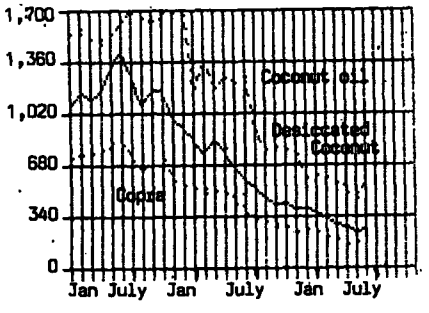
COCONUT: Prices, Earnings Decline Production, Exports Increase

Market Prices

The prices of coconut products in the international market continued their decline over the first six months of 1986. (The decline is seen clearly in diagram 1). Average prices of copra and coconut oil during this period were US$ 193 and 291 per metric ton respectively, a decline of 60 percent comparative to prices in the same Period in 1985. The price od Desiccated Coconut declined by 55 percent and its average price was US$ 559 per metric ton. In June 1986, however, prices of all three kernal products indicated a slight increase compared with May, with copra prices going up from US$ 153 to US$ 65; and coconut oil prices going up from US$ 233 to US$ 254. The price of Desiccated Coconut increased from US$ 450 to US$ 576.

INTERNATIONAL MARKET PRICES
(PRICE US$ PER MT.)



In the local market, the prices of coconut products indicated similar trends. The average price of copra in the first six moths of 1985 was Rs 12.40 per kg; while in 1986 in the same period, it was Rs 4.89. Coconut oil prices averaged Rs 19.12 in the first six months of 1985, but in the same period of 1986 it came down to Rs 7.48. Both products' prices declined by 60 percent approximately,. The declining trend in local market prices is also illustrated in figure 2. Prices have kept declining due to the heavy stocks of vegetables oils released on the vegetable market. This trend, however, was expected to be reversed in the latter part of the year following the Chernobyl Nuclear incident in Russia, which has threatened supplies of sun flower oil and other vegetable oils.

COLOMBO MARKET PRICES
(PRICE PER KG.)

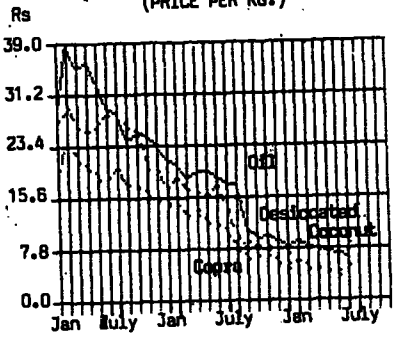


TABLE 1 INTERNATIONAL MARKET PRICES (US$ per M.T)

Jan.-	Copra	% Decrease	Coconut	% Decrease	Desiccated Coconut	% Decrease
1984	774.81		1207.83		1547.13	
1985	481.33	38	742.50	39	1238.00	20
1986	193.00	60	290.67	61	558.48	50

Coconut Development Authority

TABLE 2 COLOMBO MARKET PRICES (Rs per Kg)

Jan.- June	Copra	% Decrease	Coconut	% Decrease	Desiccated Coconut	% Decrease
1984	20.31		33.21		27.19	
1985	12.40	39	19.12	42	16.40	40
1986	4.89	61	7.48	61	8.00	51

Coconut Development Authority

TABLE 3 EXPORTS

Jan.- June	Coconut oil	% Increase	Desiccated Coconut	% Increase	Copra	% Increase
1984	40		5,599		461	
1985	19,554		23,748	325	1,480	221
1986	56,157	187	25,566	8	3,693	149

Coconut Development Authority

TABLE 4 PRODUCTION

Jan.- June	Fresh nuts (Mn)	% Increase	Coconut Oil (MT)	% Increase	Desiccated Coconut(MT)	% Increase
1984	874		14,299		5,821	
1985	1,296	48	49,957	249	24,074	314
1986	1,587	22	82,831	66	27,050	12

Coconut Development Authority

TABLE 5 EXPORTS OF KERNAL PRODUCTS

Jan.-June	Total Exports (in M.nut equivalent)	Total FOB value (Rs Mn)	Avg. F.O.B.Value (Rs)
1984	40.93	217.57	5.32
1985	328.84	1,202.74	3.66
1986	647.17	950.31	1.47

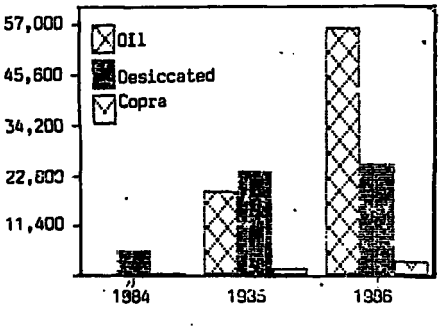
Source: *Coconut Development Authority*

Production

During the first half of 1986 better coconut harvests were obtained due to the favourable weather conditions. A 22 percent increase in coconut production was recorded during the first half of this year compared with the first half of 1985. Production of coconut oil increased by 66 percent and Desiccated Coconut by 12 percent.

Exports

The volume of kernal products (copra, coconut, desiccated coconut, fresh nuts and seed nuts) exports increased by 97 percent in 1986 compared to the same period in 1985. In the 1986 period the volume of kernal products exported went up to 647 million nuts, equivalent,from 329 in million nuts equivalent in the first half of 1985. But in value terms movement of export earnings indicated a negative trend. In the 1985 period foreign earnings from kernal products were Rs. 1,232.7 million; while in Jan.-June 1986 it came down to Rs 950.3 million, a decline of 20 percent ;the main contributory factor being the decline in the average F.O.B. value per nut equivalent. The 1986 period F.O.B. price per nut equivalent was Rs 1.47 compared with Rs 3.66 in the 1985 period.

The volume of Coconut Oil exports increased sharply in the first six months of 1986, while that of Desiccated Coconut and Copra increased marginally. (See figure 3).

EXPORTS OF COCONUT PRODUCTS
(VOLUME IN MT)