CHALLENGES AND OPPORTUNITIES FOR THE COCONUT INDUSTRY FOR A HAPPIER FUTURE

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Presentation outline

CHALLENGES

OPPORTUNITIES

WAY FORWARD

Present Situation

Coconut Farmers:

- Smallholders, tending 1-2 ha
- Earning USD400 /ha/yr from copra
- In many cases, they do not own the land
- Not bankable by the formal banking sector
- Inadequate access to technology, capital and market
- Low farm productivity and profitability
- Farmers are marginalized, living below the poverty line

Coconut farmers are the foundation of the coconut industry.

The coconut farmer is not earning enough from coconuts.

If he does not earn more, he will not plant more coconuts.

Processing industry:

- Raw materials are lacking, more so in the next 5-10 years
- Many factories are operating below capacity
- Senile palms need to be replanted urgently; otherwise we lose the industry
- Replanting constrained by lack high-quality planting materials
- Negative campaigns against coconut oil

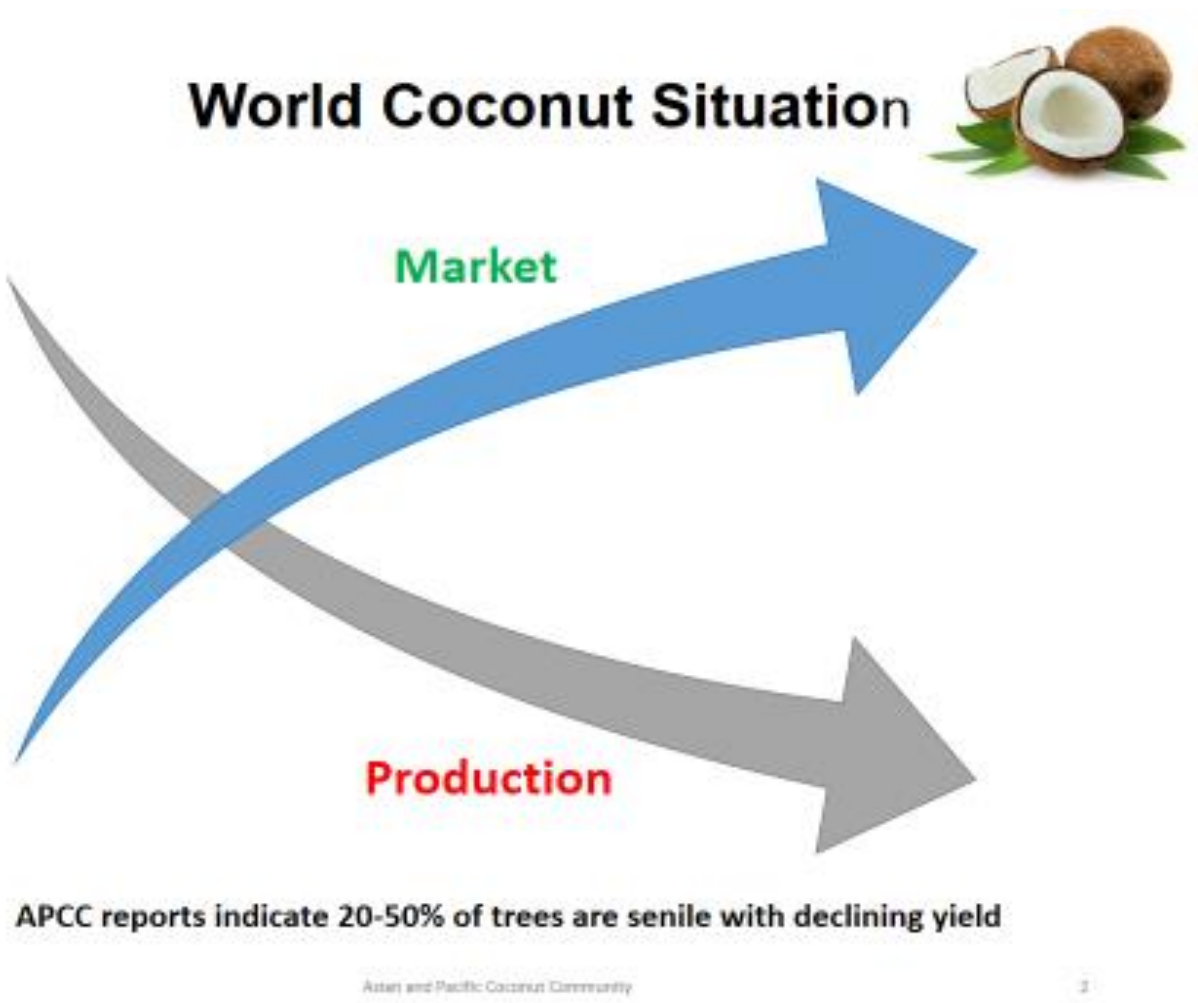
These constraints need to be urgently addressed; otherwise, we may lose the coconut industry in favor of the other short maturing vegetable oil crops.

Luckily, coconut oil has premium quality that cannot be matched by other vegetable oils

Current Situation (Oropeza Chart)

Global decline in coconut productivity

a) Palm senility
b) Typhoons
c) Pests and diseases
d) Drought
e) Lack of quality planting materials



World Coconut Situation

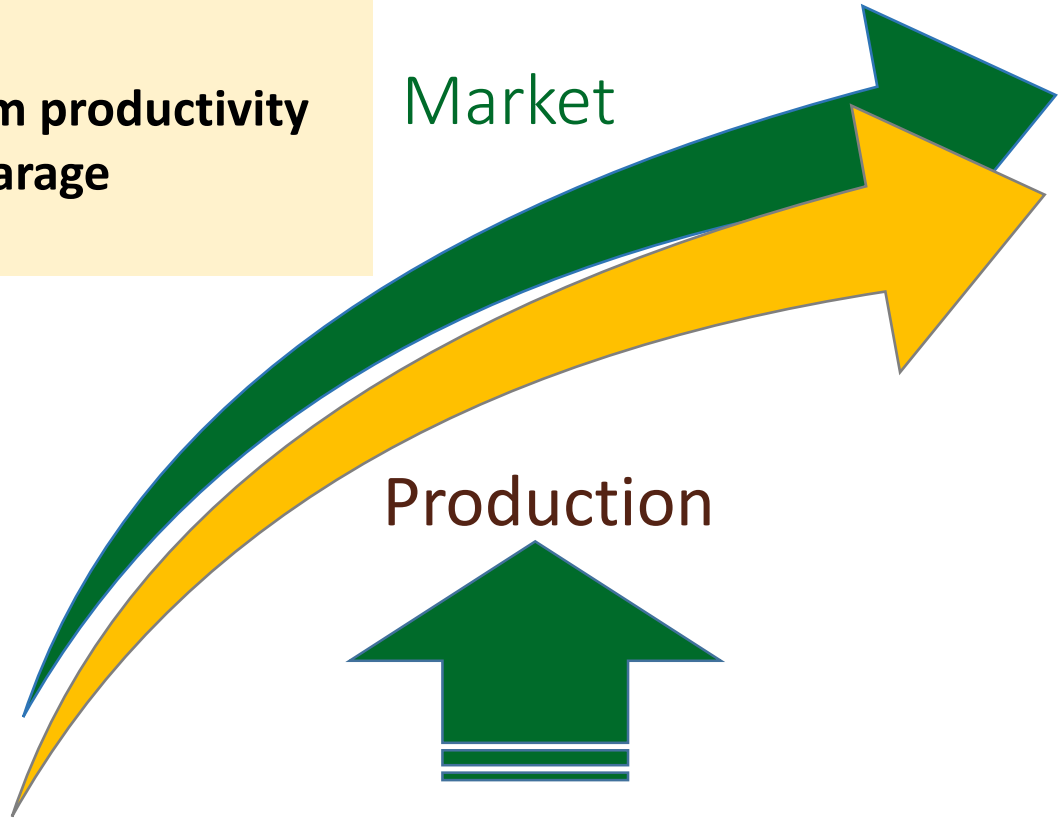
Desirable Situation (Oropeza Chart)

Needed Interventions

a) **Replanting senile palms (≥655 M palms)**

b) Increase yields & farm productivity

c) Expand coconut hectarage



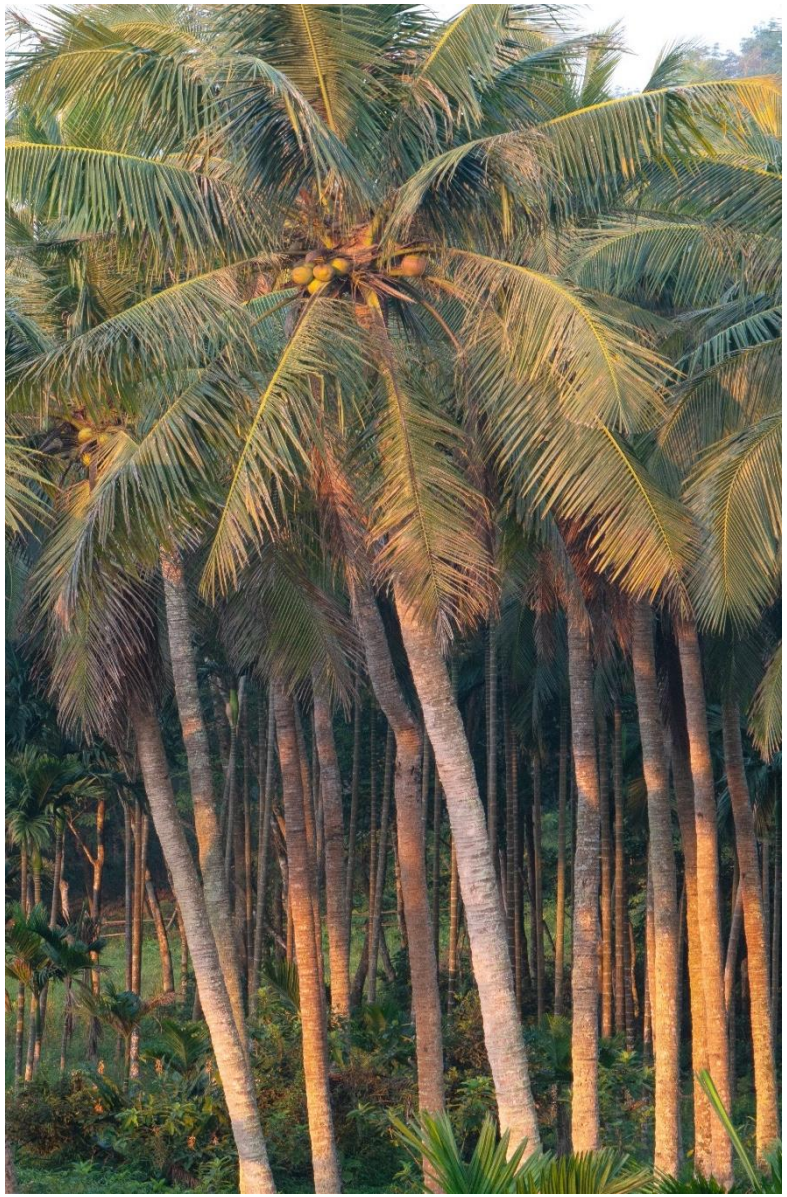
Large scale replanting using early-bearing, high-yielding & disease-resistant varieties, hectarage expansion, innovative technologies

CHALLENGES CONFRONTING THE COCONUT INDUSTRY

Global decline in coconut productivity

1. **Palm senility**
2. **Typhoons**
3. **Pests and diseases**
4. **Drought**
5. **Lack of quality planting materials**
6. **Coconut farmers lack resources to improve their farms**

Aging & Senile Palms

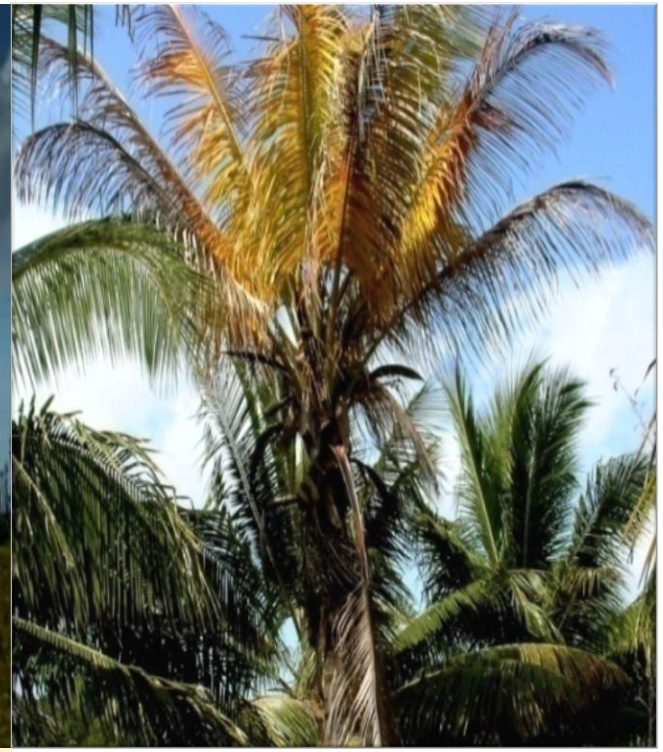


- **Aging palms >60 years old**
- **>40% yield decline in most instances**
- **Global average 50% palms senile**
- **Pacific region >70% senile palms**
- **Palms too tall to harvest**
- **Very little effort to replenish plantings**
- **A major constraint would be lack of access to adequate supply of good quality planting material**

Typhoons

Typhoon Haiyan in 2013 felled 33 million coconut trees in one day in the Philippines

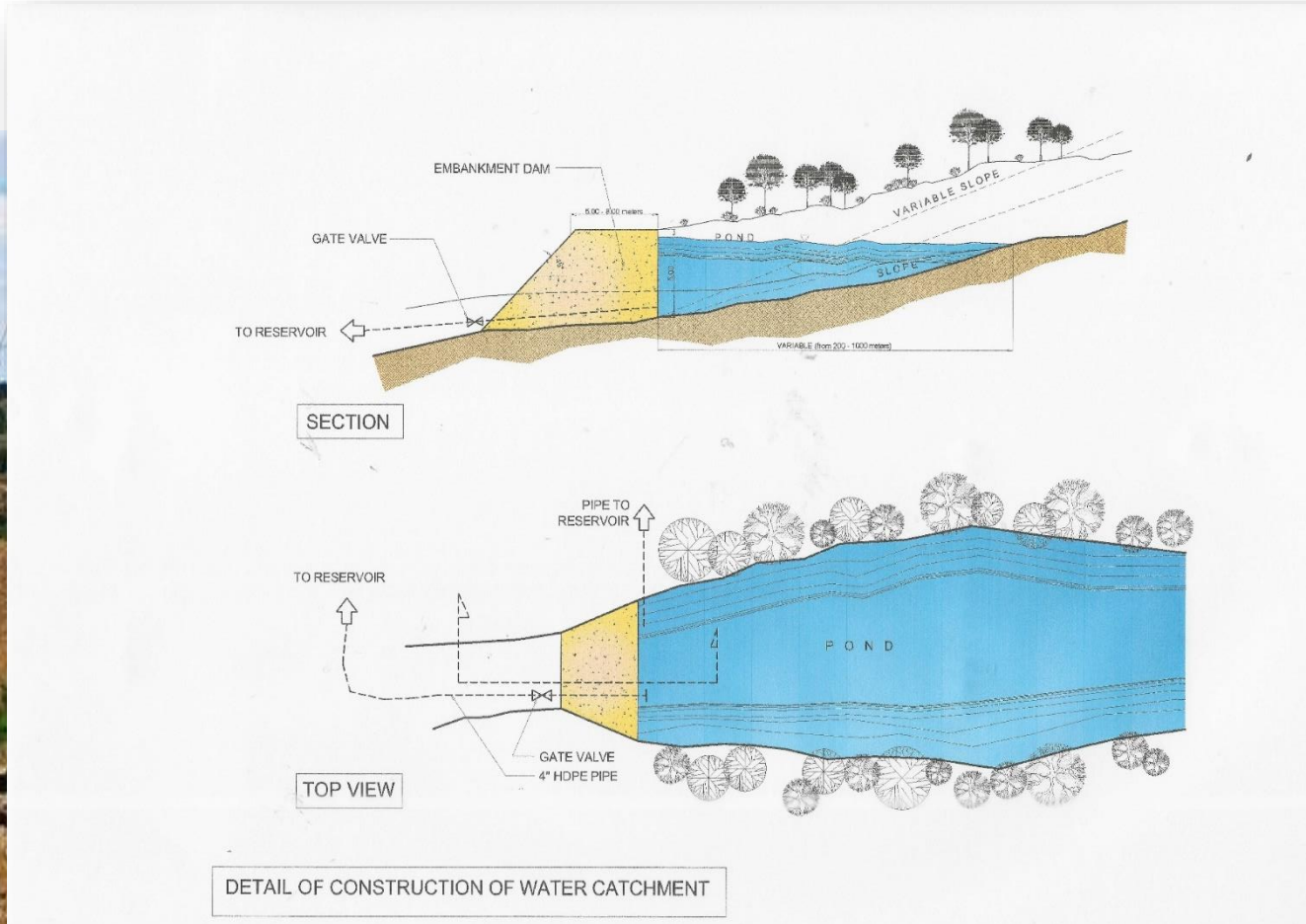
Pests and Diseases



- Lethal Yellowing is a global threat
- Rhinoceros Beetle in Pacific
- Palm Weevil in many countries
- Mite pests affecting coconuts
- Root Wilt & Weligama disease
- Bogia Disease & Kadang kadang

Drought:

(*Coconuts generally planted in dry, rainfed areas*)



Lack of Quality Planting Materials

WHY coconut farmers are not earning enough from coconuts

- Sells mainly copra where the price is low and unstable
- Tend 1-2 hectares of coconut (monocrop)
- Earning USD400/ha/year, living below poverty line
- Considered non-bankable by formal banking sector
- Does not have resources to improve farm productivity
- Cannot influence public- or private-sector policy

Opportunities

1. **Rapidly increasing demand for coconut high-value products**

2. **Innovative technologies for increasing yields**

3. **Capacity building and technology transfer**

OPPORTUNITIES

Positive development of the coconut industry

1. Rapidly increasing demand for coconut products:

- **food (vegan and ethnic foods)**

  coconut being a Generally Regarded As Safe (GRAS) food

- **nutraceutical**
- **oleochemical**
- **cosmeceutical**
- **pharmaceutical**
- **health and wellness**
- **environmental services**
- **biofuel industries**

The Coconut '*Come-Back*'

1993 Coconut high-value products

1. Oleo chemicals
2. Glycerine
3. Fresh coconuts
4. Matured coconuts
5. Coconut seedlings
6. Bukayo
7. Coco Cream Powder
8. Coconut Milk
9. Frozen coco meat
10. Kopyor/Makapuno
11. Coconut vinegar
12. Nata de coco
13. Ubod
14. Coco acid oil
15. Alkanolamide
16. Paring oil
17. Coco coir waste
18. Coco coir fiber
19. Coconut water
20. Coco husk
21. Coco husk chips
22. Coco chips
23. Coco lumber
24. Coconut shell
25. Coconut shell charcoal powder
26. Toilet/Bath soaps
27. Husk nuts
28. Laundry soap
29. Shortening

The Coconut '*Come-Back*'

2017 Coconut high-value products

+ 100s more each year

1. Oleo chemicals
2. Glycerine
3. Fresh coconuts
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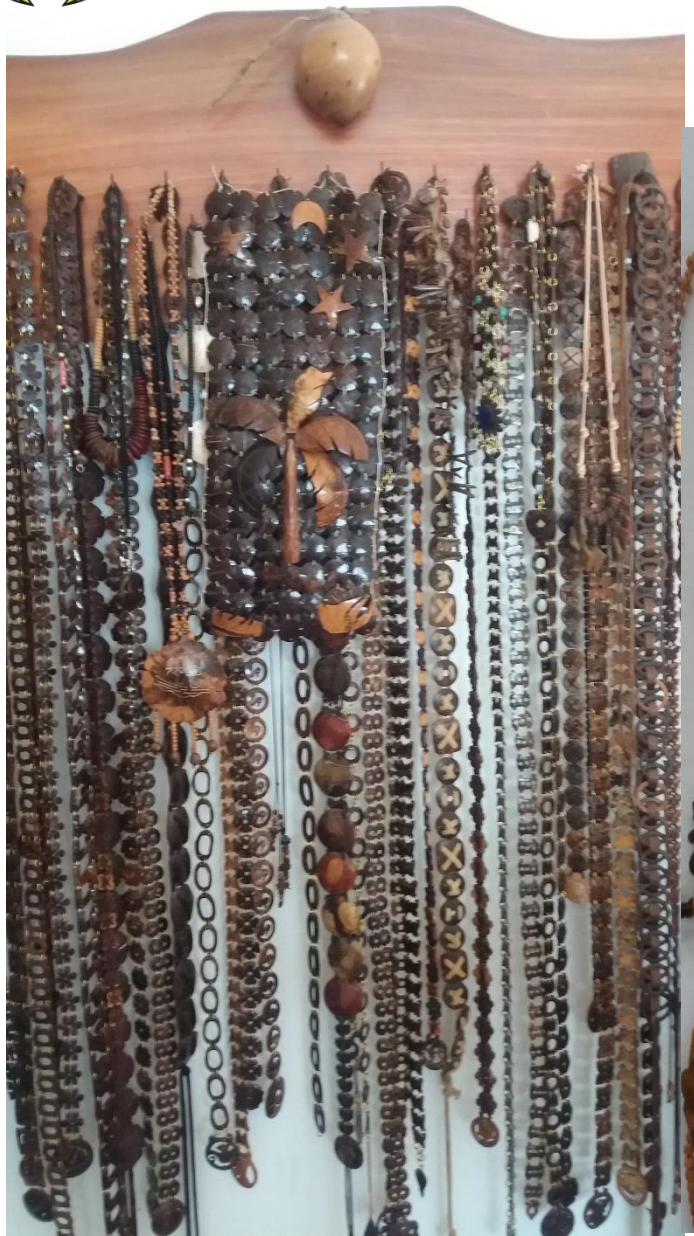
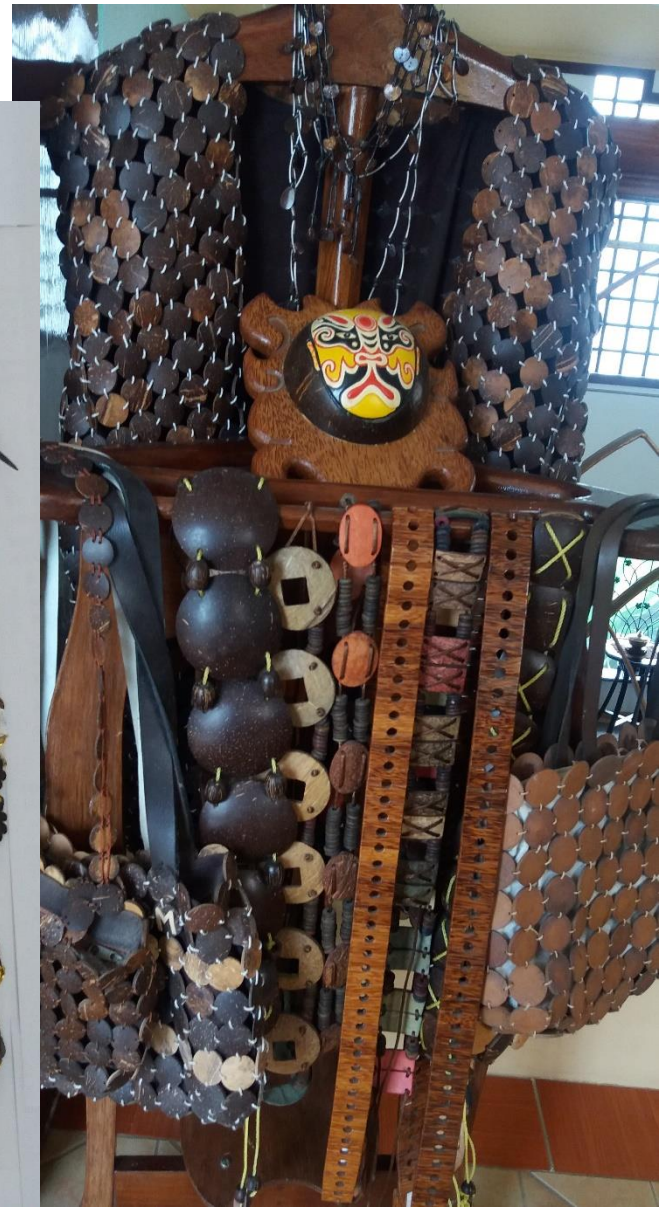
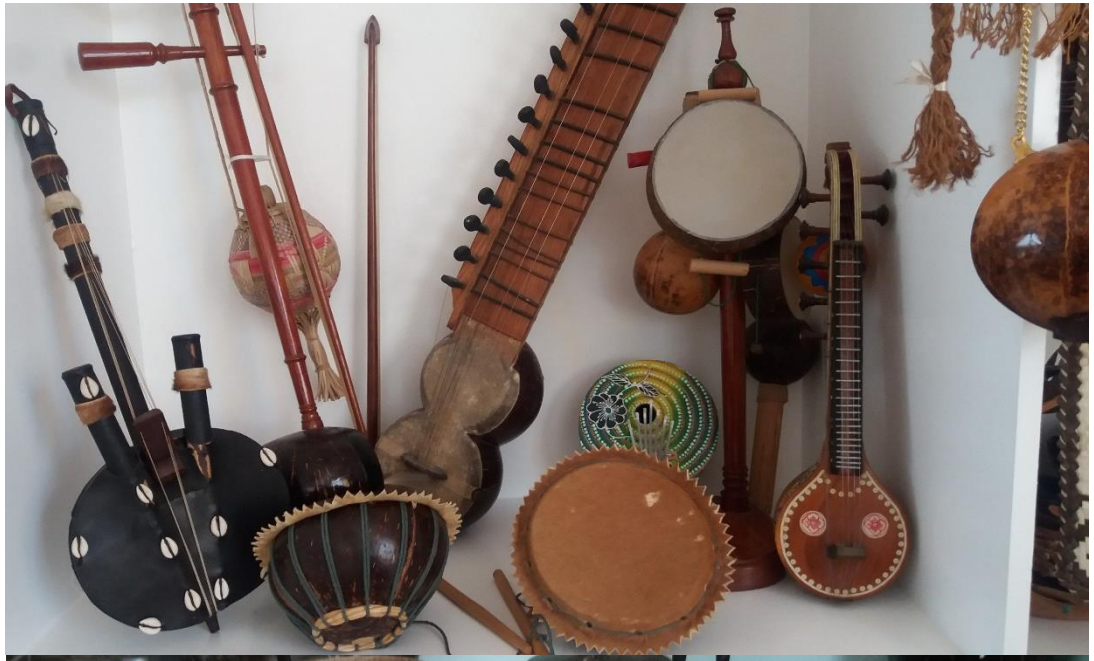
18. Coco Coir Fiber
19. Coconut Water
20. Coco Husk
21. Coco Husk Chips
22. Coco Chips
23. Coco Lumber
24. Coco Shell
25. Coco Charcoal Powder
26. Toilet/Bath Soaps
27. Husk Nuts
28. Laundry Soap
29. Shortening
30. Coco furniture
31. Coco cutlery
32. Coir bullet proof vest
33. Coco Jam
34. Spec Creamed Coconut
35. Coco Hydro Water
36. Coco Soy Sauce
37. Coco Fiber Dust
38. Coco Shell Powder
39. Coco Shampoo
40. Coco Wood Pallet
41. Margarine
42. Coconut Flour
43. Coconut Milk Powder
44. Coconut Liquor
45. Coco Handicrafts
46. Grated Coconut Meat
47. Coconut Honey
48. Coir Net
49. Soap Chips
50. Virgin Coconut Oil
51. Coconut sugar
52. Neera fresh
53. Neera products
54. Coco Culture
55. Coconut flour products
56. Coco Hostorium juice
57. Coco Mats
58. Coco Belt
59. Coco Vest
60. Coconut wines
61. Coir Twine
62. Coir Pads & Liner
63. Coir Doormats
64. Coco Husk Cubes
65. Hydrogenated C/Oil
66. Coconut Syrup
67. Charcoal briquette
68. Coconut shell oil
69. Coconut water blends
70. Coconut milk blends
71. Bio Fuel products
72. Coco pith products
73. Coconut sugar
74. Coco sugar 3-1 Coffee
75. Coco artifacts
76. Coco Art & Craft
77. Coco Fibre Shoes
78. Coconut yogurt
79. Coconut Arak
80. Coconut Vodka
81. Coco spirits
82. Coco Fabric
83. Coir portraits
84. MCT oil
85. Laurin MCT Boost
86. Laurin MCT Brain
87. Insect Repellent
88. Lip Balm
89. Charcoal T/paste
90. Infused oil
91. Roller Perfume
92. VCO caroler
93. VCO by products
94. Coco veneer
95. Coco wood panel
96. Organic fertilizer

Coconut shell for fashion accessories





Coconut shell for décor, souvenirs

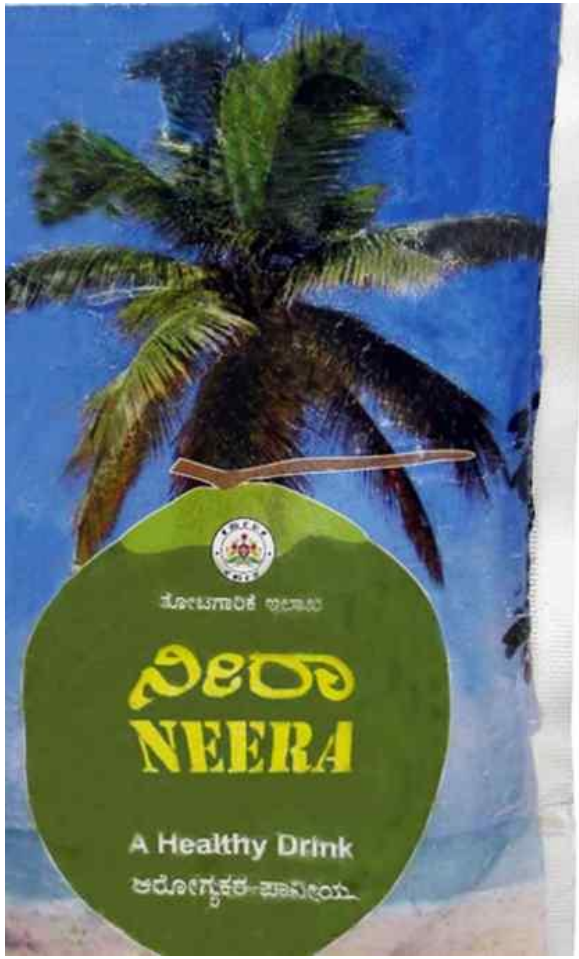


High- value coconut water

Coconut sap sugar

N E E R A (Coconut Sap Drink):

17 essential amino acids, rich in minerals & vitamins



Source: Asian and Pacific Coconut Community

High- value organic coconut products

Energy Booster and Memory Enhancer

(Medium Chain Triglyceride or MCT)

Coconut chips

OPPORTUNITIES

2. Innovative technologies for increasing yields

DWARF

HYBRID

Situation	No. Fruits per Tree per year (FCDF survey, 2017)			
	Philippines	India	Sri Lanka	Ivory Coast
Traditional varieties	60	100	48	50
Hybrids	150	150	150	150
Hybrids + modern technologies	250	250	300	300

Opportunities
3. Capacity building and technology transfer

- **International training course for coconut development officers**
- **Biennial technical meeting of coconut experts and industry exhibition (COCOTECH)**
- **Publications, videos/webinar presentations**
- **ICC technical research networks**
  - **Coconut tissue culture,**
  - **Integrated Pest Management (IPM)**
  - **Coconut oil forum**
  - **Coconut genetic resources conservation and use network (COGENT) with 39 member countries**

WAY FORWARD

1. ICC collaboration with Coconut Alliances/Coalitions of coconut producing countries

Current:

- **Colombia**
- **South Pacific Commission (SPC with 22 member countries)**
- **ITC-organized Caribbean coconut coalition with 11 member countries**

Proposed:

- **Coconut Coalition for the Americas (CCA)**
- **Coalition for Central and South America**
- **Coalition for Africa**

2. ICC technical assistance on priority projects

ICC Priority Projects for Collaboration

PROPOSED INITIAL PRIORITY PROJECTS FOR COLLABORATION

Projects that will benefit coconut producing countries And alliances/Coalition members

1. Coconut industry status assessment of coconut growing countries
2. Breeding early-bearing, high-yielding and disease resistant varieties and hybrids
3. Replanting senile coconuts and expanding coconut areas
4. Rapid multiplication of high-quality planting materials
5. Support to the International Coconut Genebanks
6. Piloting biodiversity-enriched coconut farming systems
7. Protecting the coconut industry and coconut growing communities against climate change
8. Training more coconut development officers to enhance national capacity to transfer technologies to farmers
9. Strategically address the negative campaign against coconut oil, and harness properties for health and wellbeing
10. *Other priority projects* that collaborating countries/Alliances/Coalitions may suggest

Projects that can help coconut farmers

1. Poverty reduction in coconut growing communities (*access FCDF 10-minute video from YouTube titled "Coconut Farmers Need Not Be Poor"*)
2. Piloting of food and income generating systems to protect coconut farmers amid the COVID-19 pandemic and beyond
3. Production of organically grown coconuts to arrest yield decline and benefit farmers with premium prices
4. Production of high-value coconut products at the village level
5. Establishing Coconut-Based Ecotourism Parks in major tourist destinations
6. Other priority projects that participating countries/Alliances/Coalitions may suggest

What ICC can offer to make the coconut industry sustainable

In collaboration with interested countries/Alliances/Coalitions, ICC can provide technical backstopping as follows:

1. Capacity building: International Training Course for Coconut Development Officers
2. International technical expert meeting and exhibition (COCOTECH)
3. Participation of ICC member countries in policy formulation through annual meetings of Ministers of Agriculture, Trade & Industry
4. Provision of production and market information to member countries
5. Country coconut industry status assessment
6. Organize webinars on mutually identified priority projects;
7. Guide countries in developing project proposals for each of the priority projects for submission to respective governments, donors and development organizations
8. Guide participating countries in piloting priority projects to ensure that projects are technically feasible, financially viable, socially acceptable and environmentally safe
9. Develop a technical monitoring system to ensure that projects are on schedule, if needed and
10. Conduct an impact evaluation, if needed.

CONCLUSION

1. The above-mentioned challenges and opportunities are highlighted and shared through this training module.
2. It is imperative that these challenges and opportunities are urgently and proactively addressed.
3. This will result in a progressive, inclusive and sustainable coconut industry.


Thank you !