

# THE COCONUT INDUSTRY DURING 1966

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## General

Apart from the fact that the history of the coconut palm in Ceylon goes back many centuries, it is seldom realised that of the three existing staple agricultural crops (excluding rice), coconut by far occupies the largest acreage. There has however been no recent expansion in the form of large scale new plantations. This has been confirmed by the Agricultural Census of 1962 where the extent under coconut is stated to be 1,152,418 acres. In other words, in terms of earlier estimates the increase in the area under coconut over the last 35 to 40 years has been less than 100,000 acres.

An all-time record in coconut production estimated at 3,148 million nuts was recorded in 1964. The estimated production for 1966 however is 2,821 million nuts, representing a decrease of 10.7% from 1964 and 9.5% from the average production (of 2,895 million nuts) for the past 5 years.

The decrease in production during 1966 is also reflected in the steep decline in the volume of exports for the year. These represent decreases of 36.7% and 28.8% from 1964 and the average for the past 5 years respectively.

An interesting feature during 1965 was that increased demand coupled with low crops tended towards better prices for coconuts and coconut products. This was however not so in 1966. The value of exports during this year averaged only Rs. 193/66 per thousand nuts, representing a decrease of 11.0% from 1965, and a decrease of 25.0% from the previous record of Rs. 258/29 reached in 1951. In terms of the average value of exports for the past five years (Rs. 169/89) however, the figure for 1966 represents an increase of 14.0%.

## Coconut Fertilizer Subsidy Scheme

The supply of fertilizers under the Government Subsidy Scheme on permits issued by the Commissioner of Coconut Rehabilitation continued during 1966. Under this Scheme, as in previous years, *Estates* (i.e. coconut lands over 20 acres in extent) received a Government grant amounting to one-third the cost of fertilizer, while Small-holdings (i.e. coconut lands 20 acres or less in extent) received a subsidy amounting to half the cost of fertilizer. Whilst all estate owners had to make application direct to the Commissioner, in the case of small-holders this was made optional, so that by choice they could obtain their fertilizer requirements through Co-operative Societies, Co-operative Agricultural Production Societies, Multi-Purpose Co-operative Societies or through Coconut Producers' Co-operative Societies.

Up to the end of 1963, fertilizer distributed under the Subsidy Scheme was obtainable from approved fertilizer firms in the private sector. With the setting up of the Ceylon Fertilizer Corporation in 1964 (under the State Industrial Corporation Act, No. 49 of 1957) however, this body was made solely responsible for the distribution of fertilizer.

It is estimated that prior to 1956 (when the Subsidy Scheme was first launched), the quantity of fertilizer used on coconut lands was about 10 to 12 thousand tons. Actually, good progress has been made under this Scheme, and this is evidenced by the fact that fertilizer usage on these lands increased progressively to reach 50,100 tons in 1965 as against 47,406 tons in 1964.

### Expanded Programme for Rehabilitation

With a view to increasing benefits to coconut growers, the views of the C.R.I. and all other organisations connected with the coconut industry were consolidated on the Cabinet Memorandum prepared by the Commissioner of Coconut Rehabilitation on the Expanded Programme for Coconut Rehabilitation. In this connection, a six-member Committee was appointed by the Minister of Agriculture and Food, to study the proposals, and draw up a scheme of priorities for the measures to be implemented, apart from recommending any changes that would be desirable.

### All-Island Coconut Survey

The Pilot Sample Survey (confined to the three principal coconut growing districts of Colombo, Kurunegala and Chilaw) initiated in 1961 under the aegis of the F.A.O. was completed in 1963.

Based on the information available from the Census of Agriculture (1962), action was initiated for conducting an All-Island Coconut Sample Survey during 1966/67. The survey is to be carried out in the Colombo, Kalutara, Galle, Matara, Hambantota, Kurunegala, Puttalam and Kegalle Districts which account for about 89% of the area under coconut. The content of the proposed survey however, is to be restricted to cover information relating to area, palm population (classified by age group and bearing status), yield levels along with seasonal variations and other factors directly referring to planting progress and the use of fertilizers.

### Desiccated Coconut

Ceylon has achieved complete success in the elimination of Salmonella infection as regards desiccated coconut.

The laboratories set up by the Ceylon Coconut Board for stepping up the scope of chemical and bacteriological control on desiccated coconut manufacture in Ceylon, continued to function effectively during 1966.

### Fermentation Industry

The sale of toddy in Ceylon is controlled by Government licences and a considerable industry depends on it. Though the *palmyrah palm* (which grows in the Northern and Eastern Provinces) and the *Kitul palm* (which grows in the hill country) are tapped for toddy, only that derived from *coconut* is utilised for purposes of distillation. As against, Rs. 3/- for a gallon of palmyrah and kitul toddy, the price of a gallon of coconut toddy averaged Rs. 3/60 during 1965.

Consumption of toddy during 1964/65 was 4,850,791 gallons as against 5,263,844 gallons in 1963/64. These figures exclude the consumption of toddy

under the Tree Tax System in the Jaffna District. Under this system, a person is permitted to tap a maximum of 20 palms on payment of tree tax at Rs. 3/75 per male palmyrah palm and Rs. 15/- per female palmyrah palm or coconut palm. Toddy so obtained however, has to be sold at the base of the palms.

The arrack industry is a Government monopoly and it earns the largest Excise Revenue for Government. Arrack is produced by the distillation of fermented toddy at nine private distilleries in the Kalutara district and the State Distillery at Seeduwa in the Colombo District. The arrack produced by the private distillers is purchased by Government annually under contract. The latest available figures for arrack production are as follows:—

Year	Private Distilleries (Proof gallons)	State Distillery (Proof gallons)
1963/64	866,828	239,777
1964/65	842,012	138,291

Owing to inadequate supplies of raw material, the maturation of ordinary arrack was not carried out during 1964/65, but was bottled immediately after distillation.

Arrack consumption in 1964/65 was 3,031,505 gallons as against 2,788,023 gallons in 1963/64.

Owing to the serious shortage of tappers, the Rural Development Department continued the scheme for training unemployed youths in toddy tapping in the Chilaw and Kalutara districts. It has been reported that the Scheme has been a success in Nattandiya and Weanappuwa electorates of the Chilaw District. According to the scheme, 200 young men are being trained at six centres in these electorates, and 2,000 palms have been set apart for this purpose. About 25 trainees are attached to each centre to work on 250 palms. It is reckoned that a trainee could earn from Rs. 10/- to Rs. 30/- per day depending on his aptitude and skill.

The Department of Small Industries and Rural Development now proposes to recruit batches of 500 youths and train them at 20 centres in all.

#### Monthly Prices of Coconuts Products (1966)

Month	Copra/ Candy Rs. cts.	Coconut Oil/ton Rs. cts.	D.C./ lb. Rs. cts.	Panac/ ton Rs. cts.
January	215.50	1,261.67	00.57	301.54
February	215.11	1,242.27	00.54	367.06
March	213.69	1,228.21	00.53	394.52
April	224.33	1,245.83	00.52	427.50
May	211.23	1,246.05	00.49	383.57
June	209.79	1,267.50	00.47	327.89
July	181.23	1,180.77	00.43	205.75
August	172.10	1,105.31	00.42	200.68
September	176.27	1,082.75	00.44	216.90
October	167.04	969.47	00.40	275.43
November	167.50	984.00	00.38	311.19
December	192.23	1,103.10	00.44	320.00
Average	195.59	1,159.74	00.47	311.00

### Rainfall (Stations in Coconut Growing Areas)

Station	1965	1966	Average (1954-65) (12 Years)
Lunuwila ..	67.97	65.68	80.94
Madampe ..	46.70	36.68	64.25
Chilaw ..	57.23	47.44	63.76
Puttalam ..	39.18	36.35	48.26
Kurunegala ..	81.61	85.50	84.88

### COCONUT PRODUCTION IN 1966

	Production	Nut Equivalent
1. Production in 1966 ..	..	2,621 million nuts
2. Production in 1965 ..	..	2,835 "
3. Average production for the last 5 years ..	..	2,895 "
4. Previous production record 1964 ..	..	3,148 "
5. Decrease from 1965 ..	..	7.5%
6. Decrease over Average last 5 years ..	..	9.5%
7. Decrease from previous record ..	..	16.7%

### Exports

#### I. By Volume

(a) Amount	Nut Equivalent
1. Exports in 1966 ..	1,028,821,000 nuts
2. Exports in 1965 ..	1,278,472,000 "
3. Average last 5 years ..	1,406,171,000 "
4. Previous export record in 1964 ..	1,625,806,000 "
5. Decrease from 1965 ..	19.5%
6. Decrease from last 5 years average ..	26.8%
7. Decrease from previous record ..	36.7%

#### (b) Distribution

	Coconut Oil	Copra	D.C.	Fresh Nuts
1966 ..	57.5%	10.1%	31.2%	1.1%
1965 ..	55.2%	16.0%	28.1%	0.7%

#### II. By Value

(a) Amount	Value (Rs)
1. 1966 ..	199,242,267
2. 1965 ..	278,202,217
3. Average for last 5 years ..	237,440,100
4. Previous record (1951) ..	322,827,380
5. Decrease over 1965 ..	28.4%
6. Decrease over last 5 years average ..	16.1%
7. Decrease from previous record ..	38.3%

(b) *Distribution*

	<i>Coconut Oil</i>	<i>Copra</i>	<i>D.C.</i>	<i>Fresh Nuts</i>
1966..	54.5%	12.3%	31.4%	1.8%
1965..	51.9%	17.4%	29.8%	1.1%

**Average Value of Exports**

	<i>Rs/1000 nuts</i>
1. 1966 ..	193.66
2. 1965 ..	217.61
3. Average for last 5 years ..	169.89
4. Previous record (1951) ..	258.29
5. Decrease over 1965 ..	11.0 %
6. Decrease over last 5 years average ..	14.0 %
7. Decrease from previous record ..	25.0 %

**EXPORTS OF COCONUT PRODUCTS 1966**

<i>Item</i>	<i>Quantity (Cwt.)</i>	<i>Value (Rs)</i>	<i>Nut Equivalent</i>
Fresh nuts ..	11,346,313 (No.)	3,551,817	11,346,313
	159,831		
D.C. ..	930,634	62,599,445	321,085,980
C.Oil ..	1,457,338	103,497,892	592,043,562
Copra ..	417,380	24,593,113	104,345,000
<b>Total</b> ..	<b>2,965,233</b>	<b>199,242,267</b>	<b>1,028,820,855</b>
Coconut Poonac	nil	—	—
Mattress Fibre ..	1,114,220	20,291,507	—
Bristle Fibre ..	401,183	17,449,485	—
<b>Total Fibre</b> ..	<b>1,515,412</b>	<b>37,740,992</b>	
<b>Grand Total</b> ..	<b>4,480,645</b>	<b>236,983,259</b>	

**Distribution of all products by Value**

	<i>Coconut Oil</i>	<i>Copra</i>	<i>D.C.</i>	<i>Fresh Nuts</i>	<i>Poonac</i>	<i>Fibre</i>
1966 ..	45.8%	10.4%	26.4%	1.5%	—	15.9%
1965 ..	43.6%	14.6%	24.9%	0.9%	1.0%	15.0%

**Copra Sales**

Total copra sales in 1966 ..	607,853
Total (Est.) Poonac Production ..	(not available)
Quantity of Poonac exported ..	nil

**Conversion Rates**

1 ton of Copra ..	= 5,000 nuts
1 ton of Coconut oil ..	= 8,125 nuts
1 ton of D.C. ..	= 6,900 nuts