

COMMODITIES

COCONUT

Sri Lanka's earnings from the export of coconut products during the first five months of this year fell short of the earnings during the same period of 1976 by Rs. 170,000 despite booming prices in the international market. Desiccated coconut contributed to a major share of export earnings, bringing in nearly 50 per cent of the total value of exports for this year. A volume of 11,616 metric tonnes of D.C. earned Rs. 102 million in the first five months of 1977 as compared with 18,349 metric tonnes which earned Rs. 55 million during the same period in 1976. Coconut oil exports, on the other hand, showed a significant fall both in terms of volume and value. Only 2,065 metric tonnes of coconut oil were imported this year as against 24,694 in the same period last year.

In the first five months of 1977 coconut oil has contributed only 6% of the total earnings from coconut products as against 39 per cent in the same period of 1976. The average export value per metric tonne of coconut oil during the 1977 period has been Rs. 4,968 as against Rs. 2,750 for a metric tonne in the 1976 period. The sterling value of a metric tonne was £397 in 1977 as against £176 in 1976; unfortunately Sri Lanka has not been able to take advantage of this phenomenal rise in prices.

The increase in export values on Desiccated Coconut is significant, going up from Rs. 2,985 per metric tonne in the January-May 1976 period to Rs. 8,765 in the same period this year. The comparable sterling prices were £700 in 1977 as against £191 per metric tonne in 1976. These price increases also had their impact on the local prices of fresh nuts which in May 1976 sold at between Rs. 282 and Rs. 310 per 1,000 nuts; while in May 1977 the price per 1,000 nuts was Rs. 637 to Rs. 700. Both D.C. and coconut oil production also shows a significant drop in 1977. Coconut oil output fell to 15,137 metric tonnes in January-May 1977 from 36,743 metric tonnes in the same period in 1976; while Desiccated Coconut production fell from 16,382 metric tonnes during this period in 1976 to 9,338 metric tonnes in 1977.

Among the by-products that were exported the earnings from Bristle Fibre almost doubled; while earnings from Coconut Shell Charcoal increased over 100 per cent. Further details are given in the table below.

TEA

Prices

A fall in prices was recorded at the tea sales for the first time in several weeks, when at the Colombo Auction on April 25 the total sales average per kg. recorded Rs. 28.29 as against

the gross total sales average per kilo of Rs. 30.67 at the previous week's sales. Brokers were of the view that the sharp drop in prices experienced at the end of April came as a surprise. The prices had been declining at most auction centres of the world but the heavy drop in Colombo was unexpected. Prices for the poorer teas initially dropped by as much as Rs. 10/- at this auction, though buyers bid high for well made teas. The gap between the poorest teas and the best widened to about Rs. 15/- per kilo.

Crops

While Sri Lanka's crop for the month of March shot up by 5 million kilogrammes in comparison to the corresponding month of last year, crop intakes the world over have also generally increased and the first quarter production for this year is expected to be comparatively high. In India, it has been recommended that a domestic buffer stock be created to insulate the internal market against a shortage resulting in price increases. It is also reported that Bangladesh has imposed an export duty of one Taka per kilogramme and, in an endeavour to reduce the cost of tea in its internal market, abolished the prevailing Excise duty.

UK Sales

In the U.K., representations have been made to the Secretary of State for Price and Consumer Protection for a further increase in retail prices. This question is being examined very closely and the Secretary is reported to have said that he wants an 'authoritative check that consumers are not being exploited' during this operation. When the average London Auction price was £.2 per kilo, claims were being made by Britain's packers for an increase of 27p. per kilo. Since then the market has moved up considerably and if this level is maintained, Sri Lanka could expect a further increase in the retail price of tea. If this price increase is granted, it will be the sixth increase in U.K. over a year. The price changes for a quarter pound of tea, of a popular brand CO-OP "99", recorded over the past 9 months in U.K. are as follows: 1976—(Aug.) 10 p; (Oct.) 14 p; (Dec.) 16 p; 1977—(Jan.) 17p; (March) 19 p; (April) 26p.

EXPORTS OF COCONUT PRODUCTS

	January-May 1976		January-May 1977	
	Volume (MT)	Value (Rs. Thousand)	Volume (MT)	Value (Rs. Thousand)
Coconut Oil	24,694	67,920	2,065	10,253
D. C.	18,349	54,768	11,616	101,813
Copra	432	2,265	150	888
Fresh Nuts	2,473,850 (number)	2,883	—	—
Sub-total	326.92	127,836	96.25	112,954
Kernel Products	(million nut equivalents)		(million nut equivalents)	
Mattress Fibre	21,904	18,912	24,827	21,512
Bristle Fibre	4,631	7,805	5,482	14,205
Twisted Fibre	8,733	13,501	12,345	16,814
Coir Yarn Twine	1,750	3,606	687	1,662
Coconut Shell Charcoal	8,318	2,921	11,565	7,035
Coconut Shell Flour	389	200	287	171
Coconut Shells	1,217	233	500	121
Coconut Shell Activated Carbon	133	653	149	725
Coconut Ekels	745	479	1,031	777
Total Value of By-Products		48,310		63,022
Total Value of All Products		176,146		175,976