

The Coconut Industry

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General

Since the coconut industry of Ceylon depends largely on overseas markets, its prosperity naturally ebbs and flows according to the supply of and demand for coconut oil and other coconut products in the world markets. The continued success of the industry therefore depends not only on its ability to surmount agricultural and economic difficulties but also on its ability to withstand competition from other producing countries. In view of these facts it is imperative that apart from increasing coconut yields (to reduce the cost of production), the quality of coconut products should also be maintained at a higher level.

An all-time record in Coconut production estimated at 3,148 million nuts was recorded in 1964. The estimated production for 1968 is 2,764 million nuts representing a decrease of 12.2% from 1964 and 0.5% from the average production (of 2,777 million nuts) for the past 5 years. The production figure for 1968 however constitutes an increase of 7.3% over the preceding year, which has been estimated at 2,577 million nuts. If not for the fact that some of the most productive estates and small-holdings in the Chilaw District (constituting an area equivalent to about 9% of the Island's coconut acreage) suffered extensive damage during the October 1967 cyclone, the Island production for 1968 would in all probability have exceeded the average for the past 5 years.

The reflection of the increase in production in 1968 (over the preceding year) on the volume of exports amounts to 16.0%. In terms of the record and the average for the past 5 years however the exports are lower by 32.2% and 9.6% respectively.

As regards the value of exports, 1968 has been an exceptionally good year registering a new record for the average amounting to Rs. 302/62 per 1,000 nuts. This figure actually represents an increase of 69.2% over 1967 and 63.6% over the average for the last 5 years. In terms of the previous record of Rs. 258/29 reached in 1961, the increase is 17.2%.

Coconut Fertilizer Subsidy Scheme

The Commissioner of Coconut and Cocoa Rehabilitation has been responsible for the operation of the Coconut-Fertilizer Subsidy Scheme. The response to the Coconut Fertilizer Subsidy Scheme since its inception has been very encouraging. Prior to the introduction of this Scheme in 1956, the quantity of fertilizer used on coconut lands was about ten to twelve thousand tons. The records show that this figure has progressively risen since then and is now equivalent to a five to six-fold increase over the original consumption level.

Final figures of fertilizer used during 1968 are not available yet, but according to data so far received, approximately 58,000 tons of fertilizer were distributed under the Scheme on permits issued in 1968 as against 51,193 tons in 1967. In view of the fact that the permits for 1968 continue to be valid until 31st January 1969, the actual issues for 1968 are likely to be higher than the figure indicated above. Also, these figures do not include 2,287 tons of free fertilizer issued in 1968, as against 1,500 tons the previous year to owners of uneconomic citronella lands planted with coconut under the Citronella Subsidy Scheme.

Details pertaining to the issue of fertilizers under the Subsidy Scheme to permit holders during the past three years are as follows :

Details pertaining to Fertilizer Distribution	Estates (over 20 acres)			Small-holdings (under 20 acres)			Co-operative Societies		
	1966	1967	1968	1966	1967	1968	1966	1967	1968
No. of Permit Holders	2,134	2,177	2,437	17,042	17,867	19,969	945	497	444
Acreage in respect of which applications were received	198,824	201,115	216,583	91,901	96,664	105,885	44,496	45,539	47,772
Quantity of Fertilizer applied for (tons)	37,127	38,475	43,241	23,840	28,013	31,529	11,851	13,093	13,462
Quantity of Fertilizer actually drawn (tons)	26,546	25,183	30,000	17,607	17,370	19,000	9,797	8,640	9,000

The Standard fertilizer mixtures recommended by the Coconut Research Institute since the inception of the Subsidy Scheme in 1956, have been referred to in the Advisory Leaflets as follows:—

- (i) C.R.I. Mixture for Young Palms ("Y.P.M.")
- (ii) C.R.I. Mixture 'A'
- (iii) C.R.I. Mixture 'B'
- (iv) C.R.I. Mixture 'C'

The composition of these mixtures (in respect of Nitrogen, Phosphorus and Potassium) was changed after eleven years in 1967. Applicants for fertilizer permits were allowed the freedom to choose mixtures based on the Old Formula or New Formula for the year 1968 only.

The prices of each of the standard mixtures (old and new formulas) at the beginning of 1968 and from 29th April 1968 when increased prices took effect consequent on devaluation of the Ceylon Rupee, were as follows:

FERTILIZER MIXTURE	PRICE PER TON (Rs.)			
	Old Formula		New Formula	
	1.1.68	29.4.68	1.1.68	29.4.68
Y. P. N.				
A.	380/-	470/-	399/-	482/-
B.	385/-	480/-	412/-	493/-
C.	392/-	490/-	417/-	498/-
... ..	387/-	485/-	420/-	502/-

The policy under the Fertiliser Subsidy Scheme has been for the Government to meet one-third of the cost of fertilizer used on coconut estates (i.e. coconut lands over 20 acres in extent) and one-half of the cost of fertilizer used on small-holdings (i.e. coconut lands 20 acres or less in extent).

On the recommendation of the Committee appointed by the Ministry of Agriculture and Food to report on measures required to improve the productivity of coconut lands, the rate of subsidy for estates was increased from 33 1/3 per cent to 50% by Government with effect from 1st October 1968.

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 1968.

In all, 80 factories manufactured Desiccated Coconut during the year, and in order to ensure better control over bacterial contamination and quality, routine factory sampling was carried out on a 10 per cent basis from August 1968, for purposes of primary examination. In the event of any detections of contamination, the procedure followed was one of 100% resampling.

A total of 30,282 samples were examined in the Bacteriological Laboratory of the Board during the year, and positive contamination with pathogenic organisms was established only in under 0.5 per cent of them. In all, 29 types of Salmonellae were identified in the samples examined, but only five of them were found to be of frequent occurrence.

A total of 14,558 samples were tested in the Quality Control Laboratory of the Board during the year. They were examined for colour, odour, moisture, oil exudation, particle size, and paring specks. Out of the samples tested, 1,795 were found to be sub-standard in respect of one or more of the

quality requirements. Approximately 5 per cent of the total desiccated coconut manufactured during the year were condemned on the findings in the laboratory.

Coir Fibre Industry

It is reckoned that the 300 coir fibre mills in the Island give employment to about 18,000 workers. During 1967, over 200 of these mills temporarily stopped production on account of the poor market for fibre and manufactured coir products. As a result of insistent representations made by the All-Ceylon Fibre Millers' Association to the Minister of Trade & Commerce, the Coconut Fibre Board (comprised of Shippers, millers and workers) was set up during the early part of the year. Apart from serving as a forum for all those interested in the coir industry, the envisaged objectives of the Board are to find new markets, fix prices and maximum standards, develop new uses and modernise the coir milling industry in general.

To facilitate streamlined production, and modernization under a proposed subsidy scheme, the new Board as a first step, has prevented all unregistered mills from functioning. In consultation with the Bureau of Ceylon Standards, the Board's attention has also been focussed on the question of laying down quality standards for bristle and mattress fibre.

Ceylon Oils and Fats Corporation

The Ceylon Oils and Fats Corporation celebrated the tenth anniversary of its incorporation in 1968. Though it has passed through many vicissitudes of fortune it is gratifying that a situation of commercial viability has been reached consequent on a complete re-organisation of the Corporation's Factory.

The vast improvement in profitability has been brought about by improving efficiencies in all the operating plants, increasing through-puts, and bringing into commercial production, plants that lay idle. Production in the Provender Plant has been increased from 1,000 tons per month in 1950 to 4,000 tons in July 1968. Work on a second Provender Plant was inaugurated during the year with a view to raising the monthly output of animal feeds to 9,000 tons.

The continuous Solvent Extraction Plant was completely reconditioned and modified to process 2,000 tons of oil cake (Poonac) per month regularly. The Corporation's efforts to recover oil by solvent extraction from dried coconut refuse ("Pol Kudu") continued to be a success. The Fatty Acids Complex was commissioned and brought into commercial production in January 1968.

The crude industrial oil solvent-extracted from coconut poonac and 'pol-kudu' was chemically split and processed further to produce white Distilled Fatty Acids and 88-90 per cent Technical Glycerine. Regular quantities of both these commodities were exported during the year.

Cyclone Damage

Extensive damage was caused to Coconut plantations along the coastal belt from Wennappuwa to Rajakadaluwa in the Chilaw District during the 2-day cyclone of October 20th to 21st 1967. The field staff of the C.R.I. was deployed for conducting a sample survey of the affected areas with a view to assessing the extent of damage for purposes of rehabilitation.

The C.R.I. Survey has shown that out of total of 6.5 million coconut palms in the Chilaw district, about 1.1 million (17%) were either completely destroyed or partially damaged by the cyclone as follows :—

Completely destroyed	...	400,000	} Damaged but capable of rehabilitation
Slanting Palms (that could be hauled up)	...	300,000	
Partial Crown damage	...	400,000	
		1,100,000	

The survey also revealed that the 96,941 acres of coconut land in the Chilaw district consist of 29,702 holdings of which 25,338 holdings were under 5 acres in extent. There is little doubt that it is this category of owner who is in most need of assistance.

On the basis of the Survey results, the C.R.I. actually reserved 200,000 seedlings for issue on a priority basis (with free transport) to the cyclone affected areas. The response however has so far been very poor in that during 1968 applications were received only for about 32,000 seedlings. The cause for this situation is being investigated.

Fermentation Industries

There were seven private distilleries and one Co-operative Distillery in the Kalutara District and the State Distillery at Seeduwa functioning in 1968. The distilleries in the Kalutara district tapped 133,725 palms and obtained 6,403,776 gallons of toddy and manufactured 775,790 proof gallons of arrack in 1967/68. For the State Distillery at Seeduwa 19,000 trees were tapped in the Chilaw district. 104,058 proof gallons of arrack were manufactured at the State Distillery by distilling 1,016,287 gallons of toddy in 1967/68.

Even though the rates paid for the supply of a pure gallon of toddy was increased from Rs. 10.81 in 1967 to Rs. 11.36 in 1968 for the Kalutara district and Rs. 1.15 in 1967 to Rs. 1.30 in 1968 for the Chilaw district the supply of toddy did not show any marked improvement commensurate with the incentive offered. Ten centres established and run under the supervision of the Department of Rural Development and Cottage Industries trained 463 tappers. The Government relaxed its policy and renewed the visas of all Indian tappers who were in employment in previous years. The damage to coconut palms in the Chilaw district and the lack of skilled tappers are the chief reasons for the decline in production of toddy.

Most of the palms in the Kalutara district have been tapped for a number of years and replantation of palms in this area is an urgent need.

MONTHLY AVERAGE PRICES OF COCONUT PRODUCTS (1968)

MONTH	Copra per Candy		C/Oil per ton		D. C. per lb.		Poonac per Ton	
	1967	1968	1967	1968	1967	1968	1967	1968
	Rs.	c.	Rs.	c.	Rs.	c.	Rs.	c.
January	196.37	237.58	1,167.10	1,412.63	.45	.62	320.50	377.11
February	206.93	238.18	1,193.16	1,419.75	.45	.64	346.58	332.25
March	203.83	252.08	1,194.05	1,505.68	.47	.82	348.09	345.00
April	188.08	252.79	1,084.44	1,508.42	.44	.83	346.39	349.47
May	173.21	248.68	1,038.50	1,494.21	.45	.82	307.50	356.32
June	181.14	248.68	1,089.52	1,498.81	.46	.84	246.67	350.48
July	175.87	255.52	1,059.13	1,537.50	.47	.92	238.48	327.05
August	179.10	279.42	1,058.41	1,586.14	.49	.95	250.68	303.86
September	198.71	272.24	1,143.25	1,529.76	.53	.91	329.00	311.67
October	211.17	259.86	1,217.50	1,537.86	.51	.76	333.86	316.19
November	235.05	261.49	1,311.66	1,563.86	.54	.65	356.00	345.00
December	230.56	269.19	1,322.85	1,596.25	.57	.74	379.64	404.50
Average	198.34	256.31	1,156.63	1,515.90	.49	.79	316.95	343.24
% Increase	—	29.2%	—	31.1%	—	61.2%	—	8.3%

RAINFALL (STATIONS IN COCONUT GROWING AREAS)

Station	1967	1968	Average (1953-67)
Lunuwila	92.39	69.61	79.91
Madampe	73.84	61.83	64.45
Chilaw	77.89	51.38	63.62
Puttalam	45.68	41.54	47.29
Kurunegala	94.83	87.12	85.58

Copra (Sales)

Total Copra sales in 1968

Candies

444,540

COCONUT PRODUCTION IN 1968

Production

1. Production in 1968	...	...	...	2,764 million nuts
2. Production in 1967	...	...	...	2,577 "
3. Av. production for the last 5 years	...	...	...	2,777 "
4. Previous production record 1964	...	...	...	3,148 "
5. Increase from 1967	...	...	...	7.3%
6. Decrease over the last 5 years average	...	...	...	0.5%
7. Decrease from previous record	...	...	...	12.2%

Nut Equivalent

Exports

1. *By Volume :*

(a) *Amount*

1. Exports in 1968	...	...	...	1,103,081,730 nuts
2. Exports in 1967	...	...	...	950,611,000 "
3. Av. last 5 years	...	...	...	1,220,000,000 "
4. Previous record (1964)	...	...	...	1,625,806,000 "
5. Increase from 1967	...	...	...	16.0%
6. Decrease from last 5 years average	...	...	...	9.6%
7. Decrease from previous record	...	...	...	32.2%

Nut Equivalent

(b) Distribution

	C. Oil	Copra	D.C.	Fresh Nuts
1968 ...	46.5%	9.6%	43.2%	0.7%
1967 ...	57.0%	8.3%	33.6%	1.1%

II. By Value

(a) Amount

					Rs.
1. 1968 ...	...	...	...	...	333,819,816
2. 1967 ...	...	...	...	...	170,033,494
3. Av. for last 5 years ...	...	...	...	...	230,692,942
4. Previous record (1961) ...	...	...	...	...	322,827,380
5. Increase over 1967 ...	...	...	...	...	96.3%
6. Increase from last 5 years average ...	...	...	...	...	44.7%
7. Increase from previous record (1951) ...	...	...	...	...	3.4%

(b) Distribution

	C. Oil	Copra	D.C.	Fresh Nuts
1968 ...	39.8%	10.1%	49.1%	1.0%
1967 ...	51.5%	10.9%	35.8%	1.8%

Average value of Exports

					Per 1000 nuts
					Rs. cts.
1. 1968 ...	...	...	...	...	302.62
2. 1967 ...	...	...	...	...	178.88
3. Av. last 5 years ...	...	...	...	...	185.00
4. Previous record 1961 ...	...	...	...	...	258.29
5. Increase over 1967 ...	...	...	...	...	69.2%
6. Increase over last 5 years average... ..	...	...	...	...	63.6%
7. Increase over previous record ...	...	...	...	...	17.2%

EXPORTS OF COCONUT PRODUCTS 1968

Item	Quantity		Value Rs.	Nut Equivalent
Fresh nuts ...	7,583,126	No.	3,307,152	7,583,126
D.C. ...	1,381,983	Cwt.	163,818,838	476,784,135
Coconut Oil ...	1,261,291	Cwt.	132,990,738	512,399,469
Copra ...	425,260	Cwt.	33,703,087	106,315,000
Total ...	3,068,534		333,819,816	1,103,081,730
Coconut Poonac	Nil		Nil	Nil
Mattress Fibre ...	1,251,191	Cwt.	25,496,189	—
Bristle Fibre ...	663,854	Cwt.	25,571,396	—
Total Fibre ...	1,915,045		51,067,585	—
Grand Total...	4,983,579		384,887,401	—

Distribution of all products by value

	C. Oil	Copra	D.C.	Fresh Nuts	Fibre
1968 ...	34.5%	8.8%	42.5%	0.9%	13.3%
1967 ...	41.4%	8.8%	28.8%	1.4%	19.6%

Conversion Rates

1 Ton of Copra	=	5,000 nuts
1 Ton of C'Oil	=	8,125 nuts
1 Ton of D.C.	=	6,900 nuts