletin*)

#### **MALAYSIA'S REVIVAL OF CHINA-BACKED MEGA RAIL PROJECT PROVIDES HOPES FOR MORE PALM OIL SALES**

Malaysia has signed an agreement with China to resume the much-debated East Coast Rail Link (ECRL) project, which will include increased palm oil exports to the latter, said Malaysian Prime Minister Tun Dr. Mahathir Mohamad. The project had previously been cancelled after Mahathir's political party Pakatan Harapan came into power last year, citing hefty costs and debts incurred. Earlier this month, Tun Mahathir announced that the project had been revived at a lower cost of RM44 billion (US\$10.6 billion), some RM21.5 billion (US\$5.2 billion) less than the original RM65.5 billion (US\$15.8 billion), would also include increased palm oil exports to China.

According to data from the Malaysian Palm Oil Board (MPOB), China is the second-largest importer of Malaysian palm oil worldwide with uptake at 1.9 million tons in 2018 after India which imported 2.5

million ton in the same year. MPOB expects the country's palm oil exports this year to rise 4.3 percent to 17.2 million tons from 16.5 million tons last year. (*UCAP Bulletin*)

#### **TRIPARTITE TWG TO HELP ADDRESS PALM OIL DUMPING IN THE PHILIPPINES**

The Department of Agriculture (DA) said last week representatives from Malaysia and Indonesia agreed to form a tripartite technical working group (TWG) to address the issue of dumping of palm oil into the Philippines that has affected the local price of coconut and copra. DA Secretary Emmanuel Piñol said the agreement was reached during the week and the TWG will draft recommendations on the rationalization of palm oil exports to the Philippines.

"The DA had earlier recommended a temporary ban on palm oil importation from Indonesia and Malaysia citing figures which indicate dumping of the commodity which led to the collapse of local coconut prices. Importation data gathered by the DA showed that exports of palm oil to the Philippines by both Indonesia and Malaysia have increased by 100 percent over the last three years," Piñol said. He added the TWG is expected to be organized this week.

Piñol said the country's main goal is to keep palm oil exports by Malaysia and Indonesia "at levels which would not hurt the local coconut and oil industry." He also said the group will verify reports of smuggling of crude and refined palm oil apart from persuading Malaysia and Indonesia to open up their markets to Philippine products, especially coconut-based products, to correct the trade imbalance. (*UCAP Bulletin*)

#### **CHINESE FIRMS TO BUY 1.62 MILLION TONS OF PALM OIL FROM MALAYSIA**

Three Chinese firms signed deals with four Malaysian companies to import 1.62 million tons of palm oil products worth US\$891 million following the Malaysia-China Palm Oil Business Forum at the start

of March, the Ministry of Primary Industries reported. The deals were between: 1) Yantai Tianmao Edible Ltd Co and Sime Darby Plantation Berhad for the purchase of 100,000 tons of refined, bleached and deodorised (RBD) palm stearin. 2) Yihai Kerry (Shanghai) International Trade Co Ltd and PGEO Marketing Sdn Bhd for the purchase of 1.3 million tons of RBD palm olein. 3) Yizheng Fangshun Industry Ltd Co and Cacao Paramount Sdn Bhd (a Teck Guan Group subsidiary) for the purchase of 120,000 tons of RBD palm stearin, and Yizheng Fangshun Industry Ltd Co and SOP Edible Oils Sdn Bhd for the purchase of 100,000 tons of RBD palm olein.

The Ministry said China was Malaysia's second biggest importer of palm oil and palm-based products in 2018. The country exported 3.07 million ton of palm oil and palm products last year to China, an increase of 7.3% compared with 2.86 million tons in 2017, the Ministry added. The export of Malaysian palm biodiesel to China increased significantly from 140 tons in 2017 to 41,450 tons in 2018. The ministry said that the increase in palm oil imports by China, especially during mid-2018, was due to trade tensions with the USA. (*UCAP Bulletin*)

## COCONUT RECIPE

### ***“Curried-Coconut Chicken Rendang”***

Rendang is a Malaysian meat dish that's slow-cooked in coconut milk. Zang Toi makes his with chicken thighs flavored with an intensely fragrant ginger-chile paste; it can also be made with beef, shrimp or vegetables. Fast Asian Recipes

#### **Ingredients:**

- 3 tablespoons Madras curry powder
- 2 teaspoons freshly ground pepper
- 2 lemongrass stalks, bottom two-thirds, bruised and cut into 4-inch pieces
- 2 tablespoon fresh lime juice

- 1/3 cup plus 2 tablespoons canola oil
- Salt
- 3 pounds chicken thighs
- 8 small shallots
- 1 small red onion, quartered
- 5 garlic cloves
- Six 1/4-inch slices of peeled fresh
- 3 macadamia nuts
- 5 dried Asian chiles, stemmed
- 1 can unsweetened coconut milk
- 1 tablespoon light brown sugar
- 1 1/2 tablespoons shredded unsweetened coconut, toasted

#### **How to make it:**

1. In a bowl, combine the curry powder, pepper, lemongrass, lime juice and 2 tablespoons of the oil. Season with salt. Add the chicken turn to coat and refrigerate for 4 hours.
2. In a food processor, puree the shallots, onion, garlic, ginger, nuts and chiles.
3. In a deep skillet, heat the remaining 1/3 cup of oil. Fry the chile paste over moderately high heat, stirring, until lightly browned, about 5 minutes. Add the chicken with its marinade and cook over moderate heat until the chicken is browned and nearly cooked through, about 20 minutes. Add the coconut milk, sugar and toasted coconut and simmer over moderate heat, stirring, until the chicken is tender and the sauce is very thick, about 25 minutes. Spoon off as much oil as possible and discard the lemongrass. Season with salt and serve.

**Make ahead:** The rendang can be refrigerated for 2 days. Rewarm before serving.

**Serve with:** Steamed jasmine rice and sautéed green beans.  
(<https://www.foodandwine.com>)

## STATISTICS

**Table 1. Monthly Export of Coconut Shell Charcoal by Selected Countries  
2016 - 2018 (In MT)**

M O N T H	Indonesia			Philippines			Sri Lanka		
	2016	2017	2018	2016	2017	2018	2016	2017	2018
January	27,155	22,276	43,201	2,809	3,113	4,359	560	1,012	602
February	19,690	28,980	36,396	5,996	2,727	4,556	369	631	380
March	29,531	29,984	43,660	1,849	2,194	7,078	146	895	258
April	21,246	25,395	40,112	1,176	3,431	6,779	189	796	240
May	22,505	33,856	44,480	2,951	3,343	10,606	143	739	189
June	30,818	20,133	29,402	1,983	2,052	7,194	223	681	216
July	13,577	21,827	49,920	3,398	1,663	6,615	367	671	201
August	21,406	22,613	42,519	2,174	2,797	4,185	362	758	163
September	25,665	31,034	43,103	2,201	2,422	8,664	297	638	283
October	19,282	23,498	44,139	2,732	3,584	5,447	936	908	396
November	21,170	27,103	48,462	2,157	2,867	6,684	1,153	980	752
December	21,067	24,570	45,627	1,711	3,524	3,644	397	545	757
<b>TOTAL</b>	<b>273,111</b>	<b>311,270</b>	<b>511,022</b>	<b>28,327</b>	<b>33,717</b>	<b>75,811</b>	<b>5,142</b>	<b>9,254</b>	<b>4,437</b>

Source: BPS-Statistics Indonesia, UCAP, and Coconut Development Authority, Sri Lanka

**Table 2. Monthly Export of Activated Carbon by Selected Countries  
2016 - 2018 (In MT)**

M O N T H	Indonesia			Philippines			Sri Lanka		
	2016	2017	2018	2016	2017	2018	2016	2017	2018
January	1,712	1,662	2,330	4,768	5,322	6,560	2,889	3,606	3,310
February	1,748	1,362	1,787	8,707	5,594	4,702	2,658	2,892	2,966
March	2,046	1,719	2,546	4,577	6,623	6,567	3,075	3,255	4,014
April	1,802	1,676	2,195	4,169	6,319	5,812	3,162	3,404	2,573
May	1,901	2,060	2,691	3,989	6,856	5,421	2,941	3,158	3,217
June	2,217	1,476	1,141	4,694	6,950	6,108	3,039	3,508	3,339
July	1,571	1,697	3,037	5,912	5,173	6,340	2,728	3,311	3,385
August	2,343	1,769	2,792	5,135	5,773	6,975	2,795	3,458	4,094
September	1,970	1,574	2,331	6,837	5,741	6,317	3,006	3,081	3,112
October	1,807	1,540	2,360	5,911	6,034	7,231	2,761	3,557	3,383
November	1,713	1,940	2,355	4,432	4,869	6,803	2,553	3,175	2,512
December	1,804	1,602	2,126	5,801	5,099	4,650	3,380	3,186	2,661
<b>TOTAL</b>	<b>22,634</b>	<b>20,077</b>	<b>27,693</b>	<b>60,162</b>	<b>70,353</b>	<b>73,486</b>	<b>34,987</b>	<b>39,591</b>	<b>38,566</b>

Source: BPS-Statistics Indonesia, UCAP, and Coconut Development Authority, Sri Lanka

**Table 3. Export Volume of Coconut Shell Charcoal and Activated Carbon of Sri Lanka by Destination, 2017 - 2018 (MT)**

Coconut Shell Charcoal			Activated Carbon		
Country of Destination	2017	2018	Country of Destination	2017	2018
1. Netherlands	3,808	1,190	1. U S A	11,998	12,138
2. South Korea	2,131	1,232	2. China	4,000	4,468
3. Vietnam	1,376	-	3. Germany	2,131	1,322
4. Mexico	680	80	4. Japan	2,125	2,432
5. Japan	534	489	5. Turkey	1,953	1,581
6. China	102	618	6. South Korea	1,446	1,404
7. Denmark	101	9	7. Estonia	1,408	1,474
8. Serbia	100	-	8. Netherlands	1,375	456
9. Saudi Arabia	78	122	9. Sweden	1,046	245
10. Australia	74	-	10. Hong Kong	1,009	931
11. Others	270	698	11. Others	11,100	12,115
<b>Total</b>	<b>9,254</b>	<b>4,438</b>	<b>Total</b>	<b>39,591</b>	<b>38,566</b>

Source: Coconut Development Authority, Sri Lanka

**Table 4. Export of Activated Carbon from India and Indonesia by Destination, 2018**

India			Indonesia		
Country of Destination	Volume (MT)	Value (US\$ 000)	Country of Destination	Volume (MT)	Value (US\$ 000)
1. U S A	22,416	47,180	1. U S A	5,225	8,353
2. Japan	5,502	9,050	2. China	4,409	5,207
3. U K	5,169	10,380	3. Japan	3,481	7,656
4. Sri Lanka	4,090	8,670	4. Taiwan	3,469	6,032
5. Russia	3,897	7,160	5. Australia	2,752	5,503
6. South Korea	3,403	7,530	6. South Korea	2,069	2,833
7. Germany	3,279	7,330	7. Netherlands	1,444	2,722
8. Netherland	3,113	6,670	8. Sri Lanka	1,391	2,310
9. Belgium	2,913	5,670	9. Germany	986	1,668
10. China	2,848	7,630	10. Belgium	462	623
11. Others	39,177	68,250	11. Others	2,004	3,487
<b>Total</b>	<b>95,806</b>	<b>185,520</b>	<b>Total</b>	<b>27,693</b>	<b>46,394</b>

Source: BPS-Statistics Indonesia and Department of Commerce, India