

COCONUT – Production Drops over 50 percent

Sri Lanka's coconut exports have been seriously affected by the drop in production in 1987. Coconut production suffered a severe set back during the year largely due to the drought conditions which prevailed in the coconut growing areas in 1986 and also as a result of the lagged effect of lower fertilizer application consequent on depressed nut prices and dry weather conditions. There was also the natural down turn in the yield cycle of the coconut plantations after two previous years of bumper crops.

The volume of coconut kernal products exported during the first nine

ever were able to maintain almost the same volume level as in 1986 while in terms of value there was a 30 percent increase. Fresh nut exports showed an increase of 12 percent in volume and 54 percent in value over that of 1986. The new export product, coconut cream, also showed a remarkable increase, particularly in value.

Local market prices of fresh nuts also recorded a sharp increase as a result of the drop in production. The average wholesale price per 1,000 nuts which was Rs861/85 in September 1986 had reached Rs 2,080/- by August 1987. Coconut Development Au-

EXPORTS OF COCONUT KERNAL PRODUCTS

PRODUCTS	VOLUME (METRIC TONS)			VALUE (RS MN)		
	Jan-Sept			Jan-Sept		
	1986	1987	% change	1986	1987	% change
Coconut Oil	76,737	14,239	- 82	665.36	187.71	- 72
Desiccated Coconut	44,627	41,130	- 07	625.66	819.27	+ 30
Copra				60.08	58.42	- 03
M.S.I.	6,647	6,683	+ 0.2	.157	.12	- 92
Edible	139	08	- 94	32.53	50.11	+ 54
Fresh & Seed Nuts	11,232,017	12,542,066	+ 12	90.06	16.16	- 82
Coconut Poonac	33,280	5,500	- 83	1.10	6.50	+490
Coconut Cream	47	253	+ 43			
Sub - Total	986.01	438.99	- 55	1476.36	1138.29	- 23
TOTAL VALUE OF ALL COCONUT PRODUCTS (Rs mn)				2218.70	1999.91	- 10

months of 1987 were as much as 55 percent below that in the same period of 1986 (1986 mt in 1986 as against 439 mt in the 1987 period). Prices, however, were comparatively favourable and despite the 55 percent drop in the volume of exports the value of exports fell by only 23 percent (Rs 1,476 m in the 1986 period as against Rs 1,138 mn in 1987). The worst effected kernal products were coconut oil and poonac exports which suffered a 82 percent drop compared with exports in 1986.

Desiccated coconut exports how-

thority records of production indicate that only 56,798 mt of coconut oil (less than 50 percent of 1986) were produced in January-September 1987 as against 119,839 in the same period of 1986. Local users of coconut oil, particularly the soap and food industries were seriously effected as a result of the production shortage and were turning to substitutes. A metric ton of coconut oil in the local market which sold at Rs 6,759/50 per mt in September 1986 had more than doubled to Rs 14,286/75 per mt by May 1987 and almost trebled to Rs 18,206/25 per mt by August 1987.