

## Table of Contents

Page/s:

The Executive Director Speaks “ <i>Increasing Level of Interest by Communities in Sustaining the Coconut Industry</i> ”.....	2
Prevailing Market Prices of Selected Coconut Products and Oils .....	3-4
Market Review of Desiccated Coconut.....	5-6
Community News.....	7-17
Trade News .....	17-21
Coconut Technology News .....	21-22
Bio-Diesel News .....	22
Other Vegeoil News .....	22-28
Did You Know .....	28-30
Coconut Recipe “ <i>Giant Samoa Cookie</i> ”.....	30
STATISTICS .....	31-32

Table 1. Indonesia’s Monthly Exports of Desiccated Coconut,  
2017-2019

Table 2. Philippines’ Monthly Exports of Desiccated Coconut (in MT),  
2016-2019

Table 3. Sri Lanka’s Monthly Exports of Desiccated Coconut (MT),  
2017-2019

Table 4. Export Volume of Desiccated Coconut by Country Origin, 2019  
(MT)

## EXECUTIVE DIRECTOR SPEAKS .....

### ***“Increasing Level of Interest by Communities in Sustaining the Coconut Industry”***



It is observed across the global community of the growth in the industry relating to emerging high value products of coconut both of the food and non-food categories. During September a number of iconic coconut events took place: the Philippines Coconut Week, 2<sup>nd</sup> World Coconut Congress in Manila, Indonesia Coconut Festival in Karangasem, Bali, the PNG Coconut Festival in Port Moresby and the Pacific Week of Agriculture in Apia, Samoa. During these events it was clearly evident that the industry is progressing in terms of innovation, product development, agriculture modernization and improved management practices.

The industry still faces major challenges of pests and diseases, particularly the CRB-Guam Biotype, which is causing catastrophic damages to coconut palms in the Pacific hence the serious concerns of downturn in production that would be seriously affecting the economic livelihood of farmers.

Trade negotiations between countries may not all the time be in favour of coconut exports as seen in India with lowering of import duty on RBD palm olein. Indonesia exports of coconut oil and products are affected by the EU tariffs and trade barriers. It is now incumbent on the part of Governments to negotiate such trade agreements that could be more beneficial rather than the opposite.

Search for good coconut varieties continue in Indonesia and other countries that would enhance farm production. R & D institutions are stepping up efforts to identify or breed for high yielding, early bearing and diseases resistant varieties to offer to farmers.

It is also observed with interest the challenges facing the Palm Oil Industry in Malaysia and Indonesia whilst expansion is upcoming in Thailand, Philippines and Papua New Guinea. Certain conditions imposed on the industry by the RSPO could affect continuing production in these countries.

ICC Secretariat continues to encourage Governments of coconut growing countries to fully support initiatives undertaken by Communities to replant coconuts and develop new lands to sustain the industry.

A handwritten signature in black ink, appearing to read "URON N. SALUM". Below the signature, the text "Executive Director," is printed in a smaller, sans-serif font.

## PREVAILING MARKET PRICES OF SELECTED COCONUT PRODUCTS AND OILS

*Price of CNO decreased in Philippines and Indonesia 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\$415/MT in September 2019, which was higher than last month's price of US\$408/MT. When compared to last year's data for the same month the price was US\$43/MT lower.

In the domestic market of the Philippines (Manila), the price increased by US\$15/MT compared to the price in August 2019, and about US\$130/MT lower compared to the price of US\$545/MT in September 2018.

**COCONUT OIL:** The average price of coconut oil in Europe (C.I.F. Rotterdam) for the month of September 2019 increased by US\$7/MT to US\$717/MT from US\$700/MT in August 2019. This price was lower by 21% when compared to the price of September 2018 accounting for US\$907/MT.

The average local price of coconut oil in the Philippines in September 2019 was US\$646/MT. This was US\$17/MT lower than the price in August 2019, and it was US\$213/MT lower if compared to the last year price for the same month which was US\$859/MT.

The average domestic price of coconut oil in Indonesia in September 2019 decreased by US\$17/MT compared to the previous month from US\$664/MT to US\$647/MT. September 2019 price was US\$210/MT lower than the price of the same month of 2018 which was US\$860/MT.

**COPRA MEAL:** The average domestic price of the commodity in the Philippines at selling points was quoted at US\$205/MT. The price was US\$1/MT lower compared to the

previous month and was US\$15/MT higher than the last year price for the same month.

The average domestic price of copra meal in Sri Lanka decreased by US\$6/MT compared to previous month's price at US\$211/MT and was lower than last year price of US\$288/MT for the same month.

**DESICCATED COCONUT:** The average price of desiccated coconut (DC) FOB USA in September 2019 was US\$1,628/MT. This price was US\$29/MT lower than the previous month's price and US\$706/MT lower than the price of the same month last year. In Sri Lanka, the domestic price of desiccated coconut in September 2019 was US\$1,671/MT or US\$56 higher than the price in August 2019. Meanwhile, the price of DC in the domestic market in the Philippines was US\$912/MT, which remained the same as the previous month's price and US\$491 lower than the price in the same month last year. Indonesian price in September 2019 was US\$1,285/MT, increased by US\$45/MT compared to the last month's, and lowered by US\$349/MT from last year's price.

**COCONUT SHELL CHARCOAL:** In Sri Lanka, the average price of the commodity in September 2019 was US\$387/MT which lower than previous month's price at US\$401/MT. The average price of charcoal in Indonesia for September 2019 was US\$424/MT, which was US\$2/MT lower than last month's price.

**COIR FIBRE:** Coir fiber traded in the domestic market in Sri Lanka was priced at US\$144/MT for mix fiber and US\$525/MT-US\$884/MT for bristle. The Indonesian price for mixed raw fiber was US\$301/MT in September 2019 which slightly lower than last month's price.

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

Products/Country	2019 Sep.	2019 Aug.	2018 Sep.	2019 (Annual Ave.)
<b>Dehusked Coconut</b>				
Philippines (Domestic)	97	97	122	111
Indonesia (Domestic, Industry Use)	124	121	135	132
Sri Lanka (Domestic, Industry Use)	123	127	226	147
India (Domestic Kerala)	550	511	530	521
<b>Copra</b>				
Philippines (Dom. Manila)	415	400	545	420
Indonesia (Dom. Java)	415	408	458	420
Sri Lanka (Dom. Colombo)	770	861	1,166	919
India (Dom. Kochi)	1,506	1,456	1,471	1,465
<b>Coconut Oil</b>				
Philippines/Indonesia (CIF Rott.)	717	710	907	691
Philippines (Domestic)	646	663	859	665
Indonesia (Domestic)	647	664	860	667
Sri Lanka (Domestic)	2,197	1,634	2,030	1,798
India (Domestic, Kerala)	2,375	2,291	2,317	2,326
<b>Desiccated Coconut</b>				
Philippines FOB (US), Seller	1,628	1,657	2,334	1,719
Philippines (Domestic)	912	912	1,403	911
Sri Lanka (Domestic)	1,671	1,615	1,860	1,750
Indonesia (FOB)	1,285	1,240	1,634	1,313
India (Domestic)	1,830	1,832	1,892	1,904
<b>Copra Meal Exp. Pel.</b>				
Philippines (Domestic)	205	206	190	207
Sri Lanka (Domestic)	205	211	288	226
Indonesia (Domestic)	203	206	196	205
<b>Coconut Shell Charcoal</b>				
Philippines (Domestic), Buyer	298	293	366	316
Sri Lanka (Domestic)	387	401	515	399
Indonesia (Domestic Java), Buyer	424	426	539	449
India (Domestic)	403	379	609	402
<b>Coir Fibre</b>				
Sri Lanka (Mattress/Short Fibre)	144	153	260	185
Sri Lanka (Bristle 1 tie)	525	548	735	609
Sri Lanka (Bristle 2 tie)	884	917	1,103	989
Indonesia (Mixed Raw Fibre)	301	303	331	302
<b>Other Oil</b>				
Palm Kernel Oil Mal/Indo (CIF Rott.)	613	619	874	628
Palm Oil Crude, Mal/Indo (CIF Rott.)	580	586	524	575
Soybean Oil (Europe FOB Ex Mill)	779	793	651	757

**Exchange Rate: September 30, 2019**

1US\$= -P 51.83 or Indo=Rp14,190 or India=Rs70.66 or SL=Rs182.37  
 Euro=US\$1.09 n.q. = no quote

## MARKET REVIEW OF DESICCATED COCONUT

Global demand on desiccated coconut (DC) from Sri Lanka rocketed amid a low price in the last 15 months. Sri Lankan export of DC jumped by 138% in the period of January-August 2019. The export volume soar from 14,344 MT during January-August 2018 to 34,157 MT over the period of January-August 2019. The increase reversed the negative trend in the previous years. In 2018, export volume of DC from Sri Lanka was 25,556 MT which dropped by 13% opposed to 2017's volume.

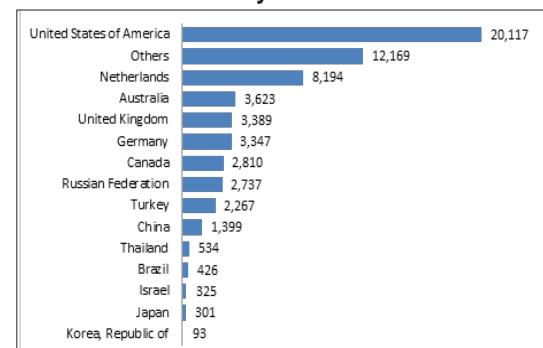
Europe and Asia are the main market for DC from Sri Lanka. In the period, Asian countries imported 20,025 MT which accounted for 58.6% of the total export. India was the largest importing country for the product. During the period India brought in 14,753 MT of Sri Lankan DC. Other main importing countries were USA, Canada, Egypt, and Iraq which imported 2,843 MT, 2,193 MT, 1,854 MT and 1,273 MT respectively.

A similar trend was perceived in Philippines, the largest exporting country of DC. In the first half of 2019, Philippines exported desiccated coconut (DC) showed an increasing trend following the positive trend in the last three years. The official figure from the Philippines Statistics Authority showed that the export of DC in the period of January-June 2019 was 61,731 MT which was 31.8% higher than

previous year's volume for the same period. The lower price of DC has given a room for importers to boost their demand to accumulate stocks. Meanwhile, an increase in coconut production made it possible for DC manufacturers to maximize their production capacity to fulfill an increasing demand. It is to be noted that Philippines experienced an increase in export volume in three consecutive years from 2016 to 2018. The export of DC rose by 35.6% in 2016, by 26% in 2017 and by 11.2% in 2018.

In the first half of 2019, America and Europe were still major destinations for DC from the Philippines accounting for more than 63% of the total export. USA was the main destination for Philippines DC in America which absorbed 20,117 MT or 32.6% of the total export. In Europe, Netherlands was the main hub receiving 13% of Philippines DC. Meanwhile from Asian countries, China and Thailand were amongst the largest importing countries of DC from the Philippines.

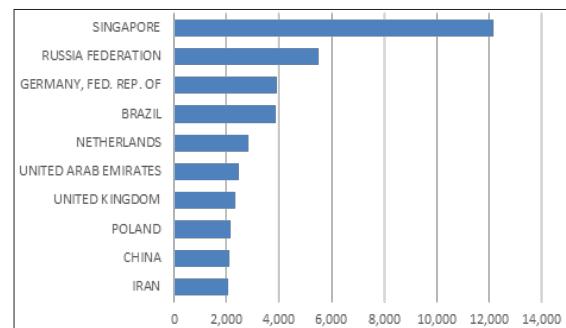
**Export Destination of DC from Philippines, January-June 2019**



In the period of January-August 2019, accumulated export volume of DC from Indonesia was 62,525 tons. The export was lower by 14% compared to the previous year's volume for the same period. Indonesia experienced an increasing trend in export volume of DC in the last two years. In 2017, BPS-Statistics Indonesia recorded that export volume of DC from Indonesia during the period was 98,038 MT which was higher by 23.7% compared to the 2016's volume and in 2018 the export went up to 109,179 MT. Low price of raw material combined with a lower price of DC compared to other competitors have given a positive signal for Indonesian DC processors to boost their export.

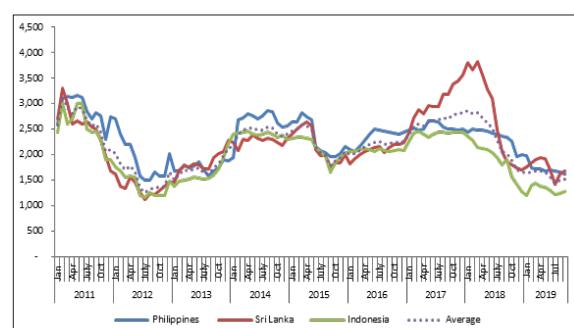
During the period, Asia and Europe were still the main market for DC from Indonesia. Singapore is the main hub for Indonesian DC manufacturers. 19.5% of total DC export was sent to or via Singapore. In total, Indonesia sent 26,124 MT of DC to Asian countries. UAE, China, Iran, and Saudi Arabia were the other major importing countries from Asia. Meanwhile, Europe was also a large market for DC from Indonesia. 40% of DC total export from Indonesia was shipped to European countries. Major importing countries from Europe include Russia, Germany, Netherlands, UK, Poland and Turkey. From American continent, Brazil was the main destination for Indonesian DC. The country imported 3,868MT of Indonesian DC constituting 6.2% of the total export.

#### Top 10 Export Destinations of DC from Indonesia, January-August 2019



Price of desiccated coconut (DC) had not been showing an improvement in the first half of 2019. A decreasing trend of DC price was observed since June 2017 in Philippine and from December 2017 in Indonesia. The price kept sinking to the lowest level in the last seven years. In September 2019 price of Philippine DC was USD1,628/MT which was the lowest since February 2013. The lowest DC price in Indonesian was in July 2019 which was USD1,225/MT and the lowest since December 2012. Similarly in Sri Lanka, price of DC reached the lowest level was in July 2019 which was USD1,420/MT. High price premium of Sri Lankan DC over Philippines' and Indonesia's DC together with lowering price trend of raw material, coconut, has brought about the price of Sri Lankan DC to fall.

#### Monthly Price of DC (US\$/MT), 2011-2019



## COMMUNITY NEWS

### 55<sup>TH</sup> ICC SESSION SUCCESSFULLY COMPLETED

The 55<sup>th</sup> ICC Session & Ministerial Meeting was successfully conducted by International Coconut Community and hosted by Philippine Coconut Authority at the Philippine International Convention Center, Manila during 26-30 August 2019. It was attended by National Ministers and Senior Officials that included Secretary Dr. William D. Dar, Philippines Minister for Agriculture and Acting Secretary, Hon. Lopao Natanielu Mua, Minister of Agriculture and Fisheries from the Government of Samoa, Hon. Clezy Cleveland Rore, Minister of Commerce, Industry Labour and Immigration, from the Government of Solomon Islands, Hon. Henry Jons Amuli., Vice Minister for Agriculture and Livestock from the Government of Papua New Guinea, Hon. Vadivelu Suresh, State Minister of Plantation Industries from the Government of Sri Lanka, Hon. Viam Pillay, Assistant Minister for Agriculture, Government of Fiji. Delegates and participants included Senior Government Officials of ICC member countries and Official Observers from the Centre for Agriculture and Bioscience International (CABI), United Nations Conference on Trade & Development (UNCTAD), The Pacific Community (SPC), Centre de Investigacion Cientifica de Yucatan (CICY), Australian Centre for International Agricultural Research (ACIAR), French Agricultural Research Centre for International Development (CIRAD), Caribbean Agricultural Research & Development Institute (CARDI), Melanesian Spearhead Group Secretariat (MSG), International Treaty on Plant Genetic Resources for Food & Agriculture (ITPGRFA), Conservation and Development of Coconut Oil of Thailand Forum (CDCOT), Centre National De Recherche Agronomique (CNRA),

Bioversity International, Indonesian Coconut Coalition, (Kopek Kelapa) Indonesian Farmers Association and Tanzanian Agricultural Research Institute (TARI). Observer Country in attendance was Brunei Darussalam - The Governments of Marshall Islands and Vietnam were not represented. A total of 75 participants registered for the Session.

On the occasion of 50<sup>th</sup> Anniversary Commemoration ICC acknowledged the contribution and services of Individuals; Corporate Organizations and National Institutions and presented "Tree of Life" award. The recipients in the different categories are; Corporate Organizations were: (a) Franklin Baker Philippines; (b) P.T. Sambu Group, Indonesia; (c) United Plantations Berhad, Malaysia and (d) WM Middleton & Sons Limited, PNG. National Institutions serving 25-50 years or more in the coconut sector awarded were : (a) Philippines Coconut Authority, Philippines; (b) Coconut Research Institute Sri Lanka; (c) Coconut Development Board, India; (d) Coir Board of India; and (e) Coconut Industry Board, Jamaica. Individuals awarded were; (a) Dr. L.C. Priyanthie Fernando, Former Director, Coconut Research Institute of Sri Lanka; (b) Dr. Ponciano A Batugal, Chairman, ICC Technical Working Group; Philippines (c) Dr. Narong Chomchalow, Chairman Conservation and Development of Coconut Oil of Thailand Forum; Thailand (d) Engr. Divina D. Bawalan, Free Lance International Consultant; Philippines and (e) Mr. Joseph Bae, Pioneer and long serving Copra Marketing Board Official of PNG.

Service recognition award was presented to the former Executive Directors (a) Dr. P. Rethinam served during 2002-2006; (b) Mr. Romulo N. Arancon, Jr. worked with the Secretariat as Executive Director during 2006-2013 and Assistant Director during 1996-1999. Long Serving recognition award was presented to two of ICC Secretariat staff: (a) Mr. Muhartoyo, Documentalist and (b) Mrs. Sri Hartati, Office Assisatnt.

ICC also presented Certificate of Accreditation to 12 organizations that included (a) Australian Centre for International Agriculture Research (ACIAR); (b) The Pacific Community (SPC); (c) Centre for Agriculture and Bioscience International (CABI); (d) Melanesian Spearhead Group (MSG); (e) Bioversity International; (f) Centre de Cooperation Internationale en Recherche Agronomique pour le Développement (CIRAD); (g) Centro de Investigacion Cientifica de Yucatan (CICY); (h) Caribbean Agriculture Research & Development Institute (CARDI); (i) Kopek Kelapa-Coconut Coalition of Indonesia; (j) United Coconut Association of the Philippines Inc (UCAP); (k) Conservation & Development of Coconut Oil of Thailand Forum (CDCOT); and (l) Consortium of Coconut Farmer Producer Companies, India. ICC Plaque of appreciation were presented to the National Ministers present on the occasion.

#### **REVITALIZATION OF FSM'S COCONUT EXPORT INDUSTRY MAKING 'GREAT PROGRESS'**

The development of the Integrated Coconut Processing Facility on Tonoas is making great progress. The project is in line with FSM Petroleum Corp.'s Coconut for Life (C4L) initiative, whose goal to revitalize the Federated States of Micronesia's coconut export industry.

"I understand from the surveys PetroCorps has done throughout all of our islands that the nation has the potential to produce about one million gallons of coconut oil for export annually," FSM President David Panuelo said during his visit to the facility on July 13.

Panuelo's visit was witness to clear evidence of substantial work in the past few months, including the setup of containers, generators, trucks, and whiteboards in offices filled with status updates. Of these recent updates include the application of a remediator to the sludge retention pit and the active implementation of the site's environmental and safety plans.

The President advised that, while overall progress for the facility has been slower than originally anticipated, that the pace at which it has picked up in recent months is a positive development.

Coconut for Life (C4L) seeks to enhance the capacity for the buying, selling, exporting, manufacturing, processing, and distribution of copra and other products from coconut trees in the FSM. New community-based revenue streams are created for the people as opportunities become available for farmers to market coconuts.

Panuelo noted that Tonoas is the site for the copra industry. "This is a place with a lot of agriculture, where people grow [coconut and more] for their own livelihood, [offering farmers the opportunity to sell their coconuts when it's convenient for them] is exactly what we need to develop this region." (<https://www.pacificislandtimes.com>)

#### **LIMITED USE OF CRUDE COCONUT OIL, RESEARCH REVEALS**

A market research conducted by Copra Millers of Fiji Ltd revealed that there was limited use of crude coconut oil in local markets.

To cushion the situation, the company last year increased local sales of coconut oil by 5 per cent.

However, company board chairman Raj Sharma said the crude coconut oil and virgin coconut oil products were both exposed to world market prices.

"Our financial performance is directly linked to the global oil price fluctuations," he said. "During periods of increasing oil prices the company benefits but incurs a negative impact when prices decline sharply."

"This price fluctuation risk is managed through monthly sale of finished goods." Mr. Sharma said last year's operating revenue was \$2.9 million with cost of goods sold amounting to \$2.32m.

"Selling and distribution was \$0.23m, administration and operating was \$0.56m and - finance cost of \$0.053m.

"We are looking at how further we can improve the margins based on performance.

"The company was able to sell 21 per cent oil locally and 79 per cent exported and we're looking at increasing the local rate to about 30 per cent."

With the help of government subsidy, Mr. Sharma said the company was able to increase the price of raw material which increased the copra supply in 2018.

"The increase in supply has helped in reducing the cost of production hence this has led the company to earn profit for the financial year 2018," he said.

"The net profit after tax for the company for the year was \$67,722 (2017 net loss: \$162,293)." (<https://www.pressreader.com/fiji>)

### **SCIENTISTS TRYING TO SAVE INDIA'S ONLY DOUBLE-COCONUT TREE NEAR KOLKATA**

It is now a race against time at the 232-year-old Acharya Jagadish Chandra Bose Indian Botanic Garden in Howrah near Kolkata to save the country's only double-coconut tree.

A 125-year-old female double coconut tree, the lone specimen planted by the British in India in 1894, is dying scientists fear. It is now in a virtual botanical intensive care unit.

In anticipation of the day, though, scientists intervened in the early years of this decade itself and induced fruiting in the tree. It did produce fruits. But none are mature yet.

"If the fruit matures before the plant dies then we will be able to harvest it and produce another individual. In that case the country will get another double-coconut tree. But if the tree dies before the fruit matures, then years of scientific effort will go down the drain and there will be no such

tree left in India," said S S Hamid, curator of the garden.

Double-coconut trees are found only on two islands of the Seychelles. They were planted by the British in countries including India, Sri Lanka and Thailand.

They can live up to 1,200 years and bear the largest fruits (weighing up to 25 kg) and leaves in the entire plant kingdom.

"But as the tree is growing in a different terrain and climate, it might not live its full life, we apprehend. Over the past one year the tree hasn't produced any new leaf and the existing leaves are gradually turning yellow. This is the cause of worry," said Hamid.

The plant started bearing fruits in 2013 and the most mature fruit is around six years of age. It will take another year at the least for it to mature, after which scientists will be able to extract seeds.

"When the tree was 94 years old, it produced flowers for the first time. When we came to know it was a female plant, we started searching for a male. The nearest male was traced in the Royal Botanic Garden of Sri Lanka. Pollen of the male flower were brought in to artificially pollinate the plant in 2006. But the efforts failed. In 2013, we tried again with pollen from another male from Thailand. This time it worked and the tree bore fruits," said H S Debnath, former Director of the garden.

Scientists of the garden are ensuring that the plant is not afflicted by any disease. Neem-based fungicide is being applied to it in very low doses to prevent diseases and ropes have been used to support the heavy fruit and lighten the burden on the tree.

"Unfortunately the crown of the tree suffered a fungal attack two to three years ago. This took a heavy toll on its health. As it is a coconut tree and has only one trunk, growth has almost stopped. We are trying our best to ensure the tree lives at least till the fruit matures," said Ashiho Asosii Mao,

Director of the Botanical Survey of India. (<https://www.hindustantimes.com>)

### **INDIA'S EDIBLE OIL INDUSTRY SHAKEN ON NEWS OF OIL FOR SUGAR DEAL WITH INDONESIA**

India's edible oil industry was shaken after reports said that the government has accepted a proposal to lower the import duty on refined, bleached and deodorised (RBD) palmolein from Indonesia to accommodate the export of high-quality raw sugar from India to that country. Reports appearing in a section of the Indonesian media, quoting its Trade Minister Enggartiasto Lukito, said India has agreed to lower import duty on RBD palmolein from that country against an assurance that Indonesia will import high-quality raw sugar from India.

India is struggling to manage surplus sugar, with opening stock estimated to hit a record high of 14 million tons the next season. Such a large quantity is enough to feed six months of India's sugar consumption, even as cane arrears soar a month ahead of the beginning of new sugar season.

While the sugar industry is upbeat about the development, the edible oil industry is miffed. Atul Chaturvedi, President of Solvent Extractors' Association (SEA) said in a statement that his organization would request the Commerce Ministry to issue a suitable clarification to dispel any doubt in the matter. SEA represents crushing and refining units and the move hurts them if refined oil is directly imported, when India has enough palm oil refining capacity. (*UCAP Bulletin*)

### **RICe AND COCONUT FOR FOOD RESILIENCE AND ENVIRONMENTAL CONSERVATION IN INDONESIA**

Indonesia is the third largest rice producers in the world with most wetland or irrigated fields. With the large amount of agricultural land conversion, the wetlands are increasingly reduced, especially irrigated rice fields. This can interfere food

resilience. On the other hand, Indonesia is known as a coconut country, because it produces coconut. Most of the coconut trees are old, so they are less productive. Regeneration of coconut trees takes 3-4 years to start producing, consequently during that time the coconut farmers are not earning money. With the aim to increase community's income, maintain food stability by taking into account environmental sustainability, a study on rice (paddy) and coconut integration is undertaken. Certain types of rice are planted in the fields and used as inter-cropping plants in coconut plantations. The results of the study concluded that economically the integration of rice-coconut can be more profitable because it will still provide income before cultivation in the fields can maintain environmental sustainability.

(<http://www.joaat.com>)

### **INTERNATIONAL SUBAK AND COCONUT FESTIVAL IN KARANGASEM**

International Subak and Coconut Festival in Karangasem will be held at the Ujung Water Palace tourist attraction on September 14-19. Various intensive preparations have been made by the Karangasem Agriculture Agency in welcoming the implementation of the event.

Head of the Karangasem Agriculture Agency, I Wayan Supandi, revealed the prestigious activity carried out is expected to be able to collaborate or synergize the agriculture sector with tourism. The synergy of both sectors is expected to foster a creative economy which is certainly based on the agricultural sector. In addition, the programs are expected to be able to educate farmers other than the community about the application of agricultural technology.

Supandi added, in this festival, his agency will display demonstration plot technology with various types of vegetable commodities such as edamame beans, tomatoes, red okra food plants, and various types of ornamental plants in the form of various types of flower plants.

Supandi hoped that technology would later be able to educate farmers about the application of agricultural technology while attracting the interest of younger generation to love the agricultural sector.

"And we also specifically make purple eggplant demonstration plots for housewives because the purple eggplant demonstration plots indeed have become the idol of the housewives. We remind that eggplant can be seen and held, but cannot be taken home," he said.

In addition to agricultural technology, affirmed Supandi, the public could also see a cultural parade. The cultural parade is based on subak. Aside from it, the public will be able to see a demonstration of agricultural machinery, international seminars, business expo meetings, exhibitions, various competitions and entertainment. "We also provide space for people having a hobby of making coconut bonsai, so that the hobbyists of bonsai can interact with fellow lovers of coconut bonsai," said Supandi. (<https://bali-travelnews.com>)

#### **FOUR CANDIDATES OF COCONUT VARIETIES OF INDONESIAN AGENCY FOR AGRICULTURAL RESEARCH AND DEVELOPMENT (IAARD) TO BE RELEASED AS SUPERIOR VARIETIES**

The second stage of the release of plantation crop varieties in 2019 was held during October 16-18, 2019 at the Novotel Hotel, Solo. A total of 19 proposed releases of varieties and clones were presented before the Plantation Plant Variety Release Assessment Team, Directorate of Germination, Directorate General of Plantations, the Ministry of Plantation. Prospective varieties and clones proposed include eight plantation commodities, namely oil palm, coconut, clove, sugar cane, tobacco, abaca, cinnamon and nutmeg. Institution that proposes variety/clone candidates from the Indonesian Center for Plantation Research and Development, regional governments, plantation companies and universities.

Center for Estate Crop Research and Development (*Puslitbangbun*) which consists of four Research Institutes proposes each commodity mandate. Palm Crops Research Institute (*Balitplama*) proposes coconut, Research Institute for Industrial Crops (*Balitri*) proposes tea, Research Institute for Spice and Medicinal Plant proposes (*Balitro*) cloves, nutmeg and cinnamon, and Research Institute for Sweetener and Fiber (*Balitas*) proposes the commodity of tobacco, sugar cane and abaca. Most of the proposed varieties / clones are in collaboration with local governments and universities.

*Balitpalma* proposes four prospective coconut varieties, namely *Hengniu* Hybrid Coconut, Local Coconut In from Sula Islands Regency, North Maluku, and the Tall varieties from Tanjung Jabung Barat and Jabung Timur Regencies, Jambi Province. The result of the closed session decided that the four candidate varieties proposed by IAARD were approved to be released as superior varieties with some improvement notes. The approved varieties are: (1) *Hengniu* Hybrid Coconut presented by Prof. Hengky Novarianto, (2) Coconut *in Niu Sua* from Kab. Sula Islands, North Maluku, delivered by Meity Tulalo, SP, MP., (3) Coconut *in Peat* from Tanjung Jabung Barat Regency, Jambi, was presented by Ir. Jeanette Kumaunang, MSc, and *Zabak* Tall from Tanjung Jabung Timur delivered by Ir. Miftahorrahman.

Head of *Balitpalma*, Dr. Ismail Maskromo is very pleased with the approval of all the proposed varieties from the Institute. He gave high appreciation to all *Balitpalma* research teams who had worked hard and worked smart in conducting research, observing and preparing proposals for high-yielding varieties, so that they were approved to be released as new high-yielding varieties.

The results of the session also decided on the approval of various varieties proposed by the *Puslitbangbun* including the superior clones of the PGL Series

proposed by *Balittri* in collaboration with Gajah Mada University, Agribun Siantan Clove and Tiangau Nutmeg in cooperation between *Balitro* and the Regional Government of Anambas Regency, Riau Islands, Kayumanis Koerintji in collaboration with *Balitro* with Jambi Provincial Government, Kayumanis Ceylon from *Balitro*, Toburi Kasturi in collaboration with *Balittas* and PT. Indonesian Gold Seed, Probolinggo Tobacco cooperation with *Balittas* with the East Java Plantation Office, Besuki Na Oogst Cigar Tobacco, four Abala Talaud varieties cooperating with *Balittas* with the Regional Government of Talaud Regency, and three Abaka varieties from *Balittas*.

Head of *Puslitbangbun* Ir. Syafaruddin PhD, who was also present at the release hearing, expressed his gratitude to all institute research teams for their performance in preparing candidates for the variety release in collaboration with regional government partners, private companies and universities.

All varieties that have been agreed to be released are required to establish a seed garden as a source of seed in the context of providing seeds to support the rejuvenation program and expansion of the plantation area. Hopefully the new superior varieties that have been successfully released can be immediately utilized by stakeholders in the development of plantation crops today. Long live Indonesian Plantation! (<http://balitka.litbang.pertanian.go.id/>)

#### **HENG HUAT TO BECOME COUNTRY'S LARGEST COCONUT FIBRE PRODUCER**

Heng Huat Resources Group Bhd is acquiring 97% equity in Sabut Kelapa Terengganu Sdn Bhd (SKT) for RM200,000 in a deal that will make it the country's single-largest market leader in coconut fibre production.

The company announced today that the purchase of the coconut biomass materials producer would give it a total

market share of about 80% of the Malaysian coconut fibre scene.

According to Heng Huat resources group Managing Director Datuk H'ng Choon Seng, SKT's manufacturing plant in Setiu, Terengganu, would ensure a huge and constant supply of raw materials such as coconut husks at a cost-effective price.

The transport cost will also be reduced owing to the shorter distance to the factory, he added.

The Setiu factory spans 20,230 sq m and has a production capacity of 150 metric tonnes and 240 metric tonnes a month for its coconut fibre and coco peat respectively.

Over the long term, Heng Huat plans to leverage on the completed East Coast Rail Link to deliver its products directly to Port Klang for export purposes.

Meanwhile the government has exempted SKT from tax on operational income for 10 years, which is expected to contribute positively to its financial year ending Dec 31, 2019.

"Getting on the acquisition trail places Heng Huat on a higher growth trajectory, even as we continue to strengthen our position as a regional player in the biomass industry," said H'ng. (<https://www.thestar.com.my>)

#### **SEVERAL FIRMS EXPRESS INTEREST TO SET UP OLEOCHEMICAL BUSINESSES IN SARAWAK**

Several foreign and domestic companies have shown interest in setting up oleochemical-related businesses in Sarawak, according to Deputy Chief Minister Datuk Amar Awang Tengah Ali Hasan. Awang Tengah, who is also state International Trade and Industry, Industrial Terminal and Entrepreneur Development Minister, said the chemicals, derived from plant or animal fats, have a lot of use for downstream products and it is high time for the state to focus on them as another source of revenue.

"We are inviting investors both domestic and foreign, because we have all these resources and the palm oil industry is growing, there are a few companies who are interested to set up, but it's still at an early stage, but we are really hoping for this to be set up in Sarawak," he told reporters at the Sarawak International Business and Economic Summit held last September 30. (*UCAP Bulletin*)

### **PNG COCONUT FARMERS ENCOURAGED TO UP PRODUCTION**

The Papua New Guinea Government believes the country's coconut producers should look to the huge unmet demand around the world for organic coconut and coconut derived products.

PNG's first Coconut Festival got underway in Port Moresby, with speeches from the Deputy Prime Minister, Davis Steven, and the National Planning Minister, Sam Basil.

The event brought together coconut farmers and companies from all over PNG and nearby Solomon Islands.

Mr. Basil told the festival that there's an unmet demand of 90 percent for coconut products and he said PNG producers should respond to this.

"The potential niche market for organic coconut products is further incentive for growing coconut and processing coconut products, given that all Papua New Guinea coconut is organically grown. It seems to me the market is ready for PNG to increase its supply." (<https://www.rnz.co.nz>)

### **PNG NEEDS TO FOCUS MORE ON COCONUT INDUSTRY**

Coconut is a significant cash crop that has helped so many people in the rural areas make ends meet at the same time contribute over K126.5 million yearly to Papua New Guinea's economy.

Therefore it need's recognition of the government and relevant agencies to boost

the industry says Minister for National Planning and Monitoring Sam Basil.

Termed the "Tree of Life" 103 products can be derived from Coconut which 85% of Papua New Guineans depend on.

Welcoming the Inaugural Coconut Festival, Minister Basil says more focus must be given to the Coconut Industry as it puts money back into the pockets of local farmers and families.

Papua New Guineans have depended heavily on this cash crop pre-independence and post-independence.

Acting Managing Director for Kokonas Industri Koporesen (KIK) Alan Aku says today, sixteen SME's are in the business of creating coconut products which ranges from body dress and decorations, housing, fuel, oil for cooking, beverages, cosmetics, biofuels, soaps, lotions, shampoos among many others.

According to the KIK, it is estimated 90% of the global demand for coconut products is unmet.

Papua New Guinea's Deputy Prime Minister Davis Steven says the Coconut Industry is the missing the link which will boost the country's economy. (<https://news.pngfacts.com>)

### **PHILIPPINE ANTI-TRUST BODY PARTNERS WITH AGRICULTURE DEPT FOR CONSUMER PROTECTION IN AGRI SECTOR**

The Philippine Competition Commission (PCC) on Tuesday said it partnered with the Department of Agriculture (DA) to help address "unscrupulous" practices in the agriculture sector that could affect prices and output. The anti-trust body represented by its Chairman Arsenio Balisacan and Agriculture Secretary William Dar signed a memorandum of agreement (MOA) on Tuesday, the PCC said in a statement.

Under the MOA, the two agencies could exchange information involving

competition in the agriculture space, the PCC said. Investigative and enforcement support and the creation of fact-finding bodies for inquiries in the agriculture sector can be performed by the said agencies under the deal.

"This has been a much-anticipated partnership that puts the PCC and the DA at the forefront of inclusive development and consumer welfare promotion. Cognizant of the DA's role in developing our agriculture sector and the sector's importance in the economy, the PCC is well-suited to assist and support the DA by looking into market conduct that ultimately affect prices and output," Balisacan said. The DA will provide a "competition lens" that will help the PCC prohibit "unscrupulous practices" in agriculture markets, he added. (*UCAP Bulletin*)

#### **VANUATU OFFERED HELP TO DEAL WITH RHINO BEETLE**

The Vanuatu government has received offers of international assistance to deal with the ongoing operation to eradicate the invasive Coconut Rhinoceros Beetle, a senior official says.

The Director General responsible for biosecurity, Moses Amos, said his Ministry had received offers from New Zealand, Australia, the Philippines and Israel.

The beetle is considered a threat to the country's coconut industry and the government recently extended a state of emergency until 21 October to deal with the infestation.

Mr. Amos said the offers of help showed that the international community was aware how the beetle could impact the Vanuatu. (<https://www.newsie.co.nz>)

#### **PRODUCT AND PERSISTENCE: HOW REMOTE PRODUCERS LIKE BANABAN VIRGIN COCONUT OIL CAN ACHIEVE MARKET SHARE AGAINST ALL ODDS**

Product and Persistence: How remote producers like Banaban Virgin Coconut Oil can achieve market share against all odds.

"We women can make a difference!" says exporter and entrepreneur Terikano Takesau, who began the Banaban Virgin Coconut Oil (BVCO) to improve opportunities for her Banaba people who live on Fiji's Rabi Island.

The Banaba people were forcibly removed to Rabi Island from their homeland of Ocean Island (now part of Kiribati) in 1945 so phosphate mining could continue there.

On Rabi Island there were few opportunities for the population of about 5,000 to make money. Terikano herself moved away and raised her three children and worked in the telecommunications industry – forming strong business networks that she now leverages for Banaban Virgin Coconut Oil.

Terikano always maintained close links with her Rabi Island community and the plight of the Banabans, who lost their homeland and many practical skills through the dislocation caused by their forced migration.

Determined to support the Banaba people, she worked hard since about 2010 to develop the business plan and source start-up funding to begin the Banaban Virgin Coconut Oil.

Now in its fourth year of business, after opening in 2014, Banaban Virgin Coconut Oil's sales continue to grow along with its reputation for high quality, sun-dried oil that is primarily exported as a cosmetic ingredient.

"We've been successful because we've kept our financials under control," Banaban Virgin Coconut Oil Manager, Terikano explained.

"Cutting costs where necessary, and using roadside sales to bolster cash flows to ensure that each month covers the coconut purchases, transport costs and salaries."

Production is also increasing, now at about 250 litres of virgin coconut oil per month with Terikano forecasting that volume can soon double to about 500 litres/month.

But in the early days it was difficult, and many thought the business would fail.

"People would challenge us, saying how is this business benefiting us women? We're not employed by you."

Terikano took the criticism head-on, and went and spoke to the different village associations around the island. She explained how they could harvest and sell coconuts to Banaban Virgin Coconut Oil, or they could use the by-products to make handicrafts, or weave and sell baskets to assist in transporting coconuts by boat around the island to the factory.

"Now we can start to show them the results, as we slowly build our markets while focussing on maintaining a high-quality product."

The growth of Banaban Virgin Coconut Oil is directly benefitting the Banaba people. "The sale of one sack of coconuts makes a big difference to families on the island. With the \$15 they can buy cooking items, or travel over to Savusavu to buy clothes, and a treat for the children."

The sale of one sack of coconuts makes a big difference to families on the island.

### **Starting the company**

Starting the company was a difficult journey for Terikano, who drew upon her leadership skills, strong networks and entrepreneurial skills to start a business in remote Rabi.

Her leadership skills had been sharpened through participation in the Vodafone 'World of Difference' leadership program, and in 2013 she was nominated to attend a training course on Whole Nut Processing on neighbouring Taveuni Island with the Fijian Ministry of Agriculture.

To source start-up funds, Terikano lobbied the government and was successful when the national 'Look North Project' provided funding for the Banaban factory facility to be built. The Rabi Council also

invested \$13,000 (US\$5,957) as seed capital to pay operational expenses. Finally, the Australian-based Nature Fiji Pty Ltd stepped-in to further assist with \$20,000 (US\$10,000) worth of virgin coconut oil equipment to equip the factory for its initial start-up, coupled with a lucrative agreement to purchase products for three years.

Terikano's strong networks have also been central to Banaban Virgin Coconut Oil's success, including business connections and inspiration she has gathered through her involvement with the National Council of Women, the Fiji Arts Council and the Ministry of Women, Children and Poverty Alleviation.

Perhaps central to its success, has been the dedication of the Banaban Virgin Coconut Oil staff and people of Rabi, plus those in government, private sector and development partners who have supported them.

"My staff work as a team, and sometimes we've had to prioritise salary payment. Cashflow is critical, and very difficult to maintain," Terikano explained.

"We don't have banking facilities close by, so money has to go from sales straight back to paying our suppliers," she added.

"Because of our teamwork and passion we did not work to get paid but to get the business moving and in the end to make a difference in the lives of our people especially our women. My staff have accepted these decisions because I've always kept them informed about how the business is developing."

### **Overcoming Key Challenges**

Many small virgin coconut oil enterprises such as the Banaban Virgin Coconut Oil have been promoted as viable village-scale enterprises.

However, many have failed by not having adequate connections to end-markets; not being of sufficient scale to achieve the throughput of product to achieve reasonable returns on investment;

and struggling to achieve low final moisture contents in their oils (<1 per cent). Banaban Virgin Coconut Oil has managed to stay in business through a combination of hard work, community cohesion, support from the island council and good connections to off-shore business.

### **Quality is Key**

The sun-drying process by Banaban Virgin Coconut Oil VCO makes the difference in their oils. Oil is dried for a period of up to two weeks to ensure that the moisture content is almost zero. Low moisture content contributes to increasing the shelf-life of their products and sets it apart from some other virgin coconut oil products. The time taken to properly dry the oils is never compromised and is a key stage in processing.

Another key contributor to its success, were the results of a market analysis case study of the Banaban Virgin Coconut Oil value chain, used as an example of the many small virgin coconut oil businesses in operation across the Pacific.

The case study was commissioned by the Coconut Industry Development for the Pacific (CIDP) programme, funded by the European Union and managed by the Pacific Community (SPC).

“One of the great things about participating in the case study of our value chain is that we’ve been able to show our farmers that if they sell their husked coconuts to us, they are actually getting paid a lot more than if they extract the copra and sell that,” Terikano explained.

“It’s an old Banaba problem – we’ve always struggled to see the difference between a shilling and a penny. When we were in the colonial phase, we used to think that because the penny was bigger, it was worth more than the shilling.”

“Our farmers were the same, because they get paid about \$1/kg for copra, but we only pay 20 cents for each husked nut. But this is without the labour of splitting and shelling-out the copra, so they’re much better off.”

As a result of the case study’s insights and new connections, Banaban Virgin Coconut Oil has obtained agreement for on-going sales of oil to Essence of Fiji, contributing new sales (by volume) of 30 percent.

Other barriers to expansion are also being addressed. The road to the factory on the island has been recently improved by the Rabi Council. Also, the Fijian Ministry of Agriculture has assisted with a new generator to enable the factory to run its processors for a full day. Previously the factory relied on the Rabi Council generator which only ran for only half of each day. Ultimately the factory hopes to use solar power, to avoid the high cost of fuel for the generator.

Following the results of the case study, CIDP has also provided technical assistance to assist in testing and improving Banaban Virgin Coconut Oil’s products, factory design and factory layout.

Another significant change has been the Fijian Ministry of Women contributing a second cold press machine to enable increased throughput. This means the company now has a staff of four people, with three automatically operated coconut scrapers and two hydraulic cold presses.

The Banaban Virgin Coconut Oil team has also built a roof over the drying area and re-organised the layout of the factory.

Perhaps most importantly, the case study will help Banaban to source new markets and private investment or industry development support by documenting the current business case.

The company is slowly becoming more independent after strong support in its first four years.

Small amounts of support have gone a long way, and Banaban Virgin Coconut Oil is showing the Banaba Islanders that they can re-build their financial independence and take control of their lives.

Coconut Industry Development for the Pacific (CIDP) is a joint initiative of the Pacific Community (SPC) and the European Union (EU) as part of a broader economic partnership between the EU and the African Caribbean Pacific (ACP) states. The aim of CIDP is to bolster the coconut sector in the region through improving the competitiveness of small producers engaged in the coconut value chains, strengthening regional integration of related markets and the intensification of production across the Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Republic of the Marshall Islands, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Timor Leste, Tonga, Tuvalu and Vanuatu. The programme runs from 2016-2018 and is valued at 4 million Euro. (<http://www.pina.com.fj>)

### **NZ DECLARES WAR ON COCONUT RHINOCEROS BEETLE IN THE PACIFIC**

A new strain of the beetle, CRB-G, is resistant to traditional control methods, and the government said it could cause \$US150 million dollars to be lost from the Pacific's coconut and palm oil industries every year.

CRB-G is established in Papua New Guinea and Solomon Islands where it is damaging palm trees.

New Zealand is contributing about \$US11 million dollars to the fight, some of which will go to science institute AgResearch.

AgResearch Scientist Trevor Jackson said as well as helping to contain the beetle and stop it spreading to other countries, New Zealanders were searching for a new biological control agent.

In the 1970s, New Zealand scientists released a virus that successfully controlled the CRB-S strain of the beetle, he said. Now they are looking for a similar weapon.

"I think the first thing is to go back to the general principle of biological control for invasive, insect pests which is to look in the center of origin and see what factors in

those environments are keeping the insect under control," Dr. Jackson said.

"One of the features of this beetle is that it's a distinct bio-type. With other collaborators we have found that it does exist in parts of the Philippines and parts of Asia.

"And the other thing is that because New Zealand has worked on it, since the 1960s and 70s, we do have a collection of virus strains from different parts of the region. And so we're able to look through that collection and test those strains as well."

Coconut products are becoming increasingly important to Pacific economies.

Samoa announced a 42 percent increase in export revenues this year, on the back of a 3464 percent lift in the volume of coconut oil exports.

The price of the oil has also increased by 291 percent, according to the Samoa Central Bank.

"New opportunities from the coconut are encouraging regional governments to look at renovation of old coconut plantations," Dr. Jackson said.

"But if we do that we chop down the old palms which provides a large amount of breeding material for the beetle. Managing that situation is difficult.

"In some areas that's done by using the coconut as timber but we have to be careful that large trunks are not left." (<https://theworldnews.net>)

## **TRADE NEWS**

### **PERFORMANCE OF PHILIPPINE TOP NON-TRADITIONAL COCO PRODUCTS EXPORTS IN JUNE**

Data from the Philippine Statistics Authority show 13 non-traditional coconut products generated export revenue of more than USD100,000 in June to qualify in the top non-traditional export products category.

The top four nontraditional exports revealed respective earnings of more than USD1.000 million: coconut water, virgin coconut oil, glycerin and hydrogenated coconut oil.

COCONUT WATER, this month's top non-traditional export product, generated USD10.326 million from shipment of 9,623 million liters. The volume was 23.6% higher than last year at 7,784 million liters. The US was primary destination controlling 6,701 million liters (69.6% of total), followed far behind by United Kingdom at 678,158 liters (7.0%), Netherlands 664,559 liters (6.9%), Australia 377,075 liters (3.9%), Singapore 325,511 liters (3.4%), Canada 258,706 liters (2.7%) and Brazil 130,084 liters (1.4%). Twelve other countries shared the balance of 488,028 liters (5.1%).

VIRGIN COCONUT OIL had gross export receipts of USD6.665 million from sale of 2,564 MT and settled in the second place. Volume was short by 1 MT from year-ago at 2,565 MT. The US was market leader, capturing 1,369 MT (53.4%), followed by Canada at 250 MT (9.8%), China 169 MT (6.6%), Brazil 153 MT (6.0%), United Kingdom 139 MT (5.4%), Germany 129 MT (5.0%) and 19 other countries with combined import of 355 MT (13.8%).

GLYCERIN, which took the third spot, had income of USD3.775 million. Tonnage at 4,830 MT was more than twice the previous year figure at 2,259 MT. Japan was the biggest market at 2,952 MT (61.1%), trailed by China at 1,051 MT (21.8%), Iran 400 MT (8.3%), Russia 172 MT (3.6%), Malaysia 111 MT (2.3%) and six other countries sharing 145 MT (3.0%).

Fourth in rank HYDROGENATED COCONUT OIL recorded proceeds of USD1.977 million from delivery of 789 MT, a significant drop in volume by 75.6% from 3,231 MT in prior year. Top four destinations were: United States 436 MT (55.3%), Canada 195 MT (24.7%), Hong Kong 57 MT (7.2%), Australia 22 MT (2.7%). Five country importers absorbed the balance of 79 MT (10.0%).

Fifth placer COCO MILK POWDER had turnover of USD980,255 from overseas purchases of 313 MT. The shipment was more than seven times same period last year total at 43 MT. China was major destinations at 96 MT (30.8%), trailed by US at 83 MT (26.6%), Australia 38 MT (12.2%), Netherlands 36 MT (11.5%) and six other countries which shared the remainder of 59 MT (18.9%).

The top six export, BATH SOAP, registered earnings of USD741,969 from cargo of 349 MT. Volume was down by 8.7% from same period year-ago at 383 MT.

Thailand was leading destination at 107 MT (30.6%), followed by Vietnam at 105 MT (30.1%), United Arab Emirates 40 MT (11.3%), Taiwan 26 MT (7.3%), Hong Kong 22 MT (6.2%) and nine other countries with combined volume of 50 MT (14.4%).

COCONUT MILK LIQUID landed seventh and turned in USD653,795 from orders of 452 MT (521 MT year-ago). US was leading destination at 213 MT (47.2%), followed far behind by Japan at 76 MT (16.8%), Canada 72 MT (16.0%), Thailand 36 MT (7.9%) and six other countries with total uptake of 55 MT (12.1%).

NATA DE COCO which earned USD320,465 from external trade of 381 MT (519 MT) filled in the eighth place. Japan was the primary destination capturing 200 MT (52.6%), followed by China at 104 MT (27.3%), Hong Kong 42 MT (11.1%) and four other countries together taking in 34 MT (9.0%).

COIR & COIR PRODUCTS was top nine non-traditional export and contributed USD298,977. Tonnage at 1,193 MT shrank by 16.6% from previous year at 1,430 MT. There were two country destinations with almost all of the load going to China at 1,118 MT (93.7%). The other recipient was Japan at 75 MT (6.3%).

COCO PEAT/DUST rounded up the 10 leading nontraditional exports with shipment valued at USD280,905 from transactions

involving 5,088 MT. Volume shot up 161.0% from 1,950 MT year-ago. There were only three country destinations: China was virtually an exclusive market at 4,859 MT (95.5%). Other outlets were South Korea 123 MT (2.4%) and Taiwan 106 MT (2.1%).

Completing the 13 top non-traditional exports list this month were: coco flour, grated coconut meat, and fatty acid distillates. COCO FLOUR had revenue of USD275,980 from trade of 192 MT (635 MT). The US was leading market at 108 MT (56.0%). Limited volume went to Iraq at 39 MT (20.1%), Netherlands 25 MT (13.2%), Australia 16 MT (8.5%) and four others with combined purchases of 4 MT (2.2%).

GRATED COCONUT MEAT generated USD140,869 in foreign exchange income from total volume of 117 MT (no export recorded year-ago). There were three country destinations with Canada taking the top spot at 99 MT (84.9%). Other markets were Hong Kong with 14 MT (11.6%) and Guam 4 MT (3.5%). FATTY ACID DISTILLATES earned USD123,094 from imports of 446 MT (no export recorded year-ago). China held much of the load at 328 MT (73.5%) with India taking in the balance at 118 MT (26.5%). (*UCAP Bulletin*)

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

PSA data also show export of coconut oil consisted for 103,845 MT crude coconut oil, 24,312 MT cochin (refined, bleached) oil, and 7,151 MT RBD (refined, bleached and deodorized) oil. Aggregate revenue from these oils amounted to USD100.824 million.

Europe remained leading destination responsible for more than half (51.8%) of combined shipment of the three oil types with uptake at 70,134 MT. The US likewise remained the second biggest buyer at 40,055 MT (29.6%), followed by Malaysia at 16,997 MT (12.6%), China at 5,782 MT (4.3%) and Japan which completed the top five at 1,731 MT (1.3%).

Europe maintained its position as primary market for crude coconut oil with purchases at 69,858 MT (Netherlands 57,298, Spain 10,560, Italy 2,000), trailed by the US at 17,006 MT and Malaysia with 16,981 MT. The US, on the other hand, was almost an exclusive market for cochin oil this month at 22,273 MT, with Japan and China taking in 1,700 MT and 339 MT, respectively.

In the case of RBD oil, China took in bulk of the month's delivery at 5,443 MT. Smaller loads went to the US at 776 MT, Europe 276 MT (Netherlands), Iran 228 MT, Taiwan 122 MT, Pakistan 83 MT, Canada 54 MT, Vietnam 38 MT, Ecuador 33 MT, Japan 31 MT, South Africa 24 MT, Australia 19 MT, Malaysia 15 MT, New Zealand 9 MT.

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

Export of copra meal in June at 32,241 MT generated USD5.645 million. Volume went chiefly to India, nearly two-thirds (66.2%) or 21,355 MT. Also major buyers were South Korea at 5,857 MT (18.2%), Vietnam at 3,552 MT (11.0%) and Taiwan at 1,205 MT (3.7%). Limited tonnage at 273 MT went to New Zealand.

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

Overseas shipment of desiccated coconut at 14,235 MT turned in USD22.280 million in June and was delivered to 41 various countries worldwide. The US fortified its hold of the top position with uptake at 4,411 MT representing close to one-third (31.0%) of total. Following behind were Netherlands with 1,491 MT (10.5%) and Canada with 1,070 MT (7.5%). The next five major importing countries namely, Australia with 917 MT, China 875 MT, Russia 868 MT, Germany 553 MT, and United Kingdom 528 MT collectively shared 26.3%.

On the other hand, 11 countries had purchases below 500 MT (115-441 MT range) and together comprised 18.6% of the market. This comprised of Brazil, Turkey, Japan, Spain, Belgium, South Korea,

Argentina, Uruguay, France, Egypt, Taiwan. Smaller loads ranging 6-90 MT were shipped to 22 other countries and jointly contributed 18.6%. This consisted of Israel, Italy, New Zealand, Saudi Arabia, Sweden, Poland, Chile, Hong Kong, Colombia, Guatemala, Thailand, South Korea, Malaysia, Norway, Puerto Rico, Vietnam, Bulgaria, Mexico, Ecuador, Kuwait, Indonesia, Greece.

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

Coconut shell charcoal export in June was 7,241 MT with turnover of USD3.338 million. Volume went for the most part to China representing 59% of total or 4,270 MT. The second major market was Japan at 1,991 MT (27.5%). Other importing countries ordered less than 500 MT: India 473 MT (6.5%), Turkey 341 MT (4.7%), South Korea 118 MT (1.6%) and Indonesia 49 MT (0.7%).

On the other hand, activated carbon derived from coconut shell charcoal registered shipment of 6,298 MT in the same month worth USD10.487 million. Market leader in this field during the month was Japan with purchases amounting to 1,495 MT (23.7%), followed by the US with 782 MT (12.4%), China 516 MT (8.2%), Germany 503 MT (8.0%) and 10 other countries with uptake below 500 MT (120-467 MT range).

The latter group consisted of the following: Sri Lanka, South Korea, Netherlands, Finland, Indonesia, Canada, Taiwan, Italy, Estonia and Peru and their combined market share was 39.1%. A dozen other countries bought limited volume at 3-99 MT range, and comprised 8.6% of the market namely, Turkey, Sweden, Australia, Russia, Ghana, Ivory Coast, United Kingdom, France, Dominican Republic, Romania, Argentina, Singapore. (*UCAP Bulletin*)

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

UCAP preliminary data show Philippine export of coconut products fell in August by

7.1% to 133,965 MT in copra terms from 144,278 MT in a similar month a year earlier. This is the second year-on-year shortfall recorded for the year following after January. Shipment this month, however, was comparatively higher by 25.4% than previous month estimated at 106,812 MT.

All products in review registered reduced shipments from respective levels a year earlier. And based from January-July average data, only desiccated coconut beat the average albeit slightly.

Coconut oil, however, posted the least deficit with export at 71,233 MT shedding only 1.6% from previous year at 72,360 MT. Against the monthly average at 93,700 MT, current month figure was 24.0% off. More than two-thirds of the month's shipment was destined for the European market at 48,060 MT (67.5%). US purchases totaled 16,373 MT or 23.0% of the pack while the remaining 9.5% was absorbed by Malaysia at 4,000 MT and Japan 2,800 MT.

Copra meal shipment in contrast showed the sharpest drop by 58.8% to 12,750 MT from 30,921 MT of prior year. This is 48.8% below average at 24,916 MT. Almost half of the month's delivery went to South Korea at 6,300 MT (49.4%) while Vietnam and Japan shared the balance. Vietnam had orders amounting to 3,300 MT (25.9%) and Japan 3,150 MT (24.7%).

Export of desiccated coconut at 11,796 MT trimmed last year total at 16,314 MT by 27.7%. Present data, however, mildly exceeded the average at 11,618 MT by 1.5%. Purchases of oleochemicals at 2,659 MT as copra likewise pruned last year tonnage at 4,198 MT by 36.7%. The total was 26.5% short of average at 3,562 MT.

Despite drop in August shipment, the cumulative export figure for January-August at 1,325,742 MT in copra terms bested same period last year total at 1,034,690 MT by a whopping 28.1%. Growth came from coconut oil and desiccated coconut with scaled up shipments by 30.7% and 20.9% respectively. Breakdown is as follows, in

MT: coconut oil 727,132 (556,460 last year), copra meal 187,160 (251,007), desiccated coconut 93,122 (77,024), oleochemicals as copra 27,591 (32,335). (*UCAP Bulletin*)

### US IMPORT OF LAURIC OILS UP IN JULY

Data from Oil World show the US imported 89,200 MT of lauric oils in July this year, topping same month prior year total at 67,100 MT by a hefty 32.9%. Of this total, coconut oil accounted for 51.2% or 45,700 MT (37,600 MT in the prior year) while palm kernel oil contributed 48.8% or 43,500 MT (29,500 MT).

Indonesia was leading supplier of lauric oil to the US during the month responsible for 56.1% total intake at 50,000 MT (27,500 MT) of which 14,700 MT (6,800 MT) was coconut oil and 35,300 MT (20,700 MT) was palm kernel oil. The Philippines accounted for 28.8% with 25,700 MT (29,800 MT) of coconut oil shipment. Import from Malaysia was 12,000 MT (8,800 MT) of which 3,900 MT (100 MT) was coconut oil and 8,100 MT (8,700 MT) was palm kernel oil and contributed 13.4%. Market share of other countries combined was 1.6%, the equivalent of 1,400 MT (1,100 MT) of lauric oils comprising of 1,300 MT (1,000 MT) of coconut oil and 100 MT (100 MT) of palm kernel oil.

The cumulative import figure for the 7-month period to July was 465,300 MT, down 8.9% from 510,600 MT at the same time last year. Coconut oil was 266,800 MT (304,300 MT) with the Philippines supplying 68.2% at 181,900 MT (212,100 MT). Palm kernel oil was 198,500 MT (206,300 MT) where 77.6% or 154,000 MT (152,300 MT) originated from Indonesia. (*UCAP Bulletin*)

## COCONUT TECHNOLOGY NEWS

### TECHNOLOGY TO YIELD 300 SEEDLINGS FROM ONE COCONUT

Coconut somatic embryogenesis technology (CSet), a research initiative supported by the Department of Science

and Technology (DOST) and the Philippine Coconut Authority (PCA), can yield as much as 300 seedlings from just one coconut. The idea is to generate not one planting material from one coconut, the way it is done now, but at least 100 planting materials and up to a thousand from the same one coconut or one coconut plumule, the primary bud of a coconut embryo.

DOST Secretary Fortunato Dela Peña said the research program in collaboration with the PCA research center in San Ramon, in Zamboanga City is one of six simultaneous projects doing the same research optimizing Cset. The highest yield has been attained at the University of the Philippines Los Banos (UPLB) but researchers at different centers are leading towards high numbers of planting materials, Dela Peña said.

Using genetic materials from high yielding tall and dwarf varieties, the target is 1,000 seedlings from one coconut plumule. "Imagine the impact on the coconut replanting program," Dela Peña said, adding it means fast-tracking the replacement of old coconut trees with new, high quality, high vigor coconuts. (*UCAP Bulletin*)

### NOVEL TECHNOLOGY TO TRANSFORM LIQUID OILS INTO SOLID FATS DEVELOPED

Barcelona-based start-up Cubiq Foods has developed a mechanical process it claims can convert liquid oils from sunflower to olive oil into solid or semi-solid structured fats that can improve juiciness and reduce saturated fat levels in plant-based burgers, without using hydrogenation or interesterification, reports the FoodNavigator-USA on September 19.

Currently, most plant-based burger brands use coconut oil, which is high in saturated fat, because they need a solid fat to make the burgers on an industrial scale. However, some of the fat and moisture can be lost during the cooking process.

Cubiq's process involves the addition of water (up to 40%) and some clean label

food grade additives, some of which according to CEO Andres Montefeltro, were already on food labels in plant-based or regular processed meat products. The fat is then put through a 'mechanical process' which the company is not outlining in detail at this stage as it is exploring patents. The resulting 'smart fat' is solid, with exciting functional properties, that is lower in both saturated fat and total fat (owing to the addition of water) than current solid fats used in plant-based meats and other products requiring solid fats. (*UCAP Bulletin*)

## BIO-DIESEL NEWS

### US BIODIESEL PRODUCTION FORECAST TO REACH 9 BILLION LITERS THIS YEAR

US biodiesel production in 2019 is forecast to reach some 9 billion liters (128,000 barrels/day), a 77% utilization of reported nameplate capacity, according to the US Energy Information Administration (EIA), and reported by Oils & Fats International. The EIA released its first annual US biodiesel plant production capacity report on 13 September, which showed figures from 102 biodiesel plants, with a combined 12 billion liters/year of production capacity as of January 1, 2019.

US biodiesel production reached 8.2 billion liters (119,000 barrels/day) in 2018, implying a 72% utilization rate based on the nameplate capacity level recorded at the beginning of that year, the report said. More than half of the nation's biodiesel production capacity was in the Midwest region, led by states such as Iowa, Missouri and Illinois. Of the top biodiesel producing states, nine were located in the Midwest. (*UCAP Bulletin*)

### NETHERLANDS CONSIDERS ENDING DOUBLE-COUNTING OF USED COOKING OIL

The Netherlands is considering ending the double-counting of used cooking oil (UCO) to reach EU targets for renewable

energy blending in the transport sector as a criminal investigation into a Dutch biodiesel firm continues, EURACTIV reported last month. An analysis of the "weak" points of the revised Renewable Energy Directive (RED 11), combined with the results of an ongoing criminal investigation, will determine whether it is possible to end double-counting of used cooking oil (UCO) in energy used in transport, a Dutch spokesperson told EURACTIV.com.

According to RED II, UCO is double-counted, meaning, for instance, that if UCO's consumption is 2%, it will be counted as 4% of the total energy used in transport. Thus, it is an attractive solution for the member states who wish to meet their green transport goals. The EU RED currently requires a 10% renewable energy content in the transport sector, to rise to 14% when the revised RED II comes into force on January 01, 2021.

But some investigations recently launched in the UK and the Netherlands into companies that have allegedly been selling unsustainable biodiesel containing palm oil have raised eyebrows in Brussels. Critics suggest that there is a hidden link between UCO and palm oil, which is decided to be phased out because of its high-ILUC (Indirect Land Use Change) risk. A source from the biofuel industry told Euroactiv last June that one-third of UCO used in Europe's biofuels market is more than likely fraudulent. Angel Alberdi, Secretary-General of EWABA, the EU waste-based biodiesel association gathering of EU UCO collectors and products of UCO-based biodiesel, denied allegations. (*UCAP Bulletin*)

## OTHER VEGEOIL NEWS

### INDONESIA'S ROAD TEST USING B30 PALM OIL BLEND REVEALS SAFE FOR CARS

Indonesia said it conducted the world's longest road test using diesel

blended with 30% palm oil biodiesel. Results showed that the biofuel is safe for cars. The test used a fleet of cars including Toyota Motor Corp.'s Fortuner, Mitsubishi Motors Corp.'s Pajero Sport and Nissan Motor Co.'s Terra on a road test on Java island.

After driving for 42,000 kilometers (26,000 mile) over two months, the vehicles were fine with no major engine problems, according to the Energy and Mineral Resources Ministry. The test also showed that the SUVs fueled by 30% palm biofuel and 70% gasoil were more efficient and have lower emissions compared with when using 20% palm biodiesel, Dadan Kusdiana, the Ministry's Head of Research and Development said. The Ministry aims to have the cars reach 50,000 kilometers within the next two weeks.

President Joko Widodo aims to gradually increase the country's use of palm-based biofuels to help reduce reliance on imported petroleum and the impact of subsidy costs, while also absorbing the nation's excess supply of palm oil. Currently the mandatory blending requirement is 20% palm biofuel, B20, which started in 2016. The plan is to adopt B30 next year and B100 as early as 2021, according to the Energy and Mineral Resources Ministry. The B30 mandate will raise the country's biodiesel consumption to 9 million kiloliters next year from an estimated 6.2 million kiloliters this year on B20. (*UCAP Bulletin*)

#### **EU DENIES LAUNCHING CAMPAIGN AGAINST INDONESIAN PALM OIL**

A report from Antara on September 6 said the European Union denied that it launched a black campaign against Indonesian palm oil. It said it was the market that had put the label of "palm oil free" in their products to gain more consumers. "The European Union as an institution has nothing to do with the campaign. It was the NGO and producers who made the branding in the products. It was their choice and strategy to catch the market," Michel-Geurts told a media briefing in Jakarta.

Consumers in European countries are concerned about the risks of consuming certain products, he elaborated. Some companies have labeled their products as "palm oil-free" to meet the preference of consumers, similarly to the labels of "gluten-free" or "pesticide-free" for other products. (*UCAP Bulletin*)

#### **INDONESIAN PALM OIL PLANTATION FUND MANAGEMENT BODY SUSPENDS PALM OIL EXPORT LEVIES UNTIL 2020**

The Indonesia Palm Oil Plantation Fund Management Agency (BPDPKS) will not collect palm oil export levies until late 2020 to maintain the crude palm oil (CPO) prices in global markets, reports the Antara news agency in Jakarta on September 27.

The measure was taken to ease the financial burden of palm oil farmers in the midst of continually fluctuating CPO prices globally, BPDPKS Director Herdratjat Natawijaya said at a sustainable palm oil discussion on "Farmers Need Sustainable CPO Price Hike" organized by Info SAWIT media. The CPO consumption volume is projected to rise by three million tons for B30 production, as compared to the usage for B20.

BPDPKS is an agency tasked with collecting, administering, managing, storing, and distributing palm oil plantation funds utilized for the development of human resources in palm oil plantations; research and development; promotion; plantation revitalization; and development of facilities and infrastructure for palm oil plantation. (*UCAP Bulletin*)

#### **TOP PALM OIL PRODUCERS BAN PRODUCTS LABELED PALM OIL FREE IN THE COUNTRY**

In a related development, major palm oil producing countries Malaysia and Indonesia have banned the sale of "anti-palm oil products" or those with claims like "palm oil free" or "no palm oil" in respective countries. Malaysia announced the ban this

summer and Indonesia followed suit later last month.

In Malaysia, its biggest supermarket chain Mydin has removed products labeled palm oil free from its stores as part of the country's campaign to protect the commodity's image at home and abroad. Malaysia is considering a law banning all products flaunting non-use of palm oil. It has also launched an international public relations and lobbying offensive to protect the reputation of its key export.

The \$60 billion world palm oil trade has been the target of environmentalists because of the vast areas of tropical rainforest they say have been cleared to grow the commodity. The European Union this year passed an act to phase out palm oil from renewable fuel by 2030 due to deforestation concerns. Malaysia and Indonesia together account for about 85% of the world's palm oil production. (*UCAP Bulletin*)

#### **MALAYSIA EXPECTS HIKE IN INDIA'S CRUDE PALM OIL IMPORT WITH INCREASE IN REFINED OIL DUTY**

Malaysia expects higher demand for crude palm oil from India as the country has increased the import tax on refined palm oil from Malaysia, Bernama reported on September 05. Mumbai-based Solvent Extractors Association in India said it was grateful to the government "for realizing the grave situation" of the domestic palm oil refining sector.

India, the world's biggest importer of vegetable oil, said in a government statement that it raised the tax on Malaysian refined palm oil from 45 percent to 50 percent for six months, until March 2, 2020, to curb imports and boost local refining. The country had imposed a 40 percent import tax on crude palm oil (CPO) and 50 percent on refined palm oil. However, under the Malaysia-India Comprehensive Economic Cooperation Agreement, since January this year shipments of refined palm oil from Malaysia had been taxed at 45 percent.

Malaysian Palm Oil Council Chief Executive Officer Datuk Kalyana Sundram said India had imported substantial quantities of Malaysia's refined palm oil in the last few months due to the lower tax. In the first half of 2019, imports jumped 727 percent from the same period a year before. (*UCAP Bulletin*)

#### **SIME DARBY OILS, ADVOC PARTNERSHIP TO MARKET SPECIALTY FATS IN MENA REGION**

Malaysia's Sime Darby Oils (SDO) and Abu Dhabi Vegetable Oil Company (ADVOC) have announced a partnership to market oils and fats products in the middle East North Africa (MENA) region. The companies are to operate in the region as a single sales and marketing team, focusing on basic and specialty fats (including bakery fats, shortening, industrial margarines, spreads fats, dairy replacers, confectionery fats and cocoa butter substitutes and replacers).

"The MENA region is a key growth market for SDO," said Mohd Haris Mohd Arshad, SDO's Managing Director. "Partnering with ADVOC enables us to establish an on-the-ground presence through enhanced local market knowledge and capabilities, and open up opportunities for sustainable products and supply chain."

UAE-based ADVOC supplies edible oils and fats in the MENA region with brands including Coroli, LiteLife and Sarola. It operates an edible oil refinery and fractionation plant in Abu Dhabi. SDO is a subsidiary of Sime Darby Plantation (SDP), one of the world's largest oil palm plantation companies with an oil palm planted area of more than 600,000 hectares. It represents the downstream operations of SDP. It manages 11 refineries with total capacity of 3.8 million MT per year. (*UCAP Bulletin*)

#### **MALAYSIA - INDONESIA TO FORM PARLIAMENTARY CAUCUS COMMITTEE ON PALM OIL**

A parliamentary caucus committee is expected to be formed between members of

parliament of Malaysia, Indonesia and the Asian region to discuss the importance of the palm oil industry, according to a Bernama report earlier this month. Primary Industries Deputy Minister Datuk Seri Shamsul Iskandar Mohd Akin said the establishment of the caucus would enable its members to participate in explaining their countries' palm oil policy to the European Union (EU).

The proposal has been forwarded to some Indonesian members of parliament which responded positively, he told reporters after a media conference on Culinaire Malaysia 2019, a showcase of culinary arts, food and beverage, to be held from September 24 to 27 at the Kuala Lumpur Convention Center (KLCC).

The event was made possible through the commitment from the Malaysian Association of Hotels and the Professional Culinary Association of Malaysia with the Malaysian Palm Oil Board. "As much as 32 per cent of the global resources for oils and fats comes from palm oil. Thus, if we remove the 30 per cent (palm oil resources) the world will be facing a major problem," he said. (*UCAP Bulletin*)

#### **CRUDE PALM OIL PRICES SET TO INCREASE BY YEAREND**

After a sharp decline over recent quarters, prices of crude palm oil (CPO) are set to rise sharply in the quarter ending December, a report from Mumbai said on September 27. This is due to a forecast of decline in production and expectation of a revival in biodiesel demand in Indonesia, one of the largest producers.

Experts at GlobOil 2019 held in Mumbai, India last month link the movement in CPO price to several other factors, such as weather patterns in India, B20 and B10 biodiesel mandates in Indonesia and Malaysia, respectively, the ongoing trade war between the United States and China, and soybean output in the Americas. GloOil India is an international conference and exhibition on vegetable oils, feed and feed

ingredients, oilseeds and oleochemicals. Experts forecast the price to hit MYR2,500 a ton or even higher by March 2020, around a fourth higher than now.

Experts like James Fry, Chairman of London-based LMC International predicts India's soybean production to decline at 9 million tons this year from 10.5 million tons last year. Dorab Mistry, Director of Godrej International, London, forecast much lower volume at 8 million tons citing late monsoon rain that damaged crops in floods across major growing regions. Thus, India's vegetable oil imports are expected to hit 16.6-16.7 million tons or even exceed it. (*UCAP Bulletin*)

#### **SPECIAL EXEMPTION ON CRUDE PKO AND RBD PKO EXPORT DUTIES FROM OCT 1**

The Malaysian government will enforce special exemptions on export duties for crude palm kernel oil (CPKO) and refined bleached deodorized palm kernel oil (RBDPKO) to further boost its export, said the Ministry of Primary Industries, reports the Bernama news, Kuala Lumpur on September 26.

The Ministry, in a statement, said the special exemptions that will take effect from October 1, 2019 to June 30, 2020, is also to help reduce CPKO stock in the domestic market, especially in Sabah and Sarawak. "These exemptions will act as catalysts in boosting exports of CPKO and RBDPKO through new companies and existing industry players, and will indirectly help increase the price of palm oil. In addition, the implementation is also seen as approach to encourage the palm oil industry players to produce high value-added downstream products," it said.

It said the Ministry, through the Malaysian Palm Oil Board, would monitor and regulate the monthly export volume of CPKO and RBDPKO to ensure sufficient supply for domestic use. The ministry said the special exemption could be revoked and

terminated with immediate effect. (*UCAP Bulletin*)

### **MALAYSIA MULLS BANNING “ANTI-PALM OIL” PRODUCTS**

Malaysia is considering a law to remove products with anti-palm oil labels from market shelves as it looks to take action against any unfair treatment of its second largest commodity export, the Malaysian Reserve reported last month.

Primary Industries Minister Tereza Kok said a proposal to ban products with anti-palm oil labels was being prepared by the Ministry of Domestic Trade and Consumer Affairs (KPDNHEP). It will be under one of KPDNHEP's regulations. The country's biggest supermarkets, Mydin, had already pledged to ban such products from its shelves. Kok supported Mydin's decision and urged other supermarket chains in the country to follow.

Palm oil is found in many consumer products such as chocolate bars, personal care products and cosmetics and is also a biodiesel feedstock. Its use has attracted controversy due to deforestation and environmental concerns. (*UCAP Bulletin*)

### **MALAYSIAN OIL PALM FIRMS STOPPED OPEN BURNING PRACTICE DECADES AGO**

Malaysian oil palm companies, especially members of the Roundtable on Sustainable Palm Oil (RSPO), had stopped practicing open burning in their plantations since 1985 or more than three decades ago, way before the establishment of RSPO in 2004, said Malaysian Palm Oil Association (MPOA) Chief Executive Datuk Nageeb Wahab.

Nageeb said companies like Kuala Lumpur Kepong Bhd (KLK), Sime Darby Plantation Bhd (SDP) and Genting Plantations Bhd had replaced the open burning with another method that involved chipping of oil palm trees. Instead of burning, the firms chipped the trees and spread it out so it becomes biomass

(fertilizer). He was responding to a statement that Indonesia has identified six Malaysian-linked companies operating estates in the republic from 56 firms that are responsible for the open burning that causes the haze phenomenon regionally.

The six companies are PT Ichthiar Gusti Pudi, (linked to Ahmad Zaki Resources Bhd), PT Menteng Jaya Sawit Perdana and PT Adei Plantation and Industries (linked to KLK), PT Sime Indo Agro (a company linked to SDP), PT Rafi Kamajaya Abadi (linked to TDM Bhd), and PT Kebun Ganda Prima, which is linked to Silver Investments Ltd of Malaysia. Malaysian oil palm companies had refuted the allegation leveled against them with some saying the recent fire incident happened outside their operations. Nageeb has urged both Malaysia and Indonesia to work together instead to overcome the issue and put a stop to the ongoing negative perception about palm oil in the European Union. (*UCAP Bulletin*)

### **MPOB TO PENALIZE OIL PALM ESTATES ABOVE 40.5 HECTARES WITHOUT MPSO CERTIFICATION**

Still from Malaysia, a Bernama report on October 4 said oil palm estates of more than 40.47 hectares and palm oil mills that fail to obtain the Malaysian Sustainable Palm Oil (MSPO) certification or begin the process of the certification on Jan. 1, 2020, will be fined and penalized as it is construed as an offence under the Malaysian Palm Oil Board (Licensing) 2005 regulation number 15.

In a statement, the Malaysian Palm Oil Board (MPOB) said failure to comply with the regulation will enable MPOB to penalize, suspend, cancel or not renew licenses under the provision of the regulation. The MSPO certification will be mandatory from Jan. 1, 2020, in line with the government's announcement on Feb. 24, 2017. The mandatory implementation aims to enhance the image of the country's palm oil in terms of sustainability while

fulfilling the demand for certified palm oil in global markets beginning in 2020.

Up to Aug. 31, 2019, 2.96 million hectares or 50.6 percent of the total 5.85 million hectares of oil palm plantations including smallholders have been certified. Meanwhile, 288 palm oil mills or 64.29 percent of the total 448 mills have been certified. All smallholders, estates and palm oil mills that have not obtained the MSPO certification or begun the process of certification are urged to get the certification right away. (*UCAP Bulletin*)

#### **PAY ATTENTION TO CRITICISMS ON PALM OIL INDUSTRY-JOMO**

The oil palm plantation industry should pay attention to criticisms levelled against it including serious allegations about land grabbing, environmental destruction and labour abuse, said economist Professor Dr. Jomo Kwame Sundaram.

The economist and former Council of Eminent Person member said the government, its agencies and industry players need to focus on the challenges facing the industry.

"There is a lot of negative propaganda against it, but you know, it took the Philippines more than 50 years to fight (for coconut oil) and now everybody wants to have extra virgin coconut oil," he told reporters at *Khazanah Megatrends Forum 2019* here today.

Sharing his past experience as a student, Jomo said he once had to sell coconut oil as a shampoo.

"So these things are not going to change overnight, the propaganda against it and of course they will continue on that effort (to criticise), but now there are many other criticisms (about land grabbing, environmental destruction and labour abuse).

"We cannot just put our head under the sand and pretend these are not criticisms. Most are negative propaganda,

but insofar some have some truth and we have to do something about it," he stressed.

He gave an example of land grabbing issue affecting Orang Asli in Kelantan, noting that similar incidents are also happening in other places including in Sarawak and on a bigger scale.

The Senior Research Advisor of Khazanah Research Institute also said that there is a big revolution in the palm oil-producing country like Indonesia, which has developed dwarf trees, that could produce higher yield even when standing at about one foot high.

"So what would that mean? In Malaysia, right now the oil palm tree is cut down after 25 years but the natural life of that tree is about 90 years.

"So what would that mean? We are falling behind on many things, and as far as the crude palm oil is concerned, Malaysian palm oil is in less and less of the market now... Colombia is producing, West African countries are producing". (<https://www.theedgemarkets.com>)

#### **THAILAND SETS GUARANTEED PRICES FOR PALM OIL**

Thailand's cabinet has approved a US\$1.1 billion budget to set guaranteed prices for palm oil and rice. Of the total, USD438 million was for the 300,000 palm oil planters registered with the Agriculture and Cooperatives Ministry, the Nation Thailand reported on 27 August.

The oil price guarantee was US\$0.13 of product containing 18% of oil per kg. It was based on the market average of US\$0.10 plus US\$0.01 for transportation costs, allowing a US\$0.03 price spread. Registered farmers producing palm oil on 4 hectares or less were eligible. A subcommittee would calculate the difference between the guaranteed price and the market value every 15 days, according to Thailand Business News. (*UCAP Bulletin*)

## PALM OIL FREE CERTIFICATE APPROVED IN 3 MORE COUNTRIES

Belgium, Luxembourg and the Netherlands are the latest countries to adopt the International Palm Oil Free Certification Trademark (POFCAP), bringing the number of countries using the label to 20, reports FoodNavigator on August 28. The addition of Benelux, as the neighboring nations are known, expands the efficacy of the certification worldwide, the organization said. A few island territories have also accepted the label's use. POFCAP launched the certification program in Australia on August 19, 2017, which is commemorated as International Orangutan Day by Orangutan Outreach, a nonprofit focused on the endangered animal and its rainforest habitat.

The US and nine European countries, including the UK, have approved the certification in the past two years. Outside the creator's home country, only Singapore and India have given it the go-ahead elsewhere. To date, POFCAP has certified more than 1,000 products from vegetable oils to snacks, skincare products to vitamins as palm oil free. The certifier claims 80% of palm oil is sourced 'unsustainability.' By clearly marking products made without palm oil, it adds, consumers can easily avoid the ingredient for ethical reasons and for allergen or dietary ones. POFCAP also says it shares 100% of its profits with 'partner NGOs' focused on protecting rainforests. (*UCAP Bulletin*)

## US-CHINA TRADE WAR CREATES WINDFALL FOR RIVALS OF US SOY IN CHINA

The giant blow dealt to U.S. farmers by China's retaliatory tariffs on American soybeans is shaping up to be the biggest windfall yet for palm oil producers half a world away, reports Bloomberg News. China is likely to import a record 6.7 million tons of palm oil in the year from October, according to the China National Grain and Oils Information Center. That's because rival soybean oil prices are surging as

supplies of beans, used to produce animal feed, shrink due to the trade war and African swine fever.

Lower demand for soybean meal, used in livestock feed, means fewer beans are crushed and less oil produced. The spread between prices of soybean oil and palm oil, which is mostly produced in Asia, has soared as soyoil hovers near the highest in two years. Meanwhile, China's soybean imports fell 11% in the first seven months of this year compared to last year.

China's palm oil consumption rose more than 20% in the first seven months of 2019 due to its price advantage, according to the Center. Imports in the current year are estimated at 6.5 million tons, already up from 5.3 million tons a year earlier, the Center said. Indonesia, the world's biggest producer of the oil, saw June exports to China jump more than 30% from a year earlier to 435,540 tons. (*UCAP Bulletin*)

## DID YOU KNOW?

### THE TRUTH ABOUT COCONUT WATER

Low in calories, naturally free of fat and cholesterol, more potassium than four bananas, and super hydrating -- these are just a few of the many benefits ascribed to America's latest health craze: coconut water.

Dubbed "Mother Nature's sports drink" by marketers, the demand is skyrocketing, propelled by celebrity and athlete endorsements and promises to hydrate the body and help with a whole host of conditions, from hangovers to cancer and kidney stones.

But is coconut water capable of delivering on all the promises, or is all of this hype?

#### What Is Coconut Water?

Naturally refreshing, coconut water has a sweet, nutty taste. It contains easily digested carbohydrates in the form of sugar

and electrolytes. Not to be confused with high-fat coconut milk or oil, coconut water is a clear liquid in the fruit's center that is tapped from young, green coconuts.

It has fewer calories, less sodium, and more potassium than a sports drink. Ounce per ounce, most unflavored coconut water contains 5.45 calories, 1.3 grams of sugar, 61 milligrams of potassium, and 5.45 milligrams of sodium. In comparison, Gatorade has 6.25 calories, 1.75 grams of sugar, 3.75 milligrams of potassium, and 13.75 milligrams of sodium.

### **Better Than Some Sugary Drinks**

Coconut water has less sugar than many sports drinks and much less sugar than sodas and some fruit juices. Plain coconut water could be a better choice for adults and kids looking for a beverage that is less sweet. But don't overdo it, says Lilian Cheung, DSc, of Harvard School of Public Health. "One 11-ounce container has 60 calories, and if you drink several in one day, the calories can add up quickly," she says.

Cheung, a registered dietitian and co-author of *Savor: Mindful Eating, Mindful Life*, suggests being mindful about beverage choices and reading labels to choose plain coconut water and avoid those with added sugar or juices, which are no different from other sugary beverages.

### **Some Athletes Swear By It**

Professional tennis player John Isner credits coconut water with keeping him on his feet for his epic 11-hour marathon Wimbledon tennis win. "It is super hydrating and has kept me going in long matches and prevented me from cramping even in the hottest and most humid conditions," he says.

He drinks a mixture of coconut water and water the night before a match in difficult heat conditions; he routinely mixes a cocktail of coconut water and sea salt for on-court hydration; and he mixes it with protein powder for post-match recovery.

Coconut water may be better at replacing lost fluids than a sports drink or water -- as long as you enjoy the taste. A study recently published in *Medicine & Science in Sports & Exercise* shows that coconut water replenishes body fluids as well as a sports drink and better than water, but athletes preferred the taste of sports drinks.

Sports nutritionist Nancy Clark, author of *Nancy Clark's Sports Nutrition Guidebook*, says coconut water won't rehydrate the body unless you can drink plenty of it. If you enjoy the taste and can tolerate large amounts, it could help keep you hydrated.

A 2007 study shows coconut water enhanced with sodium was as good as drinking a commercial sports drink for post-exercise rehydration with better fluid tolerance. Another study reported that coconut water caused less nausea, fullness, and stomach upset and was easier to consume in large amounts during rehydration.

### **What Experts Say**

Staying hydrated is one of the most important things for recreational and professional athletes. And if the taste of coconut water helps you drink plenty of fluids, it is a fine choice for most people but may not be for those in prolonged physical activity.

Coconut water is low in carbohydrates and sodium and rich in potassium, which is not exactly what athletes need when exercising rigorously, says Clark.

"Whether you choose a sports drink, coconut water, or plain water, they all work to keep your body hydrated. The challenge is when you exercise strenuously for more than 3 hours in the heat and lose lots of body fluids, you need easily absorbed carbs for quick energy and to replace lost electrolytes like sodium and potassium," she says.

Neither coconut water nor sports drinks contain enough sodium or carbs for the heavy perspirer. "Supplement with a quick source of energy like a banana or some raisins and a handful of pretzels to provide nutrients to replenish your stores," Clark says.

Recovery starts before exercise begins. "Most people don't need to worry about calories, potassium, or sodium. Eat a bagel with peanut butter to get food into your system before and drink plenty of water during exercise," Clark says. If you exercise for prolonged periods, she suggests eating salty pretzels and raisins or other portable sources of energy.

[\(<https://www.webmd.com>\)](https://www.webmd.com)

## COCONUT RECIPE

### ***Giant Samoa Cookie***

When you can't get enough of your favorite Girl Scout Cookie, make your own humongous version.

#### *Ingredients:*

- Shortbread Cookie Base:
- 2 cups all-purpose flour
- $\frac{3}{4}$  teaspoon salt
- 1 cup unsalted butter, room temperature
- $\frac{1}{2}$  cup confectioner's sugar
- 1 teaspoon vanilla extract
- 3 cups shredded coconut, sweetened
- 1 1/3 cup chocolate chips, melted
- 425 grams soft caramels
- 3 tablespoons milk
- $\frac{1}{4}$  teaspoon salt

#### *Instructions:*

1. Make the cookie base
2. Combine the flour and salt in a bowl. In a separate bowl, beat the butter

with an electric mixer until pale and fluffy. Add the sugar and beat until combined. Add the vanilla. Add the flour mixture and mix until just combined.

3. Shape the dough into a ball and wrap in plastic wrap. Refrigerate until firm, about 1 hour.
4. Roll the dough out on a floured surface to  $\frac{1}{4}$  inch-thick. Use a bowl or plate to cut it into a large circle (make sure it will fit on your baking sheet!). Transfer the circle to a sheet of parchment paper, then place on a baking sheet. Slice a smaller circle out of the center to create a ring. Prick the surface with a fork, then bake at 325F for 20 minutes, or until the edges are just starting to brown. Cool completely on the baking sheet.
5. Evenly sprinkle the shredded coconut onto a baking sheet lined with parchment paper. Bake at 350F for 10 minutes, until the coconut is toasted. Set aside.
6. Spread about half of the melted chocolate onto the underside of the shortbread cookie, completely covering the base. Transfer the cookie to the freezer or fridge for the chocolate to set, while you make the topping.
7. Place the soft caramels, milk and salt in a pot and set to medium heat. Stir constantly until the caramel has completely melted. Pour the caramel into a bowl with the toasted coconut, reserving about 1/3 cup of caramel. Mix the coconut and caramel mixture together.
8. Spread the remaining caramel onto the non-chocolate side of the shortbread cookie. Generously spoon the coconut caramel mixture on top. Drizzle the remaining melted chocolate on top of the coconut. Enjoy! (<https://www.tastemade.com>)

## STATISTICS

**Table 1. Indonesia's Monthly Exports of Desiccated Coconut, 2017 - 2019**

Month	2017		2018		2019	
	Volume (MT)	Value (FOB) US\$'000	Volume (MT)	Value (FOB) US\$'000	Volume (MT)	Value (FOB) US\$'000
January	5,872	9,170	8,453	16,165	8,126	8,922
February	7,595	12,327	8,464	16,408	7,911	8,707
March	7,494	12,807	9,517	18,292	9,585	10,110
April	6,583	11,432	9,890	17,543	8,012	8,517
May	8,270	14,542	9,014	14,971	8,101	8,743
June	6,837	11,994	6,471	9,974	4,429	4,957
July	7,139	13,524	10,321	15,637	7,836	8,823
August	10,854	20,647	10,706	15,496	8,526	9,542
September	8,544	16,375	9,230	12,670		
October	9,350	18,180	10,775	13,640		
November	10,749	20,944	8,680	10,671		
December	8,751	17,031	7,658	9,076		
<b>Total</b>	<b>98,038</b>	<b>178,973</b>	<b>109,179</b>	<b>170,542</b>	<b>62,525</b>	<b>68,322</b>

Source: BPS-Statistics Indonesia

**Table 2. Philippines' Monthly Exports of Desiccated Coconut (in MT), 2016 - 2019**

Month	2016	2017	2018	2019
January	4,849	6,107	8,307	7,320
February	4,079	8,675	6,251	10,688
March	4,897	7,628	5,249	12,473
April	4,554	5,560	7,671	9,768
May	4,387	9,029	8,285	8,317
June	6,234	8,023	11,077	13,165
July	12,636	12,844	13,871	
August	8,268	13,858	16,314	
September	15,384	12,907	14,359	
October	7,964	16,187	14,057	
November	7,939	7,743	11,242	
December	10,029	6,444	11,209	
<b>Total</b>	<b>91,220</b>	<b>115,005</b>	<b>127,892</b>	<b>61,731</b>

Source: Philippines Statistics Authority

**Table 3. Sri Lanka's Monthly Exports of Desiccated Coconut (MT), 2017 - 2019**

Month	2017		2018		2019	
	Volume (MT)	Value (FOB) US\$'000	Volume (MT)	Value (FOB) US\$'000	Volume (MT)	Value (FOB) US\$'000
January	2,941	7,069	928	3,387	3,562	6,529
February	2,655	7,271	1,122	3,899	3,590	6,447
March	3,515	9,724	1,830	6,614	4,957	9,455
April	2,039	5,855	1,482	4,863	3,592	6,809
May	2,413	7,048	1,594	5,328	4,656	8,639
June	2,401	7,127	2,163	7,034	3,947	7,069
July	2,521	7,636	2,216	6,710	4,458	7,573
August	2,619	8,547	3,009	7,909	5,395	8,247
September	2,907	9,691	2,359	5,557		
October	2,468	8,733	2,709	6,234		
November	1,953	6,825	2,876	5,630		
December	986	3,279	3,268	6,533		
<b>Total</b>	<b>29,418</b>	<b>88,804</b>	<b>25,556</b>	<b>69,700</b>	<b>34,157</b>	<b>60,770</b>

Source: Coconut Development Authority, Sri Lanka

**Table 4. Export Volume of Desiccated Coconut by Country of Origin, 2019 (MT)**

Month	Malaysia	Thailand	India	Brazil
January	997	80	143	2
February	860	151	114	27
March	1,050	166	143	95
April	1,161	203	216	8
May	939	46	125	8
June	760	101	222	6
July		101	115	4
August		63	117	1
September				
October				
November				
December				
<b>Total</b>	<b>5,767</b>	<b>911</b>	<b>1,195</b>	<b>151</b>

Source: ITC, Thai Customs and Department of Commerce of India