

COMMODITIES

COCONUT

DC Price Boom

Sri Lanka's export earnings from coconut products showed a marked improvement in the first quarter of this year—there was an increase of over 30% in earnings in this period as compared to earnings in the first three months of 1976. The most dramatic increase was in Desiccated Coconut earnings which shot up by over 100% for this comparative period. More significant is the fact that a smaller quantity, 7,808 tons in 1977 as against 11,190 tons in 1976, was exported—an indication of the booming Desiccated Coconut prices.

In terms of value the increase was from Rs. 32.8 million in 1976 to Rs. 69.3 million in 1977. The extent of the price boom is apparent in the comparative selling prices of Sri Lanka Desiccated Coconut in Europe in March 1976 and this year. The price of Sri Lanka Desiccated Coconut F.O.B. Europe was 1185-1200 dollars per metric ton in March 1977 as against 360-365 dollars per metric ton (C & F Europe) in March 1976. The market for over 90% of our Desiccated Coconut in 1977 has been in Europe, the EEC, Scandinavian countries and Eastern Europe.

The International prices for Philippine Desiccated Coconut had also shown an over 300% increase going up from \$291 in March 1976 to \$1200 in March 1977 per metric ton C & F Europe. The local market prices of Desiccated Coconut too had increased consistently from Rs. 2.45 per kg. in March 1976 to Rs. 7.20 per kg. in February 1977. The March 1977 price registered a fall to Rs. 5.94 per kg.

Coconut oil earnings however showed a heavy decline in the first three months of this year—falling to Rs. 9.8 million in 1977 from Rs. 35.2 million in the same period in 1976. With heavy pressures from domestic consumption the drop was even sharper in terms of quantity exported falling from 13,247 metric tons in 1976 to 2,017 metric tons in 1977. The pressures on stocks resulted in rapid increases in prices of coconut oil.

The International price Philippines for coconut oil for March had risen from US\$ 352 per ton in 1976 to US\$ 735 per tonne in 1977. The local market price for coconut oil was Rs. 2,545 per tonne in March 1976 as against Rs. 5,693 per tonne in March 1977.

EXPORTS OF COCONUT PRODUCTS

	January-March 1976		January-March 1977	
	Volume (MT)	Value (Rs. Thousand)	Volume (MT)	Value (Rs. Thousand)
1. Coconut oil	13,247	35,159	2,017	9,814
2. D.C.	11,190	32,763	7,808	69,310
3. Copra	250	1,266	150	888
4. Fresh Nuts	1,497 (number)	1,829	—	—
5. Sub-total Kernel Products	184.79 (million nut equivalents)	69,751 71,017	69.23 (million nut equivalents)	— 80,012
6. Mattress Fibre	14,233	12,310	15,396	13,170
7. Bristle Fibre	2,985	5,015	3,726	9,091
8. Twisted Fibre	5,616	9,541	8,348	11,247
9. Coir Yarn Twine	1,145	2,257	435	1,090
10. Coconut Shell Charcoal	4,674	1,709	8,836	5,300
11. Coconut Shell Flour	262	126	186	116
12. Coconut Shells	1,047	198	255	63
13. Coconut Shell Activated Carbon	84	374	64	346
14. Coconut Ekels	230	150	394	327
15. Total Value of By-Products	—	31,680	—	40,750
16. Total Value of All Products	—	102,697	—	120,762

TEA

On March 11th the Sri Lanka rupee was revalued by 20 per cent against all major currencies. Although, theoretically this should have resulted in a drop in the values of teas, in fact there was improved demand at the Colombo Auctions. By the end of March brokers reported that in the light of the fairly substantial drop at the London Auctions a quieter tone should have been expected in Colombo, but on the contrary there was continuous excellent demand with prices moving up sharply all round; with very strong buying on behalf of U.K., Libya and Iraq. By the end of March the gross sales average per kilo had reached Rs. 16.13 for the year as against Rs. 7.46 for the same period in 1975. Production by the end of March had reached 47.9 million kgs. for 1977 was again 43.4 million kgs. for the same period in 1976.

(A more detailed account of the immediate effects of the revaluation of the rupee on major primary commodities will appear in our April issue).

Among the other coconut products the most significant increase was in the exports of coconut shell charcoal where earnings were up to over 300 percent from Rs. 17 million in January-March 1976 to Rs. 5.3 million in 1977. During this period the average export value per metric tonne increased from Rs. 366 in 1976 to Rs. 600 in 1977. Notable, however, were the exports of coconut shell activated carbon which in this same period fell from 8.4 metric tonnes in 1976 to 66 metric tonnes in 1977; and coconut shells from 1,047 in 1976 to 255 in 1977.

Coconut ekels have also been fast becoming a major export item among coconut products; exports increased from 230 metric tonnes in January-March 1976 to 394 metric tonnes for the same period in 1977.

The table, at left, gives further details for all coconut products.