

REVIEW OF THE COCONUT INDUSTRY IN 1950

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Weather.—Both Monsoons gave less rain than the average, but, south of Chilaw, the distribution was good, particularly in the Negombo district where the number of days on which rain fell was above normal. North of Chilaw, however, drought conditions prevailed, and in the Puttalam district, which has suffered repeated droughts for several years, a high percentage of palms have died. The position in this drought-stricken area is extremely serious and a Committee of Experts has been appointed by the Board of Management of the Coconut Research Scheme to investigate the matter and suggest measures for amelioration.

Crops.—Except for the marginal lands in the coastal belt north of Chilaw, crops have been good and the out-turn of copra about normal.

The forecast for 1951 is that:—(a) in the Negombo and Colombo Districts there will be an improvement; (b) in the Southern Province about average; (c) in the Kurunegala District, above average; (d) in the Chilaw District, there will be an improvement in the southern part, but a shortfall in the north; (e) in the Puttalam District, not only will there be a disastrous shortfall in the number of coconuts, but the nuts are so small that the out-turn of copra will be extremely poor.

Exports.—Major Products				1950	1949	1948
Copra	...	...	cwt.	422,336	431,587	1,089,216
Coconut Oil	...	...	"	1,514,337	1,783,684	1,514,606
Desiccated Coconut	...	...	"	898,180	321,041	236,495
Fresh Coconuts	...	...	No.	8,631,794	12,896,127	9,387,127
Total (in terms of Coconuts)	...	...	"	1,039,289,500	956,174,000	978,591,000

Other Coconuts Products

Fibre—Bristle	...	...	cwt.	178,553	188,392	117,323
„ —Mattress	...	...	"	873,948	644,834	536,300
Coir —Yarn	...	...	"	87,069	56,777	50,870
„ —Rope	...	...	"	3,344	3,626	3,966
„ —Other Manufactures	...	...	"	6,348	8,052	12,141
Shell Charcoal	...	...	"	81,250	29,316	51,617
Poonac	...	...	"	178,838	171,658	168,481

Prices.—The market, which was in a more or less chaotic condition at the end of 1949, upset by the removal of restrictions on exports, became settled early in 1950 and the movement of products returned to normal. The producer began to benefit from both the reduction in the export duty and the abolition of restrictions in exports (except in the case of fresh coconuts). Copra fluctuated between Rs. 225 and Rs. 250 per candy, and Coconut Oil remained steady between Rs. 1,500 and Rs. 1,600 per ton. In the case of Desiccated Coconut there was a decline, but the price remained slightly above the copra parity.

Since the Department of Commodity Purchase ceased to exist the export of fresh coconuts became the monopoly of the Co-operative Department. The reason for this was that the high price of coconuts affected the local consumer, particularly in Colombo, and the Co-ops. sold fresh nuts in Colombo at a price much lower than the cost. The loss incurred by the local sales was more than made good from the profits obtained by exports. This procedure did not, in any way affect the producer adversely:

The values of all coconut products exported during the last three years are as follows :—

	1950 Rs.	1949 Rs.	1948 Rs.
Copra	25,435,672	21,570,759	42,190,888
Coconut Oil	127,374,147	121,326,750	84,060,587
Desiccated Coconut	95,237,956	25,499,662	25,245,243
Fresh Coconuts	4,050,604	4,584,303	1,947,977
Fibre—Bristle	4,949,434	4,591,077	2,752,796
„ —Mattress	15,898,254	8,470,055	5,632,623
Coir Yarn	4,477,003	2,129,765	1,992,402
„ —Rope	126,806	118,223	146,778
„ —Other Manufactures	306,695	320,312	575,484
Shell Charcoal	617,340	155,400	351,613
Poonac	2,532,251	1,635,305	2,428,374
Total ...	281,006,162	190,401,611	167,324,765

Cost of Production.—The further increase in the dearness allowance and in the latter half of the year, an increase in basic wages, has been responsible for a further rise in the cost of production.

Cultivation and Manuring.—The increased activity in all forms of cultural operations noted last year has continued in the year under review.

Replanting.—The number of nurseries, opened chiefly by the Co-operative Societies working in collaboration with the Planting Division of the Research Scheme, has grown considerably, and there is every indication that the industry is becoming increasingly alive to the necessity for replanting senile areas. A good deal of work yet remains to be done, particularly in the Veyangoda and Batticaloa areas. The marginal lands in the Puttalam and Mannar Districts present a problem of their own since the vital need to conserve water in the soil is combined with the necessity for rejuvenating the plantations.

Pests and Diseases.—There is very little to report so far as damage caused by both the Rhinoceros Beetle and the Red Weevil are concerned, and conditions have been about normal. It is certain that these pests have natural enemies, birds, at all stages of their development, and insects such as ants, in their larval stage. Under certain conditions it has been proved that the Green Muscardine Fungus kills the larvae of the Rhinoceros Beetle. Investigations may provide better methods of control (such as encouraging an increase in the bird population) than the present system of human search and collection of beetle grub.

Some progress has been noted in the attempt to tackle the Tapering Disease of palms, and there are indications that the application of some of the minor elements give a favourable reaction.

Health of Labour.—The health of the labourers continues to be good on the whole. Coconut Estates, which hitherto have been exempt from any housing regulations under the Medical Wants Ordinance, have now been brought into line with the other major plantation products under the Diseases (Labourers) Ordinance, and new regulations have been gazetted.

Thefts.—With the increase in the price of coconuts, thefts have also increased and one or two cases have been reported in which armed gangs have carted away heaps of harvested crop. Such cases are likely to occur chiefly on estates in outlying areas which have been left in charge of only a watchman. So long as sentences pronounced in Court, in cases where convictions have been obtained, are inadequate, it is certain that thefts will continue.

Coconut Research.—The finances of the Scheme continued to cause anxiety up to almost the end of the year. In October, however, the cess was increased to five times the former rate, *i.e.*, to 25 cents as against 05 cents per thousand nuts. At the same time, Industrial Research, except up to the laboratory stage, was taken away from the Scheme since a separate department for such research had been established under the Ministry of Industries. Close liaison has been established between the two Research Institutes in order to eliminate over-lapping and to assist each other.

The staff of the Institute is being strengthened and, in the near future, an Animal Husbandry Division will be included. It is felt that there should be some scientific investigation into the effect on both soil and crop of keeping livestock, particularly since it may be possible to establish a large dairy industry on coconut plantations.

Coconut Industries Co-ordination Board.—This Board was established in the latter half of the year and consists of the Permanent Secretaries to the Ministries of Agriculture, Commerce and Trade, Industries, Food and Co-operative Undertakings, and Finance. Representatives of the various bodies interested in the Industries, both official and unofficial, are invited to attend meetings whenever their presence is considered necessary.

The Co-operative Movement.—There has been an increase in the number of Societies interested in coconut products. While it is true that the Societies are formed by producers, the nett result has been an increase in the number of factories, though the acreage under production has shown no corresponding increase. If the figures given by the Coconut Commission in their Report are accepted as a fair estimate of production, all the coconut oil and desiccating mills in existence in 1948, working to capacity, would have required 1,250 million nuts more than the average production.

The present position is that the members of the new Co-ops supply their own mills and have ceased to supply the private mill owners who formerly bought their produce. There has not been any real improvement in the production side of the industry and there are now more factories for dealing with produce that had already been in short supply. With both the increase in local consumption due to a rapidly increasing population, and the growth of the Co-operative movement resulting in an eruption of new factories, there is every likelihood of a serious industrial crisis developing in the future unless both the acreage under coconuts is increased by at least half-a-million acres and the yield of existing plantations raised, from the average of 1,800 given by the Coconut Commission, to at least 2,500 nuts per acre.