

## COMMODITIES

### COCONUT

#### Sharp drop in exports

The volume of coconut kernel products exports dropped sharply in 1987. According to Coconut Development Authority records the nut equivalent of kernel products exports which reached 1,162.2mn in 1986 declined by 51 percent to 561.0 mn in 1987. The impact of the severe drought conditions around the beginning of 1987, caused a strongly adverse impact on the supply situation resulting in a heavy shortage of nuts for both domestic consumption and exports. A redeeming feature for the industry, however, was that prices were less adverse during 1987 and therefore the overall drop in earnings during the year from kernel products was relatively less, being 14 percent below 1986 earnings. (See table).

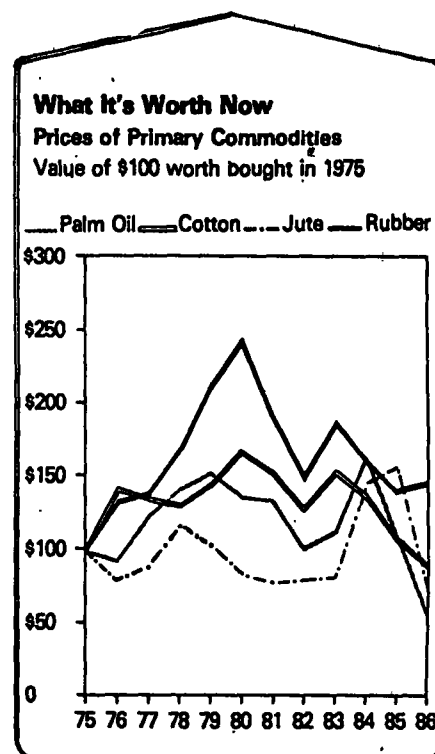
Earnings from kernel products have declined steadily since 1985 and in value terms came down from Rs 2,444.6 mn in 1985 to Rs 1,816.6 mn in 1986 and Rs 1,556.8 mn in

1987. Overall earnings of all coconut exports, including kernel, fibre and shell products, have continued to come down from Rs.3,255 mn in 1985 to Rs 2,839 mn in 1986 and Rs 2,741 mn in 1987.

In terms of unit prices, however (in million nut equivalent terms) overall kernel export prices increased by nearly 75 percent. For instance, the per unit price of coconut oil went up from Rs 8,311 in 1986 to Rs 14,593 in 1987; while the percent price of Desiccated Coconut was up from Rs 13,731 in 1986 to Rs 20,736 in 1987.

The export price per fresh nut was up from Rs 3.00 in 1986 to Rs 4.30 in 1987. A comparatively small kernel product, growing in significance, was coconut cream, where the per unit price was up from Rs 21,484 in 1986 to Rs 26,462 in 1987. Despite the more favoured per unit prices in the international market, exporters from

Sri Lanka were unable to take advantage of the situation; the end result was that earnings from kernel products which fell by 25 percent in 1986 over that of 1985, fell by a further 14 percent in 1987



EXPORT OF COCONUT PRODUCTS - JAN/DEC 1986/1987  
VOLUME (MT) & VALUE (SL.Rs.)

Product	VOLUME (MT)			VOLUME (SL.RS.Mil.)		
	Jan/Dec. 1986	Jan/Dec. 1987	% Change	Jan/Dec. 1986	Jan/Dec. 1987	% Change
Coconut Oil	85,347	17	- 80	709.32	252.41	- 65
Desiccated Coconut	60,819	53,236	- 13	853.11	252.41	+ 29
Copra						
1) M.S.I	9,561	8,969	- 06	86.88	111.74	+ 30
2) Edible	192	17	- 91	2.33	.33	- 86
Fresh Nuts & Seed Nuts	17,794,047	16,328,326	- 08	54.13	69.90	+ 29
Coconut Poonac	40,080	5,550	- 86	109.12	16.39	- 85
Coconut Cream	128	458	+257	2.76	12.12	+ 330
Sub Total	1 162.17	560.96	- 51	1,816.64	1,566.84	- 14
Kernel Products (In Mil, Nut EqvInt)						
Sub Total						
Fibre Products	85,656	76,726	- 10	565.49	531.91	- 6
Sub Total						
Shell Products	34,884	39,330	+ 12	263.39	347.07	+ 32
Sub-Total (Other Products)				1 022.05	1,174.34	+ 15
TOTAL VALUE OF ALL PRODUCTS				2,838.69	2,741.18	- 3

\* Poonac and Coconut Cream not taken into account for calculation of nut Equivalent.