

The Ceylon Coconut Planters' Review

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EDITORIAL

DECLINE IN THE PRICES OF COCONUT PRODUCTS AND THE COCONUT INDUSTRY

The fall in the price of copra during the last six months from a value of about Rs. 250/- per candy to Rs. 141/- at the moment of writing, and a corresponding fall in prices of desiccated coconut and coconut oil, would no doubt be causing considerable alarm to Coconut Producers, the Industry in general and the Government.

The coconut producers of this country were, with some satisfaction, reaping the rewards for the trials and tribulations which the industry had faced since the depression in 1930's. The boom prices were reached in early and mid 1959 touching nearly Rs. 260/- per candy. It must also be remembered that even during the war, the prices were not too favourable as the British Government purchased the entire supply and the prices were operated through the Department of Commodity Purchase. There was, later, a short-term boom during the Korean War. However, never did the industry fall from the pedestal of the 'Consols of the East' which gave it pride of place in the early years of this century.

The Coconut Industry is the life blood of the people of this country; and along with paddy it forms the main sustenance supplying the food needs—the oil and proteins to supplement the carbohydrates of rice, but for which this country would be faced with a grave nutritional crisis during the recent years, particularly in view of explosive population growth.

No doubt the Tea Industry plays a great part in the ultimate economy of this country in supplying the main source of revenue to maintain the National Services rendered by the Government, particularly since it gained Independence. But none the less, coconuts, it should be remembered — out of a million acres over 65 per cent comprise of small-holders below 20

acres—is more diversified in its economy, it is more stream-lined to meet the demands of a broad-based population dependent on the coconut palm. From the few trees of the back garden, the coconuts, when picked are taken to the local boutique to purchase the ration of rice to keep the family going at least for the week. The small-holders of the upper income group (those having at least 20 acres), just to meet the higher standard of living in conformity with the rising standards of today, to educate his children and meet the increasing demands of modern society, while also endeavouring to save something which could be invested for the future and even it may be to assist in the development of this country in the form of development loans, are dependent on the coconut crop and the local copra dealer or D.C. mill for the purchase of his crop.

Let it not be forgotten that, of the 2,500 million nuts estimated to be produced in this country, at least over 50 per cent is consumed within the country, viz. as an article of food. What would be the position if, in this country the position becomes inevitable in say 25 years, according to the assessment of the National Planning Council Report (page 113/114) when we may have to import coconuts to meet the essential food requirements of our people — even to make the 'Pol Sambol' and one curry. Unless coconut production is stepped up, the ultimate economic and social repercussions of such a situation have to be faced.

At present prices with a falling market, price offered by Dealers for nuts is barely Rs. 70/- to Rs. 80/- per 1,000 nuts and the cost of production is roughly about Rs. 80/- to Rs. 90/- per 1,000 nuts. In such a situation not only are the producers faced with a grave crisis, but the Government of this country, would no doubt be in considerable anxiety and alarm over the future of this agricultural industry.

Various economic and other panaceas have been suggested to meet the present situation; but there is only one remedy and that alone could assure the economic stability; and the ultimate future of the industry needs **REHABILITATION**, at least on the scale at which it is being carried out during the last few years. It may not be the function of the Coconut Research Institute which deals with research and problems on production and utilisation of coconuts to endeavour to suggest economic and other remedies which are within the realm of economics and government policy makers; but none the less all our research aimed at increasing production and increasing the utilisation of coconut products will remain an academic exercise unless we ourselves, could also offer our suggestion as to how the economic implications of the copra, D.C. and the oil market of today should be assessed, in order to stabilise the industry, and guarantee its future.

Whatever attempts are made by interested parties, there must be international action at the highest level so that adequate steps are taken so that prices are stabilised at least say at Rs. 175/- a candy in such manner that this national industry of Ceylon, even if it cannot operate once again, as the Consols of the East, would yet remain the bulwark of our economy.

In any case, let not pessimism on the part of coconut growers and producers, both small-holders or large estate owners regarding price trends cause a neglect of cultivation and harrowing. It should be the endeavour of every coconut grower to take advantage of the Government Subsidised Manure Scheme, which no doubt today is producing results in increased crops, thanks also to good rainfall well distributed. HIGH FARMING MAY NOT BE THE REMEDY FOR LOW PRICES, but subsidised manure is perhaps the only saving grace in a grim picture of the Coconut Industry — and the use of subsidised manure, liberally issued by the Government, should be at the maximum level.

Rehabilitation, including both manuring and replanting must continue at an increased pace so that this essential agricultural industry is made stable and secure. Production must be increased to such an extent within a reasonable period of time as a consequence of which, the cost of production of 1,000 nuts would remain low (say at Rs. 50/- to 60/- per 1,000 nuts). Thus, if price stabilisation by International action at Rs. 175/- is a reality, the industry can expect a reasonable margin of profit.