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## EXECUTIVE DIRECTOR SPEAKS .....

### ***"Effective Collaboration amongst Coconut Stakeholders is Essential for Sustainability of Coconut Industry"***



***It is encouraging to learn of a good number of countries recently consulting with local stakeholder communities as well as engaging external expertise to review or develop and document respective Coconut Value Chains. There is an important factor to be understood prior to embarking on such a study, especially if external consultants are from a non-coconut growing country, is that the *Cocos nucifera* would have to be amongst very few plant species on Earth with which all parts of the palm tree is utilized for edible and non-edible purposes from the leaves to the roots. It would therefore be pertinent upon those undertaking such exercises to map out the micro situations with regards to the production and supply value chain relating to the utilization of each part of the palm. It is an important task undertaken that would assist stakeholders in public sector, industry and farmers.***

Conferences around the Coconut world were conducted in Kerala, India, Vietnam, Samoa, Vanuatu, Sri Lanka, Indonesia, Kenya, Nigeria, the Caribbean, Mexico, Guyana and others along similar theme of increasing viability in the industry and improving social economic lives of the rural population that grow Coconuts. The discussions, seminars and exhibits conducted informed well the stakeholders and displayed the level of value adding currently undertaken by the industry that is revolutionary. This is all positive outcome needed to assure sustainability of the global Coconut sector.

The present challenges facing the industry would require collaboration amongst countries, institutions and individual experts to be able to expedite the desired resolve under plant protection, pest and disease management, productivity improvement, value addition, downstream processing, product development and marketing. There would not be much competition in terms of markets and trade portfolios therefore the freedom to cooperate in areas of mutuality towards the growth and sustainable development of the industry.

Training of specialized officers to work in developing the Coconut industry has become an important direction taken by the global community to be conducted by a credible international institution. The 2<sup>nd</sup> batch of 22 trainees successfully completed *the International Certificate Course for Coconut Development Officers* conducted for ICC by the Coconut Research Institute of Sri Lanka that included participants from Indonesia, Thailand, PNG, Samoa, Vanuatu, Fiji, Tonga, Kiribati, Cook Island, Tuvalu, FSM, Kenya and South Africa. Pacific participants were jointly supported by SPC and ICC whilst others were funded by respective Governments and private sector sponsors.

The developing agenda for Coco Diesel as part of bio fuel initiative is presently undertaken in many countries including the Philippines, Indonesia, India, Brazil and the Pacific countries with increasing importance as a contributing factor toward the 'green' initiatives undertaken given much less carbon emission by use of coconut oil.

The prohibition of palm oil exports exercised by the EU clamp down is insisting on more intensive and high-level trade negotiations undertaken by especially by Indonesia and Malaysia since it is a very high income earner in both countries. Asian importing countries such as India and Philippines with high consumption continue to trade despite the price and other restrictions.

Trade facilitation for markets of the emerging high value Coconut products is presently by sellers and buyers however needing intervention by the respective Government instruments responsible for international trade to address accessibility with relief for the relevant taxes and tariffs. Certain products in the edible and non-edible category appear to sell well at good prices. Market outlook for liquid products such as Coconut Water and Coconut Milk continue to perform well. Consumption of healthy products of coconut is promoted by the Community.



URON N. SALUM  
Executive Director, ICC

## PREVAILING MARKET PRICES OF SELECTED COCONUT PRODUCTS AND OILS

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

**COPRA:** The price of copra in Indonesia was US\$413/MT in October 2019, which was lower than last month's price of US\$415/MT. When compared to last year's data for the same month the price was US\$10/MT lower.

In the domestic market of the Philippines (Manila), the price decreased by US\$20/MT compared to the price in September 2019, and about US\$100/MT lower compared to the price of US\$495/MT in October 2018.

**COCONUT OIL:** The average price of coconut oil in Europe (C.I.F. Rotterdam) for the month of October 2019 decreased by US\$2/MT to US\$715/MT from US\$717/MT in September 2019. This price was lower by 15% when compared to the price of October 2018 accounting for US\$840/MT.

The average local price of coconut oil in the Philippines in October 2019 was US\$642/MT. This was US\$4/MT lower than the price in September 2019, and it was US\$171/MT lower if compared to the last year price for the same month which was US\$813/MT.

The average domestic price of coconut oil in Indonesia in October 2019 decreased by US\$3/MT compared to the previous month from US\$647/MT to US\$644/MT. October 2019 price was US\$165/MT lower than the price of the same month of 2018 which was US\$809/MT.

**COPRA MEAL:** The average domestic price of the commodity in the Philippines at selling points was quoted at US\$204/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 increased by US\$14/MT compared to previous month's price at US\$205/MT and was lower than last year price of US\$282/MT for the same month.

**DESICCATED COCONUT:** The average price of desiccated coconut (DC) FOB USA in October 2019 was US\$1,698/MT. This price was US\$70/MT higher than the previous month's price and US\$566/MT lower than the price of the same month last year. In Sri Lanka, the domestic price of desiccated coconut in October 2019 was US\$1,785/MT or US\$114 higher than the price in September 2019. Meanwhile, the price of DC in the domestic market in the Philippines was US\$1,034/MT, which was US\$122/MT higher than the previous month's price and US\$363/MT lower than the price in the same month last year. Indonesian price in October 2019 was US\$1,425/MT, increased by US\$140/MT compared to the last month's, and lowered by US\$125/MT from last year's price.

**COCONUT SHELL CHARCOAL:** In Sri Lanka, the average price of the commodity in October 2019 was US\$386/MT which slightly lower than previous month's price at US\$387/MT. The average price of charcoal in Indonesia for October 2019 was US\$438/MT, which was US\$14/MT higher 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\$523/MT-US\$883/MT for bristle. The Indonesian price for mixed raw fiber was US\$304/MT in October 2019 which slightly higher than last month's price.

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

Products/Country	2019 Oct.	2019 Sep.	2018 Oct.	2019 (Annual Ave.)
<b>Dehusked Coconut</b>				
Philippines (Domestic)	110	97	124	110
Indonesia (Domestic, Industry Use)	125	124	118	132
Sri Lanka (Domestic, Industry Use)	154	123	192	147
India (Domestic Kerala)	539	550	498	523
<b>Copra</b>				
Philippines (Dom. Manila)	395	415	495	417
Indonesia (Dom. Java)	413	415	403	404
Sri Lanka (Dom. Colombo)	804	770	1,064	908
India (Dom. Kochi)	1,447	1,506	1,313	1,463
<b>Coconut Oil</b>				
Philippines/Indonesia (CIF Rott.)	715	717	840	694
Philippines (Domestic)	642	646	813	662
Indonesia (Domestic)	644	647	809	665
Sri Lanka (Domestic)	1,568	2,197	1,957	1,775
India (Domestic, Kerala)	2,297	2,375	2,092	2,323
<b>Desiccated Coconut</b>				
Philippines FOB (US), Seller	1,698	1,628	2,264	1,717
Philippines (Domestic)	1,034	912	1,397	923
Sri Lanka (Domestic)	1,785	1,671	1,809	1,753
Indonesia (FOB)	1,425	1,285	1,550	1,324
India (Domestic)	1,785	1,830	1,618	1,892
<b>Copra Meal Exp. Pel.</b>				
Philippines (Domestic)	204	205	189	207
Sri Lanka (Domestic)	219	205	282	225
Indonesia (Domestic)	203	203	191	205
<b>Coconut Shell Charcoal</b>				
Philippines (Domestic), Buyer	311	298	362	315
Sri Lanka (Domestic)	386	387	491	397
Indonesia (Domestic Java), Buyer	438	424	526	448
India (Domestic)	408	403	588	403
<b>Coir Fibre</b>				
Sri Lanka (Mattress/Short Fibre)	144	144	248	180
Sri Lanka (Bristle 1 tie)	523	525	704	601
Sri Lanka (Bristle 2 tie)	883	884	1,056	979
Indonesia (Mixed Raw Fibre)	304	301	325	302
<b>Other Oil</b>				
Palm Kernel Oil Mal/Indo (CIF Rott.)	594	613	800	625
Palm Oil Crude, Mal/Indo (CIF Rott.)	591	580	499	577
Soybean Oil (Europe FOB Ex Mill)	771	779	681	758

**Exchange Rate: October 31, 2019**

1US\$= P 50.78 or Indo=Rp14,043 or India=Rs71.03 or SL=Rs181.17  
 Euro=US\$1.12 n.q. = no quote

## MARKET REVIEW OF COIR

Currently global trade of coir fibre and its value added products such as yarn, matting, rugs and carpet as well as geo textile is estimated worth more than one billion US dollar with India, Sri Lanka and Indonesia as main players in global market. Approximately more than 85% of the total exports are sent from these countries. The rest are shared by Thailand, Philippines and Malaysia. The strength of India in its domestic demand was well combined with the growth of its export. Indian export of coir products was only around 200 thousand MT in 2008/09 and increased exponentially to almost 1 million MT in 2018 with growth average of more than 17.7% per annum. Meanwhile in 2018, Sri Lanka's export increased by 73% in value in the period of January to December. The export was dominated by finished products such as fibre pith, moulded coir products and coir broom and brushes which contributed more than 82% of the total export. India and Sri Lanka emphasize more on value added products. Meanwhile, Indonesia mainly sent raw fibre to global market.

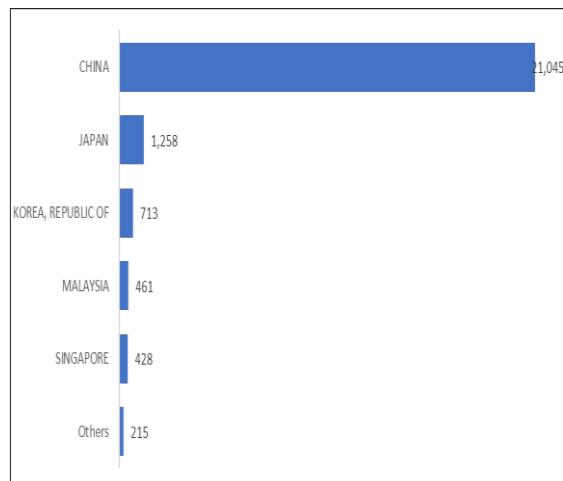
Coir industry, in general, keeps showing a positive growth in global market especially for value added products. Exports of coir products from India continue to grow as the global market for coir and coir products is improving. The latest data from Department of Commerce of India show that in the period of January-September 2019, a total quantity of 783,969 tons of coir and coir products were shipped from India

globally. The export valued of more than USD300 million. Such export revenue increased by 17% from the previous year for the same period. The revenue might still be improving due to a growing demand from importing countries, such as China and USA for coir and coir products from India.

There were at least 14 coir product categories sent to the world market. These include semi finished products such as coir yarns, loom mats and mattings, and rubberized coir to finished products like geo-textiles, coir rugs and carpets. Exports of coir products from India were still dominated by coir pith and coir fibre. The two coir products constituted for more than 90% of the total export volume of coir products. The two coir products increased by 14% and 19% respectively in the period of January-September 2019 compared to the same period last year. Main export destinations of coir products from India were China, USA, Netherland, South Korea, UK, Spain and Australia.

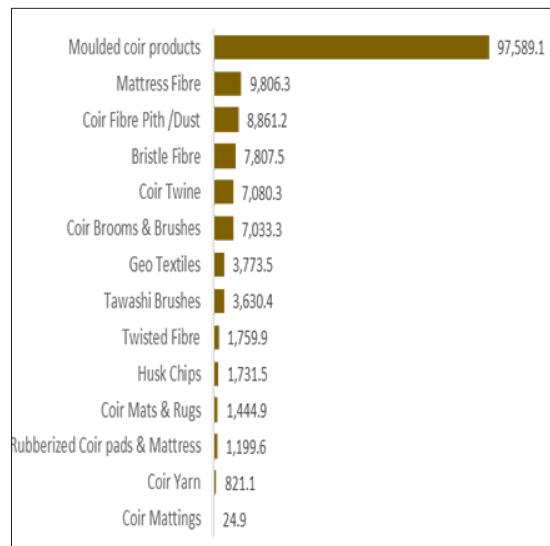
Market for Indonesian coir products is still dominated by China. During the period of January-August 2019, 87% of Indonesian coir products shipped to China. The product was still mainly raw coir fibre in bales. In the period, total export of coir product from Indonesia was 24,121 MT which was equivalent to US\$9.2 million. Other destinations for coir fibre from Indonesia were Japan, Singapore, South Korea and Malaysia.

**Export destination of Coir Products from Indonesia,  
January - August 2019 (MT)**



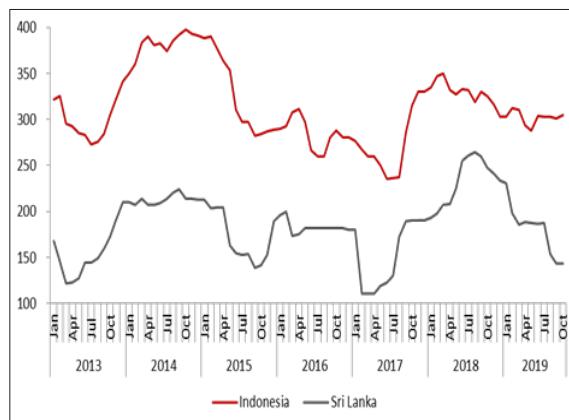
During January-September 2019, export value of coir products from Sri Lanka was US\$152.5 million which increased by 20% compared to the same period in 2018. Moulded coir products used for horticulture gave the highest contribution to the export revenue. Its export value reached US\$ 98.9 million accounting for 21% of the total export revenue of coconut products. Mexico was a major importer of Sri Lanka's moulded coir products used in horticulture. In the period of January - September 2019, Mexico imported 36,090 tons or 22% of the Sri Lanka's total export of moulded coir products used in horticulture at 109,478 tons. Other major markets of Sri Lankan moulded coir products used in horticulture included Japan, South Korea, USA, France, Canada, UK, Iran, China and Spain. They imported coco pith ranging from 25,192 tons to 6,056 tons during the period. Compared to the previous year, export volume of moulded coir products demonstrated a dramatic growth of 239%. Other coir product that showed a significant growth was mattress fibre. Export volume of the fibre jumped by 71% from 22,885 tons in January-September 2018 to 39,153 tons in the period of January-September 2019.

**Export Value of Coir Products from Sri Lanka,  
January - September 2019 (USD '000)**



Price of coir showed an easing trend in the third quarter of 2019. Price of coir fibre in Sri Lanka was US\$143/MT in September 2019 or dropped by 38% compared to January 2019 price. In Indonesia, price of coir fibre was US\$313/MT in February 2019 and lessened to US\$301/MT in September 2019. The declining trend was perceived since the second half of 2018. In Sri Lanka, after reaching highest price in August 2018 at US\$265/MT, the price started to go down reaching US\$233/MT in December 2018. In Indonesia, price of coir fibre started to decline since March 2018 and keep decreasing until third quarter of 2019.

**Average Monthly Price of Coir Fibre  
January 2013 – October 2019 (US\$/MT)**



## COMMUNITY NEWS

### THE SECOND INTERNATIONAL TRAINING COURSE FOR COCONUT DEVELOPMENT OFFICERS FROM 9<sup>TH</sup> SEPTEMBER 2019 TO 8<sup>TH</sup> NOVEMBER 2019 AT CRI SRI LANKA

The second International Training Course for the Coconut Development Officers was successfully concluded on 8<sup>th</sup> November at the auditorium of Coconut Research Institute Sri Lanka with 21 participants from 14 countries which includes Fiji, FSM, Indonesia (3), PNG (4), Kenya, Kiribati (2), Samoa, Solomon Islands (2), Thailand, Tonga, Tuvalu, South Africa, Cook Islands and Vanuatu. The training program started on 9<sup>th</sup> September 2019 at Coconut Research Institute Sri Lanka. The training course was inaugurated by Mr. J.A. Ranjit, Secretary, Ministry of Plantation Industries, Colombo, Sri Lanka. Mr. Asoka Padeniya, Chairman, CRI, Dr. Sanathanie Ranasinghe, Director, CRI, Dr. Lalith Perera, Course Director, Dr. Kasun Meegahakumbura, Course Coordinator and other Heads of the Department of CRI attended the inaugural program.

The 60 day training course covered with 149 hours of Theory (34 days) and 24 days Practical classes which included farm visit and, practical demonstration and farm training. The training course started with the main objective to train Coconut Development Officers in all aspects of Coconut Development including: Trends and status of global coconut industry; Increasing coconut yield and productivity; Reduce field losses through Integrated Pest and Disease Management; Optimizing net income; Post harvest techniques; Climate smart coconut cultivation, climate hazard mitigation and yield prediction; Organic coconut cultivation and production; Fair Market Price; Gender involvement in coconut development; and Plantation management and development.

The concluding function held on 8<sup>th</sup> November with graduation ceremony and evaluation of the trainees. The Evaluation process witnessed by Mr. Uron N. Salum, Executive Director, ICC, Mr. Ban Tara, Director, Human Resource and Administration, KIK, PNG, Ms. Mridula K. Assistant Director, ICC, Dr. Sanathanie Ranasinghe, Director, CRI, Dr. Lalith Perera, Course Director, Dr. Kasun Meegahakumbura, Course Coordinator and other Heads of the Department of CRI. All the trainees did a presentation of what they learn from the course, their future action plan after going back to their respective countries and suggested recommendations for the course. The trainees expressed that the course was very informative and practical oriented which is going to improve their skill and knowledge in the coconut sector and to improve the working level back to country.

Mr. Salum, ICC Executive Director in his address appreciated the efforts of CRI for successfully conducting the course and assured the full support of ICC in coming years too for conducting the course.

CRI Chairman, expressed happiness over the hard work of the CRI Research team and congratulated all the trainees for successfully completing the course. He assured the trainees the full support and assistance and requested them that whenever they want any guidance CRI is always there to help them. Mr. Ben Tara, Director, KIK appreciated the activities of ICC and CRI and informed that KIK would depute more of its officers in coming years for the training courses. Dr. Lalith Perera, Course Coordinator presented the report of the training course and expressed his gratefulness to all the trainees for being cooperative and supportive throughout the course. The graduation certificate to all the 21 trainees were presented by Mr. Uron N. Salum, ED, ICC. Ms. Surekha, Attanayake, Director, Ministry of Plantation Industries was also present during the graduation ceremony. In her message she assured all the support and assistance from the Ministry

for the successful conduct of the course in coming years. The program concluded with vote of thanks proposed by Dr. Sanathanie Ranasinghe, CRI Director.

### **TASTE THE DELICIOUS KOPYOR COCONUT AT THE COCONUT RESEARCH CENTER**

Muhammadiyah University Purwokerto (UMP), Central Java, Indonesia is determined to develop efficient researches for the community. One of them is *Kopyor* coconut developed at the coconut research center or the Coconut Research Center Science Techno Park Campus I of UMP.

The Coconut Research Center was inaugurated on 19 October 2019 by Chairperson of Muhammadiyah Central Leadership, Prof. Dr. Haedar Nashir, accompanied by Chairperson of Regional Leadership of the Central Java Muhammadiyah, H. Tafsir MAg and witnessed by the Chairmen of Muhammadiyah Regional Leadership throughout Central Java.

UMP Chancellor Dr. Anjar Nugroho revealed that, with the construction of this coconut research center, there will be many coconut varieties that will be developed. As we are aware that a variety of coconuts are grown and cultivated by the people of Indonesia. One of the most valuable types of coconut is *kopyor* coconut. This coconut is popular and is known for its deliciousness and characteristics not found in other types of coconuts and UMP has succeeded in massive breeding of *kopyor* coconuts.

"Here, we have completed the infrastructure including a dormitory building and a coconut garden used by the *Kopyor* coconut plantation, the research result of Mr. Sisunandar PhD, "he said. The various things developed by the UMP are parts of the efforts of the UMP leadership to make the UMP a superior university that is determined to contribute to the people of Indonesia.

"We have researchers and we have recognized research products. So, it's just a

matter of how we facilitate the researchers, so that the results of their research are also growing, "he explained.

Meanwhile, Chairperson of Muhammadiyah Central Leadership, Dr. H Haedar Nashir Msi. claimed to strongly support the steps of the UMP to establish Coconut Research Centre. He hoped that what was developed by the UMP and its researchers, could provide maximum benefits to the community. He also highly appreciated the hard work done by Sisunandar PhD, who had succeeded with his coconut research. "I am very appreciative of this *Kopyor* Coconut business, because this business is a form of progressive Muhammadiyah, and we need to develop business models like this," Haedar said. (<https://www.gatra.com>)

### **YOUNG COCONUT "BUKO" PIE NOW AVAILABLE AT JOLLIBEE STORES**

The country's biggest fast food chain, Jollibee, has just added a coconut pie in its desserts and snacks menu. Complete with chunky young coconut "buko" filling and delicious sweet custard enveloped in a crispy pie crust, *Buko Pie* is offered for only P30 (solo) and P83 (3 Piesto-Go) for dine-in, take-out, drive-thru, and delivery at all Jollibee stores in Metro Manila and Luzon. By October 28, it will become available nationwide with its introduction in Visayas and Mindanao. (*UCAP Bulletin*)

### **NEW COCO CREAM PRODUCT AVAILABLE LOCALLY**

Coco Mama Philippines has introduced "Coco Mama Fresh Gata," a solution to all coconut cream needs. Proudly made in the Philippines using the country's finest coconuts, every pack of Coco Mama Fresh Gata contains coconut cream made from freshly pressed coconuts. These coconuts are grated, pressed, and packed on the same day, ensuring freshness in every pack. It can be used in all recipes that require coconut cream.

Coco Mama Fresh Gata comes in two sizes 200ml (PHP29), which is equivalent to

one coconut, and 400ml (PHP60), which is equivalent to two coconuts. It is now available in supermarkets nationwide. A look at the company website shows the following contact detail: [cocomama@centurypacific.com.ph](mailto:cocomama@centurypacific.com.ph)

### **NESTLÉ TURNS OUTSHINE FRUIT BARS INTO COCONUT WATER**

After years of success with Outshine frozen fruit bars, Nestlé USA is crossing categories with its new coconut water beverages, Beverage Daily reported on October 10. It rounds out its c-store portfolio, all on display at the National Association of Convenience Stores (NACS) show in Atlanta earlier in October.

The Outshine brand boasts 12 varieties of frozen fruit bars, as well as yoghurt, fruit and cream, half dipped and kids bars. Now parent company Nestlé has developed a new coconut water-based line of Outshine beverages, expected to hit shelves in January 2020. Blueberry Lemon, Strawberry Watermelon and Tropical Fruits were formulated to have all the benefits of coconut water without the polarizing taste, according to Leo Aizpuru, general manager of RTD beverages at Nestlé USA.

Coconut water divides consumers on taste, and the representation of flavored options is still growing. Nestlé calls it a fruit enhanced, healthy refreshment that does not taste like coconut water. Each 16.9 oz bottle contains 50 calories, 0g of added sugar and no added sweetener. Aizpuru noted that it should appeal to health-conscious consumers because of its natural electrolytes, and that it is made only from fruit puree and coconut water. He said it was a natural progression for Nestlé to leverage its existing Outshine brand into coconut waters, rather than acquiring another brand or building one from scratch. (*UCAP Bulletin*)

### **FRUITAS IPO GETS PHILIPPINE STOCK EXCHANGE APPROVAL**

Local food and beverage kiosk company Fruitas Holdings, Inc. has gained

the approval of the Philippine Stock Exchange, Inc. (PSE) to conduct its initial public offering (IPO) next month. The firm plans to offer 533,660,000 shares with an over-allotment option of up to 68,340,000 shares, which will be priced at a maximum of P1.99 apiece. This would raise up to P1.2 billion in total for the company. The final terms and conditions of the offer including the actual number of shares it will sell and the offer price per share are yet to be finalized.

Fruitas will announce pricing details on November 14, while the offer period will be from November 18 to 22. The company will list its shares, with the ticker FRUIT, on the bourse on November 29. The company said it will be using the proceeds from its IPO to expand its store network and to fund further acquisitions, introduction of new concepts and debt repayment. Fruitas has 949 stores as of June 30 and owns more than 20 brands, including Fruitas Fresh From Babot's Farm, Buko Loco, Juice Avenue, Buko Ni Fruitas, Johnn Lemon and Black Pearl. Last year, Fruitas was able to record a consolidated revenue of P1.58 billion, up by 37% over prior year, due to robust sales from its stores nationwide. (*UCAP Bulletin*)

### **CARGILL REDUCES PLASTIC IN VEGETABLE OIL PACKAGING**

Global agribusiness company, Cargill, announced on October 02 it has reduced the amount of plastic it uses for its vegetable oil bottles and containers by nearly 1,200 tons globally. "These plastic reductions are removing nearly 2,900 tons of greenhouse gases (GHGs) per year from the atmosphere, which is equivalent to removing 616 cars from the road." The company has done plastic packaging reductions in the four geographic regions where it manufactured edible oils such as North America, Europe, Asia Pacific and South America.

In North America, Cargill had eliminated 421 tons of plastic usage due to investments in new bottling line technology; as well as retrofitting existing equipment

and improving processes at its crush and refinery facilities. Cargill now used 100% recyclable polyethylene terephthalate (PET) plastic for packaging in its three new bottling lines. In Europe, Cargill said it was working with all its customers to reduce the amount of plastic in their one litre bottles of vegetable oil, reducing plastic usage by 360 tons/year. The company was also working with a German consumer goods customer to incorporate 30% recycled PET in its one litre bottles of vegetable oil.

In Asia Pacific, Cargill said its Indian edible oil brands Gemini, Sweekar, and NatureFresh cut around 25% of the plastic used for select packages, eliminating 255 tons of plastic usage in packaging in 2018. In South America, Cargill's Brazilian soybean oil Liza had reduced the amount of plastic in its 900 ml vegetable oil bottle from 17.7 g to 16.7 g, eliminating 161 tons/year of plastic used in packaging. (*UCAP Bulletin*)

#### **PHL TO FOCUS ON SEAWEED, COCONUT EXPORTS IN ASEAN AGRICULTURE DEAL**

The Philippines signed a memorandum of understanding (MoU) with other members of the Association of Southeast Asian Nations (ASEAN), agreeing to focus on growing its exports of seaweed and coconut products to markets outside the region.

Signing for the Philippines was Agriculture Secretary William D. Dar.

In a statement, the Department of Agriculture (DA) said the MoU aims to promote a scheme that will enable products of member-states to "strategically position themselves on matters affecting trade in the international market and ensure that ASEAN products are being produced through sustainable means."

The MOU was signed on Oct. 15 in Brunei.

The agreement covers Philippine products like seaweed and seaweed-based

products; coconut oil, copra meal, desiccated coconut, Oleo chemicals, Virgin Coconut Oil, coir fiber, coconut milk and cream, activated carbon, coco shell charcoal, and coconut water.

According to the Philippine Statistics Authority (PSA), coconut products exported in the first eight months of the year were worth \$882.95 million, down 14.2% year-on-year. Exports of dried seaweed totaled \$11.19 million, up 118%. (<https://www.bworldonline.com>)

#### **AGEING TREES THREATEN SAMOA COCONUT EXPORTS**

A senior official in Samoa said the country's coconut export industry is under threat if a stringent replanting programme is not implemented.

The Agriculture Ministry's Assistant Chief Executive, Moafanua Tolo Iosefo, told the *Samoa Observer* about 80 percent of the country's trees are old and cannot hope to meet global demand.

He said there are major concerns that coconut production is declining, but a community-based replanting programme could help maintain exports.

Moafanua said the government hopes to replant up to 90 percent of coconut plantations in the next five years. (<https://www.rnz.co.nz>)

#### **MAHAWELI COCONUT PLANTATIONS TRIUMPHS**

Mahaweli Coconut Plantations PLC was the triumphant winner receiving the second place award for the Best Mahaweli Entrepreneur in the Agriculture Sector, large category at the inaugural Mahaweli Entrepreneurs Presidential Awards Ceremony 2019 which was held on a grand scale, under the patronage of President Maithripala Sirisena at the BMICH recently.

The company has planted coconut in 1350 acres in Aralaganvila in Polonnaruwa district in Mahaweli System B. Mahaweli

Coconut Plantations PLC is the first coconut plantation to be listed on the Colombo Stock Exchange. The growing of coconut commenced in 1999 and the company supplies coconut to local firms involved in producing coconut based products for export.

Commenting on receiving this award, MCPL Managing Director Felix Fernandopulle said: 'In Sri Lanka today coconut requirement per year amounts to 3900 million, while the annual crop as low as 2500 million. To meet this need, the Mahaweli Coconut Plantations is pursuing every effort. For a coconut plant to grow, the right amount of sun and water is vital. There is a salient need for coconut plantations to be nurtured beyond the Coconut Triangle in Sri Lanka. This is mainly due to vast coconut plantation areas being cleared for construction and housing purposes and individuals involved in coconut plantations moving away from the plantations. We understand the growing local and export demand for coconuts and it is our aim to undertake and ensure that we contribute towards supply of coconut to meet these requirements. We firmly believe that our hard work has been recognized and the award is testament to our dedication and efforts.'

In addition to coconut plantations, the company is also engaged in growing other produce such as ginger, cinnamon and betel in addition to providing employment to many individuals.

(<https://www.marketscreener.com>)

#### **OVER 80 TONS OF INDONESIAN COCONUT SEIZED**

The Department of Agriculture has seized over 80 tons of Indonesian coconut imported into Thailand in breach of terms and conditions under the law. The importer has been instructed to re-export it.

The Department of Agriculture inspected and seized three containers of 81-tons of Indonesian coconut. The imported coconut was found to have sprouts

shooting from inside the nut, breaching the terms and conditions for the importation of Indonesian coconut set by the department in 2011. The department's quarantine unit informed the importer of the finding so that the coconut can be disposed of by returning it to the country of origin.

Coconut is subjected to the Plant Quarantine Act of B.E. 1964, under which imported coconut is to undergo an inspection for plant diseases and insects. The Department of Agriculture is in charge of analyzing risks associated with imported plants or fruit, and keeping out pests which might come along with the cargo. Thailand currently imports peeled coconut from Malaysia, Vietnam, Indonesia and Myanmar. (<http://thainews.prd.go.th>)

#### **BEN TRE COCONUT FESTIVAL 2019 KICKS OFF**

The fifth Ben Tre Coconut Festival, themed "Coconuts on the Way to Integration and Sustainable Development", opened in the Mekong Delta city of Ben Tre on November 16 in the presence of National Assembly Chairwoman Nguyen Thi Kim Ngan.

Speaking at the opening ceremony, Vice Secretary of the provincial Party Committee and Chairman of the provincial People's Committee Cao Van Trong said it is the first time the festival has been held in concurrent with the great national unity festival in wards and communes.

Ben Tre is now home to over 72,000ha of coconut, accounting for half of the country's and 80 percent of the Mekong Delta's total areas. With over 800 million nuts each year, the province earns over 200 million USD from export and its coconut products are available in more than 50 countries and territories at present, he said.

In his speech, Permanent Deputy Prime Minister Truong Hoa Binh lauded Ben Tre as a "national coconut orchard" and the "capital of coconut" of the country.

According to him, coconut is a strategic industrial-agricultural item that makes important contributions to the local socio-economic development and the national target programme for new rural development.

Binh asked Ben Tre to effectively connect with Ho Chi Minh City and the southern key economic region, step up administrative reform, attract domestic, Asian and global investors with financial capacity to fuel rapid and breakthrough socio-economic development while seeking measures in response to climate change.

He requested more attention to scientific research to improve varieties, providing incentives to boost coconut growing and its products, promoting trade to increase export revenue by 10 folds in the next 5-10 years, and popularising Ben Tre's images to attract 2 million visitors next year, including 900,000 foreigners.

The festival will last till November 20 with various activities such as the southern coconut cuisine festival, an exhibition on coconut products and trade fair, a seminar on building, tapping and developing local special brands.

A highlight of the event will be the "ao ba ba" (traditional costume of southern people) festival, street arts, tours of ecological sites and coconut orchards, and a festival introducing food cooked from coconuts. (<https://vietnam.vnnet.vn>)

#### **BEVERAGE DAILY'S NEW PRODUCT LAUNCHES IN OCTOBER**

Every month, Beverage Daily takes a look at some products hitting the shelves around the world. The report for the month of October shows a few products utilising coconut such as Vita Coco CBD softdrinks, Harmless Harvest Protein & Coconut, and Vital Proteins Collagen Creamer. Vita Coco - The brand has launched a new line of CBD drinks in the UK in three flavors: cloved orange, apple ginger and lemon cardamom. With 20 mg of broad spectrum CBD per 330 ml can, it is the highest dose

of CBD extract currently available in the softdrinks market, according to the brand. The drinks are made with a coconut water base, sparkling water and natural flavorings: containing around 7kcal and 1g sugar per 100 ml. The new drinks will launch on November 21 at Holland & Barret and other retailers.

**Harmless Harvest Protein & Coconut**  
- Coconut water brand Harmless Harvest is dipping further into plant protein with its new plant-based snacks in the US. The Protein & Coconut line sources from peas, sunflower, pumpkin and "bridges the gap between meals". Chocolate, Vanilla Spice and Toasted Coconut are available now at selected retailers like Whole Foods. Each 10 oz bottle contains 12 g of plant protein, 5 g of MCTs and organic Coconut. Protein & Coconut builds on the integrity of the Harmless Harvest coconut portfolio by continuing to uphold Fair for Life commitment of social accountability and fair trade within the supply chain.

**Vital Protein Collagen Creamer**  
Known for its range of collagen products, from peptides to shots and water, Vital Proteins will now add coffee creamers to the mix. Hazelnut, Vanilla, Mocha and Coconut will launch online and in retail in the US, starting spring 2020. The 11 oz bottles contain 5 g of collagen per serving, naturally-occurring MCTs from coconut cream, and is made without any fillers, binders, gums or dairy. (*UCAP Bulletin*)

#### **THE GUYANA COCONUT FESTIVAL**

The Guyana Coconut Festival was officially opened on the 21st October, marking the first exposition of its kind on our soil.

The festival was a collaborative effort between the Ministry of Business – Department of Tourism and the Ministry of Agriculture along with support from the ITC and Caribbean Agriculture Research Development Institute. The main purpose was to re-educate Guyanese people about the diverse benefits of coconuts and from

the way things turned out, it could be deemed a major success. Persons from all walks of life came out and flocked the Arthur Chung Conference Centre, just to see what the exhibitors had to offer as well as what creative ways the super fruit would be promoted.

Various booths were set up and included displays of all different kinds of coconut products, ranging from oil, creams, drinks, etc. In addition, a major part of the display was dedicated to the crafts that could be had from the different parts of the coconut plant. Some of these were on sale while others were there just to show the ideas.

The festival was brought to a close yesterday with the announcement of the winners of the art competition as well as an auction for the various pieces displayed. (<http://guyanainc.biz>)

#### **NEW COCONUT PROCESSING FARM FOR GUYANA**

The newly-launched Amazonia Expert Services Ltd (AES) will soon be opening up some 700 acres of land for the growing and processing of coconuts therefore providing numerous job opportunities for Guyanese.

AES Chairman Dr. Arlington Chesney told the media Monday, on the sidelines of a joint venture signing with Ghana-based Unicon Western Holdings Limited (UWHL), that the project is expected to start-up by early 2020. The company has obtained a 20-year lease for land in Wales, on the West Bank Demerara, and is now seeking out a lease for a processing facility which would seek the coconuts being used for its water.

Working in collaboration with a Dominican Republic group, AES also hopes to produce desiccated coconut for the country's industry. "What we're trying to do is to find innovative projects that will help the countries," Dr. Chesney explained.

"The coconuts aren't going to be here for another two years, so we have to phase

the cash growth requirements," he said. AES also plans to develop a greenhouse facility which would produce high-quality food to supply the off-shore oil operators and the country.

A "spin-off relationship" with selected farmers will come from this project, whereby they will be employed to benefit from the initiative. The company will also be utilising other parts of the coconut to develop other useful byproducts for the gardening and lawn industry. "We already have some contracts, but that's down the road," Dr. Chesney said, adding: "If we do the desiccated coconuts, then that will come in a little faster." At peak, he stated, some 45 workers will be employed. (<http://guyanachronicle.com>)

#### **LAGOS SET FOR FIRST INTERNATIONAL COCONUT SUMMIT**

Lagos State Government says it is convoking a maiden International Coconut Summit that is expected to explore, exhibit and evolve new ideas for sustainable development of the coconut value chain.

Special Adviser to the State Governor on Agriculture, Ms Abisola Olusanya who disclosed this on Thursday in Lagos at a press briefing, said this was in line with one of the objectives of the State Governor, Babajide Sanwo-Olu of making Lagos a 21<sup>st</sup> century economy as coconut, being a major cash crop of the State, had a critical role to play along this line.

The Special Adviser, who spoke through the Permanent Secretary, Ministry of Agriculture, Dr. Olayiwola Onasanya explained that the Summit was expected to attract over 500 participants both from within and outside Nigeria.

"It is interesting to note that apart from captains of industries, investors, and researchers among others with interest in coconut value chain locally, individuals and organizations from South Korea, Malaysia, Indonesia, India, Philippines as well as other West Africa countries have shown

interest in participating at the Summit," Olusanya said.

According to her, the objectives of the Summit included the need to increase awareness and sensitization on the economic potentials of coconut value chain, providing a good platform for the stakeholders in the value chain to network and attracting high network investors into the coconut value chain.

She added that a robust business session has been incorporated into the summit stressing that topical coconut issues, exhibitions of products and technologies in the value chain as well as networking and interaction would also be featured at the Summit.

Olusanya said that some of the coconut groves would be rehabilitated, thereby resulting in an improvement of over half a million metric tons of coconut yield.

She also said that the over 180 products which could be derived from coconut were not being fully tapped, adding that the Summit was expected to showcase the potentials of coconut.  
(<https://www.pmnewsnigeria.com>)

### **STRENGTHENING ALLIANCES FOR COCONUT INDUSTRY DEVELOPMENT IN GRENADA**

Grenada is soon to be the 13<sup>th</sup> country to benefit from Phase Two of a regional Coconut Development Project with the aim of strengthening the alliances towards increasing productivity and profitability of the crop.

The partnership, which is a collaboration among the European Union (EU), the International Trade Centre (ITC) and the Caribbean Agricultural Research and Development Institute (CARDI), with support from the CARIFORUM Secretariat and the Ministry of Agriculture and Lands – is being implemented with the Alliances for Action (A4A) approach – a model that engages smallholder farmers and micro, small & medium enterprises (MSMEs) for

attracting interest and investment in the coconut industry.

Since the 2004 and 2005 passage of hurricanes Ivan and Emily respectively, attempts have been made to revitalise the coconut industry. As the country forges ahead with a focus on the industry, a special stakeholders' consultation was held on Friday, 1 November. The International Trade Center has been working on the advancement of the coconut sector in 12 countries for the last four years, in collaboration with CARDI.

According to Hernan Manson, representative of the International Trade Center (ITC), "We are very happy that Grenada is part of the second (II) phase. We are partnering with farmers and farmer associations, with processors and SMEs who are part of the sector or coconuts and associated crops and with the Government of Grenada. This is in order to provide support to this very important sector, promoting agriculture as a business, whether it is on the processing side or for farmers."

There is an estimated 25% projected growth in sales for coconut water alone in the next 5 years. Coconut and coconut products are becoming a staple in the food and beverage markets, health and skincare markets. Permanent Secretary within the Ministry of Agriculture and Lands, Elvis Morain, implored on the participants to commit themselves to use the lessons from the engagement to contribute to the continuous initiatives to propel the sector.

"Whatever the lessons we get out of the second phase, we must give a commitment to continue with the coconut Industry. The Ministry of Agriculture is pleased to be associated with this; we are happy to partner with other agencies to help to improve what we do. We must however, sustain the activities we need to do, in the area of value added; as we see that a lot of things are being materialised as it relates to value addition."

This project covers the Samoa Pathway priority areas which take into account Sustained & Sustainable, Inclusive and Equitable Economic Growth with Decent Work for All; climate change; disaster risk reduction; water and sanitation; food security and nutrition; waste management.

The A4A approach is clustered around five areas: Understanding, Convening, Transforming, Investing and Impacting. This project according to Director of Research, Development and Biotechnology at the Ministry of Agriculture, Malachy Dottin, will be able to contribute to the economic development and improvement of livelihoods in Grenada and the wider Caribbean.

"When we embrace the coconut industry we have to embrace it in reducing poverty, reducing hunger and improving health and wellness. As we move on with deliberations along this direction there are three important co-elements that we must pay attention to environmental protection, social inclusion and economic contributions."

This project supports the main sustainable development goals such as:

- Goal Number 2: Attaining Zero Hunger
- Goal Number 8: Decent work and economic growth,
- Goal Number 9: industry innovation and infrastructure
- Goal Number 16 of attaining peace and Justice Strong institutions.

Dr. Gregory Robyn, Manager for Science, Technology and Innovation at CARDI said, "This project shows how Grenada can benefit from good Agricultural practices, selection of mother plants of elite coconut types. We have the techniques and technology to address diseases of Lethal Yellowing and Redwing diseases so Grenada can benefit. Grenada will be able to assess the lessons learnt from the implementation of similar projects such as

Jamaica. We hope to get out of this forum a [committee of] small stakeholders to guide the industry forward."

Phase two (2) of this project aims to replicate the successful partnerships model across the Caribbean region and scale up impact through the alliances for action model by adopting an inclusive and participatory approach. It would also focus on building stronger and inclusive value chains in the Caribbean Coconut industry, improving market linkages as it aims to sustain a commercially driven industry in the region as a major contributor to coconut trade. (<https://usf.news>)

#### **TRANS FATS INCREASE RISK OF DEMENTIA – STUDY**

A study published in journal *Neurology* last month is the latest evidence against trans fats. Done by Kyushu University researchers in Japan led by Toshiharu Ninomiya, professor of epidemiology and public health, the study investigated the prospective association between serum elaidic acid (trans 18:1 n-9) as an objective biomarker for industrial trans fat, and incident dementia and its subtypes. The study revealed that, after adjusting for other dementia risk factors including dietary factors, study participants with the lowest levels of trans fats were 52% less likely to be at risk of dementia than those with the highest levels.

The study which included 1,628 Japanese community residents aged 60 and older (average age was 70) without dementia were followed for an average of 10 years. During the follow-up, 377 of them developed dementia. Of the 407 who started the study with the highest levels of trans fats in their blood, 104 developed dementia, a rate of 29.8 per 1,000 persons-years (a formula that accounts for the number of people in a study and how long they were followed). Among those with the second-highest level of trans fats, the rate was 27.6 per 1,000 person years. The rate was 21.3 among those with the lowest trans fats levels in their blood.

A diet high in trans fats increases the risk for dementia, as the research showed. The World Health Organization (WHO) estimates that trans fat intake leads to more than 500,000 deaths from cardiovascular disease per year and says diets high in trans-fat increase heart disease risk by 21% and deaths by 28%. For this reason, trans fats has been banned in a number of countries including Denmark, Norway, Iceland, Hungary, Austria, Switzerland, Canada and the US, but not the UK. Foods that contributed the most to high blood levels of trans fats included sweet pastries, margarine, candies and caramels, croissants, nondairy creamers, ice cream and rice crackers, according to the study. (*UCAP Bulletin*)

#### **PAKISTAN DETECTS ADULTERATION IN FOOD AND BEVERAGE**

Pakistan's Punjab Food Authority (PFA) has detected and discarded thousands of kilograms of adulterated food and beverage items in September, with over 100 brands deemed to be "unsafe", amidst its efforts to intensify inspections in the province, a report in FoodNavigator-Asia has said. In its most recent raid on October 6 alone, the agency discarded some 28,700 kg worth of food items, all of which failed standard laboratory tests, according to the PFA's Facebook page.

Adulterated oil has also been a major subject of focus during the month, with 103 ghee and cooking oil brands declared 'unfit for human health' by the PFA, with some 68,000 kg of these being removed from the market and discarded. Among the brands affected included popular cooking oil brands Dalda, Sufi, Eva, and ConAgra's Sundrop. Dalda, Sufi and Eva were previously named to be amongst the Top Seven Cooking Oil Brands in Pakistan by local online grocery Tazamart. (*UCAP Bulletin*)

#### **CENTURY PACIFIC SECURES \$12.57 MILLION DEAL WITH RUSSIA**

Century Pacific Food Inc., one of the Philippines' largest food and beverage

companies, said it signed multiple supply deals worth \$12.57 million with top Russian firms. Under separate memoranda of understanding, CNPF agreed to supply tuna and sardine products to Magnit Food Retail Chain, Dalimo and LLC Dalpromryba. It will also supply coconut milk products to Panasia Impex Co. Ltd.

The agreements were among the business deals that were signed during President Rodrigo Duterte's recently concluded five-day official visit to Russia. "Russia is an attractive market for us because of its large, increasingly affluent and highly-educated population," said CNPF chief operating officer Gregory Banzon. Russia has the sixth-largest economy in the world and a population of 146 million people.

"The multiple deals follow accreditation of CNPF's various manufacturing plants, allowing the company to meet and service various requirements of established food brands and retailers in Russia," Banzon said. CNPF is one of the country's largest exporters of tuna and coconut products to the world. It also maintains market leadership in the domestic canned tuna market and is investing in an emerging local coconut business. (*UCAP Bulletin*)

### **TRADE NEWS**

#### **INDIA'S VEGETABLE OIL IMPORTS SET TO RISE IN 2018/19 SEASON**

India's edible oil imports are set to rise by 3% in the 2018/19 season after dropping in prior season (November 2017/October 2018), according to data compiled by the Solvent Extractors Association of India. In the first 11 months of the current oil year ending September, the inbound shipments rose 3% to 14.17 million tons. The full year (November/October) is expected to end with a 3% rise in imports with the October figure expected to touch 1.2-1.3 million tons.

Of the total 14.17 million tons vegetable oil imported in the first 11 months, edible oil shipments amounted to 13.6 million tons. India currently consumes about 23 million tons of edible oil, and every year, there is a spike in demand by about one million tons. Some 1.8 million tons of stocks are lying at the ports or are in the pipeline as of now, though this is some 240,000 tons lower than a month ago. (*UCAP Bulletin*)

### **COCONUT PRODUCTS EXPORT DOWN IN SEPTEMBER**

UCAP preliminary data show Philippine export of coconut products in September totaled 130,094 MT in copra terms, a reduction by 26.4% from September last year at 176,661 MT. The figure likewise lagged behind from month-ago shipment estimated at 133,965 MT by 2.9%. Except for copra meal, all products recorded reduced shipment during the month compared to respective year earlier figures.

Coconut oil export fell 29.2% year-on-year to 65,900 MT from 93,124 MT last year. This is likewise 31.4% below the preceding eight-month average (January-August) at 96,100 MT. Europe remained a primary destination handling 59.2% of total delivery or 39,000 MT. The US followed with uptake at 15,000 MT (22.8%). The remaining 18.1% was shared by four Asian countries namely, China 3,300 MT, Malaysia 3,150 MT, Indonesia 3,000 MT, Japan 2,450 MT.

Copra meal registered the only growth this month. Volume at 33,850 MT leaped 61.1% from 21,008 MT of the prior year. It likewise topped the eight-month average at 24,574 MT by 37.7%. This month shipment went only to two importing countries India and Vietnam. India held bulk of the load at 24,250 MT, nearly three-fourths (71.6%), while Vietnam took in 9,600 MT.

External trade of desiccated coconut was 13,569 MT, cutting slightly by 5.5% year-ago data at 14,359 MT. However, the figure was 16.0% above average at 11,699

MT. Similarly, outbound oleochemicals at 4,512 MT as copra trimmed last year total at 6,645 MT by 32.1% but was 30.8% higher than average at 3,449 MT.

Notwithstanding the drop in shipments in the last two months, export during the nine-month period to September, based on UCAP estimates, at 1,521,901 MT in copra terms still surpassed by 25.6% a similar prior year period total at 1,211,348 MT. Coconut oil and desiccated coconut remained growth sectors with respective exports boosted by 28.5% and 17.3%. Breakdown is as follows, in MT: coconut oil 834,703 (649,584 last year), copra meal 230,437 (272,015), desiccated coconut 107,158 (91,382), oleochemicals as copra 31,302 (38,979). (*UCAP Bulletin*)

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

Export of coconut oil in July consisted largely of crude coconut oil at 76,488 MT with cochin (refined, bleached) oil following at 15,505 MT and RBD (refined, bleached and deodorized) oil at 2,697 MT. The combined revenue of these oils amounted to USD65.378 million.

Europe remained top destination accounting for nearly three-fourths (73.2%) of total delivery or 69,326 MT of the three oil types. The US as second place took in 16,369 MT, trailed by Malaysia at 3,622 MT, Japan 2,926 MT and with China at 1,443 MT completing the top five buyers. By commodity type, Europe was primary market for crude coconut oil 68,804 MT (68,752 Netherlands, 52 France), followed by Malaysia at 3,601 MT, the US at 3,000 MT, and China at 1,083 MT.

The US was market leader in cochin oil at 12,201 MT, tracked by Japan at 2,892 MT, China 212 MT, Canada 101 MT. Limited volume went to Europe at 59 MT (Germany 21, Netherlands 19, France 18), Taiwan 15 MT, New Zealand 14 MT, Hong Kong 10 MT, and Malaysia 1 MT. The US also was leading importer of RBD oil at 1,168 MT, trailed by Europe at 463 MT

(Netherlands 423, Germany 19, Croatia 19, Ukraine 2), Canada at 309 MT, Bangladesh 241 MT, Taiwan 156 MT, China 148 MT and 10 other countries that took in volume ranging 8-41 MT.

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

Shipment of copra meal at 26,427 MT worth USD4.555 million was destined to five countries led by India which cornered nearly two-thirds (63.9%) at 16,884 MT. Vietnam was second biggest outlet at 8,449 MT while smaller loads went to Taiwan at 748 MT, New Zealand 182 MT and South Korea 164 MT.

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

Export of desiccated coconut in July was 13,427 MT and turned in USD22.046 million. Among the products in review, desiccated coconut counted the biggest number of destinations, 46 various countries in all. The US has remained market leader, cornering 28.2% of total with orders of 3,782 MT, followed by Netherlands with 1,695 MT (12.6%). The next seven major buying countries comprising of Australia 931 MT, Russia 897 MT, China 729 MT, United Kingdom 692 MT, Canada 663 MT, Germany 620 MT, Brazil 564 MT together was responsible for 37.9%.

Meanwhile, 10 countries with purchases above 100 MT (114-374 MT range) jointly made up 15% of the market. This included Japan, Turkey, Spain, Malaysia, Uruguay, Argentina, South Korea, Chile, France and New Zealand. On the other hand, the following countries, 27 in total, took in lesser loads (0.23-87 MT) and collectively shared 6.3%: Taiwan, Sweden, Thailand, Belgium, Colombia, Israel, Iraq, Mexico, Poland, Paraguay, Ireland, Indonesia, Czech Republic, Syria, Egypt, Ecuador, Lithuania, Fiji, Peru, Portugal, Norway, Hong Kong, Guatemala, South Africa, Bahrain, Vietnam, and Singapore.

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

Combined export of coconut shell products earned USD13.327 million in July.

Coco shell charcoal with delivery of 7,618 MT registered proceeds of USD3.462 million. The product was distributed to eight countries led by China with uptake at 3,277 MT (43.0%) and followed by Japan with 1,998 MT (26.2%) and India 797 MT (10.5%). The rest had market shares below 8% and comprised of Turkey with 603 MT, South Korea 349 MT, Sri Lanka 261 MT, Japan 212 MT, and Vietnam 122 MT.

On the other hand, activated carbon shipment of 6,207 MT was worth USD9.865 million and delivered to 26 countries. Japan led the pack at 1,158 MT (18.7%), with Germany trailing behind at 864 MT (13.9%), then China 694 MT (11.2%) and Netherlands 521 MT (8.4%) rounding up the top four destinations. The next nine markets also held substantial volume namely South Korea 479 MT, US 468 MT, Sri Lanka 444 MT, Indonesia 251 MT, Canada 208 MT, Taiwan 171 MT, Italy 160 MT, Russia 140 MT, Ghana 137 MT. Combined market share was 39.5%.

Smaller volume ranging 7-98 MT went to 13 other countries. Together they accounted for 8.3%: Finland, Peru, France, United Kingdom, Thailand, Estonia, Malaysia, Congo, Australia, Egypt, Venezuela, Sudan, and Singapore. (*UCAP Bulletin*)

#### **ANALYSIS ON VEGETABLE OILS**

Prices of vegetable oil rallied anew on its fifth week of uninterrupted advances.

In Rotterdam market, coconut oil featured an only trade concluded at the start of the week in an otherwise dull affair, contrasting with last week's brisk activity. Traded level was \$770/MT CIF, lower than week-ago at \$775-845/ MT CIF. Market continued firm with sellers opening at \$775-840/MT CIF for positions from December/January through to June/July 2020, deriving support from higher palm oil and soya oil prices. Thereafter market was mixed with nearby and early 2020 positions tracking higher and deferred second quarter positions steady. After midweek, however,

respective levels across the board stabilized despite rising bids, where present, with offers closing at \$780-840/MT CIF.

The palm kernel oil market in contrast saw moderate action with turnovers at \$665-712.50/MT CIF, a slight drop from prior week at \$677.50-715/MT CIF. Market likewise opened firm with offers at \$687.50-743.75/MT CIF for positions from November/December through to April/May. Subsequently, values stayed mostly below opening rates but eventually managed to close above opening levels. Closing values stood at \$695-750/MT CIF.

The price premium of coconut oil over palm kernel oil radically contracted for the fourth week in succession this week across all positions, as shown following: November/December \$65.25 (\$99.50 last week); December/January 2020 \$83.50 (\$109.75); January/February \$69.75 (\$86.75); February/March \$68.75 (\$84.50); March/April \$73.75 (\$81.00); April/May \$76.50 (\$80.50); May/June \$78.00 (\$85.00); and June/July \$76.25 (\$83.75). Average price premium across positions now came to \$73.97 from \$87.19 week-ago and \$106.92 two weeks ago.

At the CBOT soya complex market, soybean futures tracked mostly lower this week amid reports of 35% drop in exports apparently affected by the US-China trade row, and USDA reports stocks increased by 15 million bushels to 475 million bushels. Market uptick was noted after midweek on reports export on the week ending 31 October reached 1.8 million tons with 1 million representing purchases by Chinese buyers.

At the palm oil section, prices swayed up and down this week after opening in the upside supported by strong demand and seasonal decline in production in Malaysia. Pressures came from profit-taking after earlier gains and on analysts' estimates lately that indicated production will be flat. On the other hand, gains were supported by reports from Malaysian palm oil millers that production dropped 21% from prior month

and positive demand outlook from India as the country reduced its import tax on palm oil.

Prices of tropical oils for nearest forward shipment hiked anew from last week levels. Palm oil was growth leader, increasing price by \$49 from \$625 last week to \$674//MT CIF in the current week, followed closely by palm kernel oil which hiked \$43.50 from \$645 to \$688.50/ MT CIF, and coconut oil with increment of \$9.25 from \$744.50 to \$753.75/MT CIF. As a result, coconut oil considerably narrowed its price premium over palm kernel oil from \$99.50 last week to \$65.25 this week as well as against palm oil from \$119.50 to \$79.75/MT.

The local copra complex market remained calm.

In Quezon, prices increased after staying unmoved for two weeks. On the sell-side, prices now ranged P2,050-2,150/100 kilos from P2,000-2,050 last week; vs. buy-side at P1,980-2,080/100 kilos from P1,950-1,980 in prior week.

Price ranges in Bicol, Visayas and Mindanao likewise improved with sellers at P1,950-2,050/100 kilos from P1,950-2,000 week-earlier, and buyers at P1,850-1,950/100 kilos from P1,820-1,900/100 kilos, mill site basis.

In the coconut oil section, buyers continued sidelined. Crude coconut oil sellers ended the week with offers at P34.10-48.60/kilo, further higher than last week close at P33.50-48.60. RBD coconut oil closed with offers at P67.25-78.25/kilo, likewise higher than same time last week at P66.95-78.20. Values exclude the 12% Value Added Tax.

## Market Round-Up

### Copra:

Copra prices were firmer this week.

In Quezon, prices finally rose after four weeks staying flat. Sellers upped their quotes from last Friday to P2,050-2,100/100

kilos at the start of the week but after that maintained improved level at P2,100-2,150 until the weekend. Buyers chased with initial bids likewise firmer at P1,980-2,020/100 kilos then shortly raised to P2,000-2,050 and finally to P2,050-2,080 in the last two trading days.

In Bicol, Visayas and Mindanao, offers started off at last Friday level at P1,950-2,000/100 kilos but thereafter were kept steady at higher level at P2,000-2,050 until the close. Buyers though raised last Friday bids to P1,850-1,900/100 kilos initially with upgrade to P1,850-1,950 in the next two days and finally to P1,880-1,950 towards the weekend.

#### **Coconut Oil:**

In Rotterdam coconut oil market, activity markedly slowed reporting only a single trade this week at \$770/ MT CIF for February/March delivery. Market continued generally firmer and closed with sellers quoting \$780 for December/January 2020; \$790 for January/February; \$800 for February/March; \$810 for March/April; \$820 for April/ May; \$830 for May/June; \$840/MT CIF for June/July. Buyers' participation was evident only in deferred 2020 positions, closing at \$770 for February/March; \$780 for March/April; \$785 for April/May; \$790 for May/June; and \$795/MT CIF for June/July.

The FOB coconut oil market was lackluster. December position was offered at \$705 and \$700/MT vs. quiet buyers. On the other hand, January sellers maintained offers at \$715 during the week against buy-side at \$695, \$690; while a February offer surfaced lately at \$710 but no takers.

In the local market, buyers remained inactive. Crude coconut oil continued firmer with closing offers at P34.1048.60/kilo from opening level at P33.65-48.60.

RBD coconut oil prices likewise increased with sellers quoting at close P67.25-78.25/kilo from P67.00-78.20.

Local coconut oil prices are net of the 12% VAT.

#### **Copra Meal Cake:**

Copra meal market remained untraded. Prices though were up anew with sellers at P10.50/kilo from P10.30 week-ago, against buyers at P10.00/kilo from P9.80 previously.

#### **Desiccated Coconut and Husked Nuts:**

The price range of desiccated coconut for the export market was maintained at last week level at 70-95¢/lb FOB. Local price range, however, remained at P2,275-2,730/100 lbs bag in the past five weeks.

Husked nuts prices stayed at P5,600-6,300/MT in Southern Tagalog and at P5,800-6,500/MT in Southern Mindanao for four weeks now. (*UCAP Bulletin*)

#### **A PEEK AT BEHAVIOR OF BEVERAGE CONSUMERS IN THE LAST THREE DECADES**

Data company, Kantar, has analyzed consumer behavior in a new report that highlights the last three decades in the US beverage industry, reported in Beverage Daily on September 16. The food and beverage marketplace is still crowded with processed, sugary products, but in general has more healthy options than it did 30 years ago. Consumers now look for products that proactively boost their wellbeing. But it is functional products that really have the edge. Functional beverages are drinks with specific health benefits.

Soda was the dominant beverage in the US in the late 1980s and 90s, with a strong rivalry between Coca-Cola and Pepsi. In the mid-90s, Starbucks introduced its popular Frappuccino beverage and Red Bull hit the market, solidifying Americans' love of caffeine. By the turn of the 21st century, soda brands began to cave to changing consumer needs. Coca-Cola, for example, made a major move into water with the launch of Dasani.

Between 2000 and 2010, Kantar said that beverage brands learned not to innovate just for the sake of it. Rather, identifying and targeting changing consumer

behavior gives brands the best chance of success. Countless healthy beverages launched in this decade, with some spurring new categories. Vita Coco introduced coconut water and Bai infusions blurred the lines between water and fruit juice. (*UCAP Bulletin*)

## COCONUT TECHNOLOGY NEWS

### ICAR RESEARCHERS PRODUCE COCONUT PALM PLANTLETS USING TISSUE CULTURE

Over the years, several economically important plants have been multiplied and conserved using tissue culture technique in which whole plants are re-generated from parts of plants. However, the technique has not been very successful with palms like coconut palm or toddy palm.

Now researchers from the regional station of ICAR-Central Plantation Crops Research Institute (CPCRI) at Kayamkulam in Kerala have developed tissue culture plants of coconut palm.

The coconut palm is an important cultivated palm in the world, and is popular for its industrial and commercial applications. In India, it is cultivated mainly in the coastal tracts of Kerala, Tamil Nadu, Karnataka, Andhra Pradesh, Orissa, West Bengal, Pondicherry, Maharashtra and the islands of Lakshadweep and Andaman and Nicobar.

At present, coconut palm is propagated through seeds. However, it takes five to 10 years for a plant to produce the first harvest. Consequently, crop improvement programmes in coconut is time consuming and tedious. A scientist has to wait for 20 to 30 years for releasing a new variety by conventional breeding approaches. Tissue culture can help overcome this. Even though many people have developed protocols using various parts of plant like tender leaf, immature inflorescence, shoot

tip, and immature embryo. However, they lack reliability and repeatability.

CPCRI researchers used tissues from immature inflorescence. The team were able to re-generate rooted plants. The plantlets were similar to the mother plant from which they have taken the tissue. This has been confirmed by advanced molecular biology techniques.

"Even though there are reports of *in vitro* production of coconut plantlets from parts of seeds and embryo, they were genetically not similar to the mother plant. In contrast, all the plantlets produced by our team were similar to the mother plant. Our study will have applications in germplasm conservation and also in the large scale production of cultivars for the farming community, though it needs few more refinements," explained Regi J Thomas, who led the research team, while speaking to *India Science Wire*.

The team included M Shareefa, JS Sreelekshmi, MK Rajesh and Anitha Karun. The study results have been published in the journal *Current Science*. (<https://www.downtoearth.org.in>)

## BIO-DIESEL NEWS

### B30 BIODIESEL ADDRESSES MORE THAN EU PALM OIL POLICY

Tariff and nontariff barriers have continued to hinder the growth of Indonesia's crude palm oil (CPO) exports, especially to Europe and the United States, since the 1990s when the country became a major player in the palm oil industry.

Facing such rising trade protectionism, President Joko "Jokowi" Widodo realized the urgent need for strategic steps not only to solve the problem of CPO exports but also to strengthen the structure of the palm oil industry alongside the economy as a whole.

One of the programs was the launch of B20 biodiesel, which contains 80 percent

diesel fuel and 20 percent fatty acid methyl ester (FAME). The B20 program has not only significantly expanded the domestic CPO market but has also reduced the current account deficit due to a decrease in fossil fuel imports.

Buoyed by the success of the B20 program, the government decided to increase CPO content in biodiesel to 30 percent. Called B30, this biofuel will be introduced in early 2020.

The B20 and B30 programs will certainly further expand the domestic demand for CPO and will solve the export problems caused by two European Union policies.

The first, introduced last March, restricts the volume of palm oil biofuels and totally phases out palm oil-based products from the renewable energy program starting in 2030. The second policy, adopted last August, increases tariffs, ranging from 8 to 18 percent, on palm oil imports which the group said were subsidized.

The target of CPO consumption for the B20 program was 6.2 million tons this year, not including CPO for food consumption, but our estimate is that the target will most likely be overshot as the demand for biodiesel has steadily increased.

The B30 program is expected to absorb 9.6 million tons of CPO in 2020, as the B30 fuel has successfully passed the road test conducted by the Energy and Mineral Resources Ministry in cooperation with other supporting institutions.

All stakeholders and government institutions are expected to support the government policy, which aims to increase the environmental, social and economic benefits of the palm oil industry to the people, especially the 17 million people directly employed in the palm oil industry. Based on data from the Indonesian Palm Oil Producers Association (GAPKI), the livelihoods of an estimated 50 million people rely directly or indirectly on the palm oil industry.

The B30 program will greatly help the government reduce the use of fossil fuels by providing more renewable energy in the form of CPO to increase the percentage of renewable energy in the energy mix from the current 13 percent to 23 percent in 2025 and to reduce carbon emissions from 13.47 percent in 2016 to around 26 percent in 2025.

The development of B30 will also strengthen the nation's energy security. Indonesia's energy consumption has been continuously increasing due to economic and population growth, while the production growth rate has been lower than the increase in demand.

Based on government data, Indonesia's need for oil fuel is about 1.3 million barrels per day, and only around half of it can be met by state-owned PT Pertamina oil company as the sole producer of oil fuels. To meet its refining capacity of around 680,000 barrels of oil per day (bopd), Pertamina needs to import more than 300,000 bopd of crude oil as Indonesia's crude oil production at present is only about 750,000 bopd.

The use of CPO for the production of biofuel under the B20 and B30 will reduce imports of diesel fuel, thereby cutting the trade and current account deficits. Biofuel will also be able to increase Indonesia's foreign exchange reserves through exports. Moreover, the B30 program will have a multiplier impact on the economy, which has been growing only about 5 percent a year. The multiplier will create new jobs, alleviate poverty and will have other benefits from the palm oil industry's backward and forward linkages.

Such multiplier benefits will be made possible because the government has expanded its program to replant small holders' oil palm plantations to increase their yield. It has also used trade diplomacy to diversify the Indonesian palm oil export market away from traditional markets such as India, China and Europe.

To strengthen the palm oil trade diplomacy, Indonesia has established the Council of Palm Oil Producer Countries, which consists of Indonesia, Malaysia, Thailand, Papua New Guinea, the Philippines, Uganda, Ghana, Liberia, Nigeria, Brazil and Colombia.

The multiplier effects will be even higher and wider when the B30 program expands to B50 in 2021 and D100 or green diesel which will be 100 percent produced from CPO in 2023. We can imagine how huge the benefits will be if the D100 program is implemented successfully.

If D100 can be realized, Indonesia could become the Saudi Arabia of Asia regarding biofuel production. But the ambitious program can only be realized if the government consistently supports the palm oil industry with business-friendly policies and necessary incentives for the biofuel industry to flourish.  
(<https://www.thejakartapost.com>)

#### **FRENCH COURT UPHOLDS LAW BANNING PALM OIL FROM LIST OF PERMITTED BIOFUELS**

France's constitutional court last month upheld a law excluding palm oil from the country's biofuel scheme, saying that the new law was in line with the public interest of environmental protection, "considering the strong growth of palm oil production and the major amount of land used for its production worldwide, and given the deforestation and drying out of peat bogs".

French oil and gas giant Total, however, has said the court decision has put at risk its recently launched La Mède renewable diesel refinery. Total had appealed against the regulation, which takes effect from January 2020. Tax exemptions for palm biofuels would also end on 1 January 2020 under the government's 2019 budget. Total CEO Patrick Pouyanne had warned in September that the decision could mean losses of up to €80M (US\$88M) for its La Mède refinery, forcing it to rethink its plans.

The company has invested €300M (US\$332M) in converting its La Mède site from a crude oil refinery into a 500,000 tons/year renewable diesel or hydro treated vegetable oil (HVO) plant, with the first batches of fuel coming on stream in July. Total had said the plant would be using 60-70% sustainable vegetable oils (rapeseed, sunflower and palm oils) and 30-40% animal fat, used cooking oil and residues from waste. It had pledged to use no more than 300,000 tons/year of palm oil (less than 50% of the total volume of raw materials needed) and at least 50,000 tons of French rapeseed as feedstock. (*UCAP Bulletin*)

#### **COFCO TO BUILD BIODIESEL PIPELINE IN BRAZIL**

China's COFCO International is planning to build a 1-2km pipeline to transport its biodiesel to Brazil's Rondonópolis rail terminal area, according to Oils & Fats International citing Reuters reports. Construction was set to begin this year and the pipeline was expected to be operational some time in 2020.

COFCO had boosted its biodiesel production in Mato Grosso state by 42% to 306 million liters/year. Currently, it moved its biodiesel by truck or rail. Earlier in August, COFCO Chairman Johnny Chi said the company was looking at investments such as new warehouses and improving transportation systems in Brazil as the business environment was likely to improve after the approval of economic reforms. China was Brazil's largest trading partner and the top buyer of Brazilian commodities, according to a *Reuters* report.

COFCO is the overseas agriculture business platform for COFCO Corporation, China's largest food and agriculture company. It sources and produces, stores and handles, processes, trades and transports grains, oilseeds and sugar around the world. It has 30 million tons of port capacity, 24 million tons of processing capacity and 2.2 million tons of inland storage. COFCO said 60% of its global

assets were in the world's number one exporting region of South America. (*UCAP Bulletin*)

## OTHER VEGEOIL NEWS

### INDIA MAY RESTRICT IMPORTS OF PALM OIL FROM MALAYSIA

India is considering restricting imports of some products from Malaysia including palm oil, according to government and industry sources, in reaction to the Southeast Asian country's leader slamming New Delhi for its actions in Kashmir, according to a Reuters report datelined New Delhi/Mumbai on October 11. The sources asked not to be named as the proposal is still under discussion.

The Indian government was angered after Malaysian Prime Minister Mahathir Mohammad alleged last month at the United Nations that India had "invaded and occupied" Jammu and Kashmir and asked New Delhi to work with Pakistan to resolve the issue. India, the world's biggest importer of edible oils, is planning to substitute Malaysian palm oil with supplies of edible oils from countries like Indonesia, Argentina and Ukraine.

Meanwhile, it was reported earlier this week that Malaysia's Ministry of Primary Industries is looking at importing more raw sugar and buffalo meat from India amid reports that India is considering restricting its imports of Malaysian palm oil following the country's criticism of India's actions in Kashmir. The level of increases in raw sugar and buffalo meat, however, will be revealed later, the Ministry said. (*UCAP Bulletin*)

### INDIA TO REMAIN MALAYSIA'S PALM OIL BUYER

With India at nearly 70 percent import dependent for edible oils, the country would continue to buy refined palm oil from Malaysia despite the proposal by its government to further increase import taxes, a move that it believes would lift local

processing and cut dependence on overseas purchases, Dr. Sathia Varga, owner and co-founder of Singapore-based Palm Oil Analytics, told Bernama last week.

However, due to the lower prices of Indonesian crude palm oil (CPO), which trades at a US\$20-\$30 discount to Malaysian CPO, India will buy more from Indonesia than Malaysia, he said. He expects India to buy 10.20 million tons of palm oil in 2020, up from an estimated 9.50 million tons in 2019. India is the largest palm oil importer in the world. Last year alone, it imported nine million tons of palm oil worth RM23.02 billion, with 2.51 million tons imported from Malaysia. India accounts for 15 percent of Malaysia's total palm oil exports. (*UCAP Bulletin*)

### NO PALM OIL EXPORT LEVIES IN INDONESIA UNTIL JANUARY 01 NEXT YEAR

Indonesia extends suspension of levies from palm oil exports until 1 January 2020 in order to protect farmer incomes, according to a Reuters report on 24 September. Based on government rules, levies of US\$10-\$25/ton should be collected from palm oil exports when the reference price was above US\$570, with higher levies of US\$20-50/ton when prices topped US\$619.

Trade Ministry estimates show current palm oil reference price at US\$574.90/ton already exceeded the US\$570 threshold and as such government should have started imposing levies in October. Chief Economic Minister Darmin Nasution told reporters that the president had directed to delay collection following concerns the levies might cut into farmers' earnings. Since December last year, Indonesia had not collected levies for palm oil due to low prices. The levies are collected to raise funds for domestic biodiesel program development, as well as palm research and a smallholder replanting scheme.

The government said it hoped higher demand would support palm oil prices

following next year's implementation of the country's B30 biodiesel program, which would increase the blending of biodiesel in diesel to 30% from the current mandatory 20%. Nasution said the increase was expected to raise local consumption of crude palm oil by an estimated 3 million tons. (*UCAP Bulletin*)

### **MALAYSIAN PALM OIL PRODUCTION TO DROP SLIGHTLY IN 2020**

Palm oil production in Malaysia is set to drop slightly in 2020 from the 20.5 million tons recorded in 2019, Thomas Mielke of ISTA Mielke GmbH said at the 15<sup>th</sup> Indonesian Palm Oil Conference where he was one of the speakers during the three-day event that began October 30. Malaysia's competitor Indonesia would also experience a slowdown of the production growth by 1.8 million tons in 2020 from 45.4 million this year to 43.6 million tons. The situation should push prices upward.

"The consumption of palm oil will increase by 7.7 million tons in 2018/2019 with global supply and demand balance expected to tighten in 2019/2020 as production will only be at 78.2 million tons while its usage is 80-81 million tons," he said. He also noted that one of the world's largest palm oil consumers, China, was increasing imports of palm oil, soya oil, sun oil and other oils to compensate smaller domestic production resulting from reduced soybean crushing. (*UCAP Bulletin*)

### **MALAYSIA EXPECTS PALM OIL OUTPUT, PRICES TO EDGE UP IN 2020**

Malaysia's palm oil output and crude palm oil prices are expected to pick up slightly in 2020 due to rising domestic use of biodiesel fuel and stronger demand in its export markets, according to a government economic report. Crude palm oil prices are expected to average 2,100 ringgit (\$500.95) a ton in 2020, higher by 5% from 2,000 ringgit forecast for this year, according to the report. Last year, palm oil prices averaged 2,308 ringgit. For this year, the report added, prices are likely to remain

subdued due to high stockpiles and expectations of low prices for vegetable oils.

A stronger biodiesel mandate, however, could increase palm oil consumption and reduce stockpiles. The country increased its biodiesel mandate from 7% biodiesel content blend to 10% last December, and aims to raise it further to 20% in 2020. The report also projects Malaysia's palm oil production to rise to 21 million tons this year, from 19.5 million tons in 2018, and to further improve to 22.2 million ton in 2020. Inventories are also projected to decline to 2.5 million ton this year followed by another reduction to 2.4 million tons in 2020. (*UCAP Bulletin*)

### **MALAYSIA TO EXPORT SUSTAINABLE PALM OIL TO EUROPE**

Malaysia is on track to export its Sustainable Palm Oil (MSPO) to Europe by 2020 which should allow entry of the oil to the European market. Malaysian Palm Oil Certification Council CEO Chew Jit Seng was quoted as saying that European leaders had stated that only sustainably produced palm oil can be allowed entry under the Amsterdam Declaration to which he responded that MSPO was Malaysia's answer.

The Amsterdam Declaration on Deforestation and the Amsterdam Palm Oil Declaration support private sector commitments to a fully sustainable palm oil supply chain by 2020. The non-legally binding declarations launched in 2015 had Denmark, France, Germany, Italy, the Netherlands, Norway and the UK as signatories. The MSPO certification scheme was launched in 2013, with the aim of reducing the industry's social and environmental impacts, and helping independent smallholders become MSPO certified for the global market. (*UCAP Bulletin*)

### **MALAYSIAN CABINET AGREES TO PROHIBIT 'PALM OIL FREE' LABELING**

The Cabinet has agreed to a law prohibiting the use of negative phrases or

indicators about palm oil on products marketed, said Minister of Domestic Trade and Consumer Affairs (KPDNHEP), Datuk Seri Saifuddin Nasution Ismail. The move was to ensure that no products with labels like 'palm oil free', 'does not contain palm oil', or negative phrases or indicators about palm oil are sold. It will be implemented as soon as possible after the engagement sessions are held with interested parties to get their views.

"This proposal was tabled to the Cabinet and it was passed on Oct 18, in line with the government's objective of supporting the oil palm industry through the Sayangi Sawitku Campaign," he said. He said checks conducted by the Ministry of 2,609 premises throughout the country found 12 products with negative labeling, phrases and indicators about palm oil. The ministry has advised these outlets to not display these products for sale. (*UCAP Bulletin*)

#### **THAILAND TO INCREASE PALM OIL PRICES**

Thailand is planning to introduce measures that would increase local palm oil prices in addition to a recent price guarantee scheme on the edible oil. The measures included a compulsory order for all petrol stations nationwide to sell B10 biodiesel (diesel blended with 10% biofuel), starting January 01, 2020, according to the Thai Minister of Commerce Jurin Laksanawisit. Currently the country mandate is B7.

The Ministry of Commerce also vowed to tighten measures to prevent palm oil smuggling from neighboring countries and speed up exports of crude palm oil (CPO), notably to India. Another measure was to install CPO automatic level gauges at crushing mills and refineries, enabling regulators to observe real-time information on CPO stocks, giving them verifiable data to help with decision-making and prevent future smuggling. The Electricity Generating Authority of Thailand (EGAT) would also be ordered to purchase palm oil to produce electricity. (*UCAP Bulletin*)

#### **RSPO PROPOSES 15% ANNUAL INCREASE OF MANDATORY SUSTAINABLE PALM OIL PURCHASES**

The Roundtable on Sustainable Palm Oil (RSPO) has laid out the first draft of its rules covering Shared Responsibility, and one of the major proposals is to make it mandatory for its members to increase their purchase of sustainable oil by 15% each year, according to a report in FoodNavigator-Asia on November 05. The palm oil must be RSPO-certified according to the recently-ratified RSPO Principles and Criteria 2018 and RSPO Supply Chain Certification. This change would apply to companies with an RSPO membership which already buy palm oil for any purpose, so major food brands such as Nestle and Mondelez would be covered by the plan, RSPO membership is on voluntary basis.

As of 2018, Nestle's Communications of Progress to RSPO put its current RSPO-certified palm oil usage within Asia at 63% in Indonesia, 54% in Malaysia, 4% in India, 0% in China, and 45% in Rest of Asia. In Oceania this number was 97%, Europe saw 56% in total, and the Middle East was 42%, but was below 10% in other major regions such as Latin America (8%), Africa (4%) and North America (0%). The firm's target for 100% RSPO-certified sustainable palm oil usage globally was listed as 2023. Mondelez, on the other hand, claimed to have achieved 100% RSPO-certified sustainable palm oil usage across all countries worldwide since 2013 in its progress report. (*UCAP Bulletin*)

#### **NETHERLANDS EXPECTED TO TACKLE DISCRIMINATION AGAINST INDONESIAN PALM OIL**

The Indonesian government is harboring expectations that the Netherlands can aid in solving the issue pertaining to discrimination against Indonesian palm oil products in Europe. The Netherland's support to sustainable palm oil management in Indonesia is through a capacity building program for palm oil farmers. The capacity-building cooperation was marked by a memorandum of understanding (MoU) forged between the Dutch and Indonesian governments in New York, the United States.

In recent times, Indonesia's palm oil exports have borne the brunt of the European Union's ban on the entry of palm oil products into member countries owing to environmental issues. To this end, the Indonesian government continues to deepen its diplomacy to fight discrimination against palm oil products in Europe. The Netherlands ranks among the three main destinations of Indonesian palm oil export, reaching 1.2 million tons in 2018. (*UCAP Bulletin*)

#### **AVIATION CLIMATE TARGETS MAY DRIVE 3.2 MILLION HECTARES OF DEFORESTATION**

The aviation industry's 2050 climate targets may result in 3.2 million hectare of deforestation due to increased demand for soya and palm oil in aviation biofuels, Rainforest Foundation Norway (RFN) says, as reported in Oils & Fats International. The NGO wrote on October 1 that the aviation industry was aiming to reduce its CO2 emissions by 50% in 2050 (compared to 2005), without limiting growth. RFN said that near total replacement of fossil fuels would be needed to meet this target.

To achieve the goals, there would be an additional demand of 35 million tons of palm oil, 3.5 million tons of palm oil by-products (such as palm fatty acid distillate or PFAD) and 35 million tons of soya oil in 2030. The current global annual production of palm oil was 70 million tons. It also noted that previous studies, including some from the EU Commission, had shown that the climate impact of producing palm oil and soya-oil based biofuels was even higher than continuing to use fossil fuels.

A number of technologies were available to produce aviation biofuels, or even to produce aviation fuels from electricity. However, the only one of these currently operating at a commercial scale was the hydroprocessed esters and fatty acids (HEFA) process to produce jet fuel from vegetable oils and animal fats. The cheapest and most readily available

feedstock for HEFA was palm oil and soya oil, RFN said. (*UCAP Bulletin*)

#### **DIGITAL TOOL SHOWS DECLINE IN OIL PALM RELATED DEFORESTATION IN BORNEO**

A digital tool, Borneo Atlas, has determined that deforestation from oil palm plantations on the island has steadily declined since peaking in 2012, the Oils & Fats International reported on October 10. Citing Forest News on 2 September, it said that the revamped Borneo Atlas combined annual satellite data from the past 18 years with information on land ownership, illustrating the relationship between deforestation and the development of industrial oil palm and pulp-and-paper plantations on Borneo.

Using Atlas data, scientists had already determined that while annual deforestation rates peaked in 2012, clearance for plantations made up a decreasing portion of this total from 2012-2018. Borneo Atlas was developed by scientists at the Indonesian Center for International Forestry Research (CIFOR). Users could track the actions of particular companies over time, and check whether they were clearing new areas to establish plantations, or planting on land that had already been deforested for other reasons, Forest News wrote. (*UCAP Bulletin*)

#### **DID YOU KNOW?**

#### **COCONUT HUSKS ARE BEST ALTERNATIVES TO WOOD**

For years, forests have been cleared because of illegal logging since the demand for wood was high, and lately, even though wood is not as necessary for manufacturing as it did before, the alternatives that were developed were not implemented fast enough.

We have seen headlines after headlines about climate crises that are affecting the world, urging us to slow down

on the activities that contribute to environmental destruction.

But those steps were not good enough because as of recent studies, 15.3 billion trees have been chopped down because of manufacturing.

A Dutch entrepreneur, Michiel Vos, started CocoPallet as his way of helping save our environment. The company is using recycled coconut husks to replace wood in making shipping pallets.

According to Vos, Asia produces billions of pallets every year, and making these pallets requires softwood that can't be easily found in tropical forests.

This is the reason why the woods are imported from New Zealand, Canada, and Europe.

Because of the export demand, forests have been destroyed. With the creation of pallets made from coconut husk, the coconut wastes that are abundant in Asia can be put into use and can reduce the number of husks that are being thrown away and left to rot.

According to Vos' research, pallets that are made from coconut husks are lighter, stronger, saves space, and are fire resistant. They also do not attract termites, unlike wood pallets.

The coconut husk pallets are cheaper and more sustainable.

Since the introduction of coconut husk pallet in Asia, CocoPallet was able to save 200 million trees from being cut down, and the numbers are increasing since they are planning to spread this recycled product all over Asia, and eventually, across the globe.

When Vos saw how strong and reliant coconut husks are, he saw the potential of manufacturing it and selling it as a replacement for traditional wood pallets.

If raw materials are made out of husks instead of wood, we can prevent deforestation, prevent the material from rotting away, and it can mitigate pollution and climate change, plus it can give farmers and laborers a source of livelihood.

CocoPallet is making waves in Asia and is becoming more popular among

exporters. They are already producing pallets in Indonesia, Sumatra, and the Philippines.

They take advantage of the 75 billion coconuts that are harvested every year, and since they are water resistant, pest repellent and biodegradable, more and more exporters are switching. (<https://bioplasticsnews.com>)

## COCONUT RECIPE

### *"Jamaican Coconut Cake"*

#### *Ingredients:*

- 1 cup white flour
- 2/3 cups sugar
- 1 tsp. baking powder
- 1/2 tsp. cinnamon
- 2/3 cups unsweetened, shredded coconut
- 2 eggs
- 1 cup coconut milk
- 2 Tbsp. coconut rum
- 1 tsp. vanilla extract
- 3/4 cup coconut oil

#### *Directions:*

- Preheat oven to 355 Fahrenheit while preparing the mixture. Combine flour, sugar, baking powder, shredded coconut and cinnamon in a large bowl and mix well. Separate the eggs whites from the yolks and place in two separate bowls. Beat the egg whites until firm and set to the side. Add the coconut milk and vanilla extract to the egg yolks, beat until fluffy/foamy. Add coconut oil and rum to the mixture and mix well.
- Slowly incorporate the wet ingredient mix to the dry mixture, mixing well until there are no clumps. Gently add the beaten egg whites and mix thoroughly. Grease and flour a 9x9 cake pan and spread the entire mixture evenly into the pan.
- Bake for about 40 minutes or until a toothpick can be inserted into the middle and it comes out clean. (<https://jamaicans.com>)

## STATISTICS

**Table 1**  
**SRI LANKA: Exports of Mattress, Bristle and Twisted Fibers, 2017 - 2019**  
**(In MT)**

Month	Mattress Fiber			Bristle Fiber			Twisted Fiber		
	2017	2018	2019	2017	2018	2019	2017	2018	2019
January	1,128	2,046	3,123	2,116	183	117	4,853	3,447	2,784
February	1,639	2,094	3,739	1,918	152	175	4,060	3,695	3,270
March	1,559	2,946	3,883	3,069	218	167	6,651	4,725	4,315
April	1,928	1,840	2,989	1,712	182	114	4,159	3,293	2,809
May	1,920	1,575	4,559	1,786	133	80	4,192	3,133	2,763
June	1,195	1,976	4,321	2,010	75	126	4,732	2,368	2,578
July	1,244	2,668	6,289	2,419	211	104	5,835	4,887	2,952
August	1,483	3,544	5,600	2,154	186	88	5,643	3,779	2,949
September	1,373	4,196		2,030	150		4,848	3,442	
October	1,281	3,262		2,169	206		3,466	2,619	
November	1,049	1,999		1,511	86		3,446	2,526	
December	1,037	2,904		1,174	243		2,048	3,137	
<b>TOTAL</b>	<b>16,836</b>	<b>31,050</b>	<b>34,503</b>	<b>24,068</b>	<b>2,025</b>	<b>971</b>	<b>53,933</b>	<b>41,051</b>	<b>24,420</b>

Source: Coconut Development Authority, Sri Lanka

**Table 2**  
**SRI LANKA: Monthly Export Prices of Mattress, Bristle and Twisted Fibers,**  
**2017 - 2019 (US\$/MT, FOB Colombo)**

Month	Mattress Fiber			Bristle Fiber			Twisted Fiber		
	2017	2018	2019	2017	2018	2019	2017	2018	2019
January	335	337	273	250	1,748	1,633	263	316	377
February	320	316	267	296	1,626	1,384	264	336	369
March	339	319	268	283	1,723	1,639	277	281	341
April	301	314	260	319	1,834	1,549	315	365	325
May	341	341	259	299	1,686	2,040	296	396	321
June	345	354	256	304	2,290	1,771	281	562	340
July	321	319	242	290	1,588	1,534	293	349	310
August	336	309	259	330	1,677	1,538	297	444	307
September	389	290		323	1,577		306	361	
October	413	275		517	1,845		330	378	
November	421	295		414	1,238		337	359	
December	399	289		458	1,636		369	528	
<b>Average</b>	<b>355</b>	<b>315</b>	<b>260</b>	<b>340</b>	<b>1,712</b>	<b>1,636</b>	<b>302</b>	<b>377</b>	<b>336</b>

Source: Coconut Development Authority, Sri Lanka

**Table 3**  
**SRI LANKA: Exports of Yarn, Twine and Pith, 2017 - 2019**  
**(In MT)**

Month	Coir Yarn			Coir Twine			Fiber Pith		
	2017	2018	2019	2017	2018	2019	2017	2018	2019
January	178	148	112	653	845	711	15,665	16,079	3,698
February	109	120	114	830	796	635	17,718	16,910	2,790
March	195	126	73	650	614	649	19,861	19,623	5,101
April	110	78	99	612	441	535	14,802	13,248	3,052
May	147	58	138	680	534	620	16,247	16,843	3,830
June	176	59	91	754	680	455	17,888	13,848	3,608
July	97	189	73	757	898	920	18,200	15,468	3,280
August	162	180	56	752	717	645	18,801	17,273	1,825
September	41	118		741	672		17,986	16,091	
October	201	108		717	775		17,162	4,686	
November	111	101		623	849		14,539	2,516	
December	202	119		711	708		13,851	3,193	
<b>TOTAL</b>	<b>1,729</b>	<b>1,404</b>	<b>755</b>	<b>8,480</b>	<b>8,529</b>	<b>5,170</b>	<b>202,720</b>	<b>155,778</b>	<b>27,184</b>

Source: Coconut Development Authority, Sri Lanka

**Table 4**  
**SRI LANKA: Monthly Export Prices of Yarn, Twine and Pith, 2017 - 2019**  
**(In US\$/MT, FOB Colombo)**

Month	Coir Yarn			Coir Twine			Fiber Pith		
	2017	2018	2019	2017	2018	2019	2017	2018	2019
January	718	664	920	730	1,145	1,078	336	343	276
February	800	892	1,071	1,072	1,072	1,075	337	585	271
March	676	828	940	753	961	1,039	333	352	260
April	591	1,085	987	1,004	1,081	1,254	342	370	281
May	566	1,245	887	997	1,255	1,304	376	351	271
June	541	855	883	985	984	1,380	372	379	306
July	687	880	1,011	994	1,128	1,355	357	388	289
August	620	725	829	1,059	1,016	1,392	343	388	258
September	846	672		872	1,144		349	394	
October	594	981		1,103	1,153		347	312	
November	673	706		981	1,034		352	243	
December	644	893		1,242	1,098		342	238	
<b>Average</b>	<b>663</b>	<b>867</b>	<b>941</b>	<b>983</b>	<b>1,089</b>	<b>1,235</b>	<b>349</b>	<b>373</b>	<b>276</b>

Source: Coconut Development Authority, Sri Lanka